



HILLINGDON  
LONDON

**VIRTUAL**

# CABINET

**Date:** THURSDAY, 18 MARCH  
2021

**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:**

Ian Edwards, Leader of the Council  
(Chairman)

Jonathan Bianco, Deputy Leader of the  
Council & Cabinet Member for Property &  
Infrastructure (Vice-Chairman)

Douglas Mills, Cabinet Member for  
Corporate Services & Transformation

Martin Goddard, Cabinet Member for  
Finance

Susan O'Brien, Cabinet Member for  
Families, Education and Wellbeing

Jane Palmer, Cabinet Member for Health  
& Social Care

Eddie Lavery, Cabinet Member for  
Environment, Housing & Regeneration

John Riley, Cabinet Member for Public  
Safety and Transport

**Published:**  
Wednesday, 10 March 2021

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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:

*18 March 2021 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**

10 March 2021  
London Borough of Hillingdon

# Agenda

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

## **Cabinet Reports - Part 1 (Public)**

- 5 Climate Change Action Plan (Cllr Eddie Lavery) 13 - 44
- 6 Monthly Council Budget Monitoring Report: Month 10 (Cllr Martin Goddard) 45 - 100
- 7 Quarterly Planning Obligations Monitoring Report (Cllr Eddie Lavery) 101 - 106

## **Cabinet Reports - Part 2 (Private and Not for Publication)**

- |           |   |           |
|-----------|---|-----------|
| <b>8</b>  | The Council's Telephony and Network Infrastructure (Cllr Douglas Mills)                                 | 107 - 124 |
| <b>9</b>  | Refurbishment of the Civic Centre Mezzanine to enable the Relocation of Services (Cllr Jonathan Bianco) | 125 - 134 |
| <b>10</b> | Contract Extension for Carer Support Services (Cllr Jane Palmer)  | 135 - 142 |
| <b>11</b> | Grant of Lease for Electrical Substation - Meadow High School, Hillingdon (Cllr Jonathan Bianco)        | 143 - 148 |

*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.*

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

## Minutes

### CABINET

Thursday, 18 February 2021

Meeting held virtually on the Council's YouTube channel: [Hillingdon London](#)



Decisions published on: 19 February 2021

Decisions come into effect from: 26 February 2021 \*

#### **Cabinet Members Present:**

Ian Edwards (Chairman)  
Jonathan Bianco (Vice-Chairman)  
Douglas Mills  
Martin Goddard  
Susan O'Brien  
Jane Palmer  
Eddie Lavery  
John Riley

#### **Members also Present:**

Duncan Flynn  
Keith Burrows  
Wayne Bridges  
Philip Corthorne  
Nick Denys  
Simon Arnold  
Peter Curling  
Peter Money  
Kerri Prince  
Tony Little (Co-opted)

#### **1. APOLOGIES FOR ABSENCE**

All Members were present.

#### **2. DECLARATIONS OF INTEREST IN MATTERS BEFORE THIS MEETING**

No interests were declared in matters before the meeting.

#### **3. TO APPROVE THE MINUTES OF THE LAST CABINET MEETING**

The decisions and minutes of the Cabinet meeting held on 21 January 2021 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. MONTHLY COUNCIL BUDGET MONITORING REPORT - MONTH 9**

**RESOLVED:**

**That Cabinet:**

- 1. Note the budget position as at December 2020 (Month 9) as outlined in Table 1.**
- 2. Note the Treasury Management update as at December 2020 at Appendix E.**
- 3. Continue the delegated authority up until the February 2021 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 21 January 2021 and 18 February 2021 Cabinet meetings, detailed at Appendix F.**
- 4. Note the virement of £883k funding from the 2020/21 HRA Acquisitions and Internal Developments budget within HRA Major Projects to the Packet Boat House building and associated fire safety works project within HRA Works To Stock.**
- 5. Accept the £10k funding award from the Reading Agency for a Reading Friends Project.**
- 6. Accept grant funding of £34k from Historic England in respect of the Covid-19 Emergency Heritage at Risk Response Fund for works at Manor Farm, Ruislip and Southlands Art Centre.**
- 7. Approve a one-off grant of £47k be awarded to Hillingdon Foodbank to support appointment of a project manager and driver to enable the foodbank to develop its operation during 2021/22. Funding will come from the Government's grants to local authorities to support community impacts of COVID-19.**

**Reasons for decision**

Cabinet was informed of the latest forecast revenue, capital and treasury position for the current year 2020/21 to ensure the Council achieved its budgetary and service objectives.

The Cabinet Member for Finance noted the General Fund underspend in the currently financial year, whilst also the exceptional financial pressures relating to the pandemic which had arisen to £34m but which would be covered by Government grants or the Council's earmarked reserves especially for this purpose.

Additionally, Cabinet made financial decisions to vire monies for additional works to Packet Boat House, Cowley and accepted grant funding from various sources.

The Leader of the Council noted the positive budget position and the grant to Hillingdon Foodbank that Cabinet agreed to further reach out and support residents during the pandemic.

#### **Alternative options considered and rejected**

None.

#### **Officer to action:**

Paul Whaymand, Corporate Director of Finance – 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. THE COUNCIL'S BUDGET - MEDIUM TERM FINANCIAL FORECAST 2021/22 - 2025/26**

#### **RESOLVED:**

**That Cabinet approves for recommendation to Council:**

- 1) The General Fund and Housing Revenue Account budgets and Capital Programmes, along with proposed amendments to Fees & Charges as outlined in appendices 1 to 10, and having taken the consultation responses conscientiously into account outlined in Appendix 16 Budget Consultation Feedback;**
- 2) The Capital Strategy, Treasury Management Strategy Statement, Investment Strategy, and Minimum Revenue Provision Statement for 2021/22 to 2025/26 as detailed at Appendix 12 for implementation with effect from 1 March 2021;**
- 3) The proposed London Borough of Hillingdon Pay Policy Statement for 2021/22 set out at Appendix 13;**
- 4) The proposals for continuing the Council Tax Older People's Discount into 2021/22, having due regard to the completed Equalities and Human Rights Impact Assessment at Appendix 14;**
- 5) That it resolves that Cabinet may utilise the general reserves or balances during 2021/22 in respect of those functions which have been reserved to the Cabinet in Article 7 of the Constitution (as set out in Schedule G of the Constitution - Budget and Policy Framework Procedure Rules).**

**That Cabinet notes:**

- 6) **The Corporate Director of Finance's comments regarding his responsibilities under the Local Government Act 2003.**

**That Cabinet Agrees:**

- 7) **Agree the Local discretionary rate relief policy set out in Appendix 17;**
- 8) **To delegate implementation of the policy to the Corporate Director of Finance.**

**Reasons for decision**

Following consideration of the consultation, feedback from residents and Policy Overview Committee comments, Cabinet recommended its budget proposals to the Council meeting on 25 February 2021 for final consideration.

The Cabinet Member for Finance noted that only minor adjustments had been made from the version that had been out to public consultation following the Local Government Finance Settlement.

The Cabinet Member outlined the key budget proposals which would continue to maintain the front-line service provision for residents with a 4.8% increase in the headline rate of Council Tax comprising of a core Hillingdon Council Tax increase of 1.8% based on 90% of the 2% anticipated increase across London, alongside a 3% increase relating to an Adult Social Care Precept to fund ongoing pressures within Adult Social Care.

It was noted that the Older Persons Council Tax Discount would be discontinued for new entrants from 1 April 2021, but that those households already in receipt of the discount would have it maintained going forward, although their Council Tax bills would now start to rise in line with other residents.

The Cabinet Member noted the saving programme and use of general balances to deliver a balanced budget and also the substantial capital investment programme which, in particular, would deliver 419 new homes by 2025/2026.

The Leader of the Council noted the positive budget proposals which had been based on sound financial management over many years.

**Alternative options considered and rejected**

The Cabinet could have chosen to vary the proposals in its budget before recommending it to Council on 25 February 2021.

**Officers to action:**

Paul Whaymand, Corporate Director of Finance – 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.*

### **7. THE SCHOOLS BUDGET 2021/22**

#### **RESOLVED:**

#### **That Cabinet:**

- 1. On the basis that the DfE rejects the Council's disapplication request, agrees that the total Schools Budget for 2021/22 be set with an overall deficit of £7,323k when compared to the total of the Dedicated Schools Grant provided to the Council (as set out in paragraphs 74 to 75).**
- 2. Approve the Primary and Secondary schools funding formula as agreed by schools and the Schools Forum, as set out in paragraphs 30 to 37.**
- 3. Approve the Early Years Single Funding Formula, as set out in paragraphs 38 to 49.**
- 4. Approve the base rate of funding for the Two-Year Old Free Entitlement Offer, as set out in paragraph 50.**
- 5. Approve the Early Years Centrally Retained budget as agreed by the Schools Forum, as set out in paragraphs 52 to 55.**
- 6. Approve the Central School Services budget as agreed by the Schools Forum, as set out in paragraphs 56 to 63.**
- 7. Approve the High Needs budget as agreed by the Schools Forum, as set out in paragraphs 64 to 73.**

#### **Reasons for decision**

Following consultation and based on the recommendations from the Schools Forum responsible for managing the schools budget, Cabinet approved the funding arrangements for schools for 2021/22.

The Cabinet Member for Families, Education and Wellbeing noted the continuing pressure on the high needs block within the budget that related to spend on children with special educational needs. To seek a balanced budget, rather than an increased deficit, the Council had submitted a disapplication request to the Government to transfer funds. However, the Cabinet Member noted that Council's assumptions were that this request would be rejected and that reluctantly the Council would have little choice but set a deficit budget.

It was highlighted that such deficits within local schools budgets was a national issue that would, at some point soon, need to be addressed by the Government.

#### **Alternative options considered and rejected**

Cabinet could have decided to recommend that the Schools Forum reconsider the proposed funding for schools.

**Officers to action:**

Graham Young – 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.*

**8. GOVERNMENT PLANNING CONSULTATION: SUPPORTING HOUSING DELIVERY AND PUBLIC SERVICE INFRASTRUCTURE**

**RESOLVED:**

**That the Cabinet notes the content of the ‘Supporting Housing Delivery and Public Service Infrastructure (National Consultation)’ and endorses the Council’s submitted response, which is attached at Appendix 1 of this report.**

**Reasons for decision**

The Cabinet Member for Environment, Housing and Regeneration outlined the Council’s response to the latest Government planning consultation which had been agreed in advance due to the consultation deadline.

It was noted that the consultation had sought views on further extending permitted development rights on commercial premises, which in the Council’s view, would impact upon town planning and, in particular, core shopping areas.

The Council’s response had also expressed its concern over proposals to enable owners of public buildings, such as universities, to significantly enlarge their sites without due planning consultation, impacting on local communities.

**Alternative options considered and rejected**

None.

**Officers to action:**

Tom Campbell and Julia Johnson – Planning, Environment, Education and Community Services 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.*

## 9. HILLINGDON'S ELECTIVE HOME EDUCATION POLICY

### RESOLVED:

#### That the Cabinet:

1. Notes that a consultation exercise was undertaken by the Council in relation to the draft Elective Home Education Policy but that no responses were received from the consultees.
2. Notes the comments made by the Residents, Education and Environmental Services Policy Overview Committee in respect of the draft Policy.
3. Agrees to implement the revised Elective Home Education Policy which incorporates the comments of the Residents, Education and Environmental Services Policy Overview Committee.

#### Reasons for decision

Following an extensive consultation with the home education community which had yielded no concerns, the Cabinet Member for Families, Education and Wellbeing proposed the adoption of an updated Elective Home Education Policy aimed at supporting those parents that choose to home educate.

It was noted that 329 children currently subscribed to home schooling in Hillingdon, which was a 27 percent increase from last year and, in part, due to the pandemic.

#### Alternative options considered and rejected

Cabinet could have not updated the policy, but considered it necessary to do so, in order to provide clear, objective, and fair procedures and comply with all relevant legislation.

#### Officer to action:

Dan Kennedy, Director  
Planning, Environment, Education and Community Services 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.*

## 10. COMMUNITY EQUIPMENT CONTRACT EXTENSION

### RESOLVED:

#### That Cabinet:

1. Agree to exercise the 2-year extension within the current contract with Medequip Assistive Technology Limited for the provision of the Community Equipment Service to the London Borough of Hillingdon. The two-year period is from 1 April 2021 to 31 March 2023 at the cost of £3,000,000 (£1,500,000 pa).
2. Approve the Council's continued membership of the London Community Equipment Consortium, led by the Royal Borough of Kensington and Chelsea at a total cost of £18,900 (£9,450 pa).
3. Subject to the recommendation 2 decision, approve a contribution of up to £33,000 to meeting the costs incurred by the Royal Borough of Kensington and Chelsea for leading a competitive tender on behalf of the London Community Equipment Consortium.

#### Reasons for decision

The Cabinet Member for Health and Social Care proposed the extension of an existing contract via a consortium to provide a range of equipment loans, minor adaptations and door entry systems to properties to enable children and adults in need of support to live more independent lives. Cabinet also agreed to continue participating in the consortium to procure such services in the future, following the ending of the contract extension period.

#### Alternative options considered and rejected

Cabinet considered alternate options as set out in the report, but determined the extension of current arrangements, until a full competitive tender could take place, was the most viable and cost-effective route.

#### Officers to action:

Jan Major – Social Care Directorate  
Sally Offin – Finance Directorate

#### 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).*

**11. CONTRACT FOR THE COLLECTION, SORTING, PROCESSING AND SALE OF DRY RECYCLABLES**

**RESOLVED:**

**That the Cabinet:**

- 1. Accept the tender from Biffa Waste Services Limited for the Collection and Treatment of Co-mingled dry recycling on behalf of the London Borough of Hillingdon for a three year period from 1 April 2021 to 31 March 2024 and at the value of £4.90m.**
- 2. Furthermore, agree that this includes the provision to extend the contract for a two year period (five years in total), delegating approval of any extension to the Leader of the Council and Cabinet Member for Environment, Housing and Regeneration, in consultation with the Director of Infrastructure, Building Services & Transport and at a total contract value of £8.35m over the full five years.**

**Reasons for decision**

Following a procurement process to ensure value for money, the Cabinet agreed a contract to collect the Borough's recycling material for bulk haulage and transfer to a facility for sorting and onward processing. The Cabinet Member for Environment, Housing and Regeneration noted that this would ensure households continued to benefit from the clear sack recycling collections every week from the Council.

**Alternative options considered and rejected**

None, as the Council had a legal obligation to collect and process core dry mixed recyclables separately from the general waste stream.

**Officers to action:**

Nicola Herbert – Infrastructure, Transport and Building Services Directorate  
James Patterson – Finance Directorate

**Classification: Private**

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## 12. VOLUNTARY SECTOR LEASE

### RESOLVED:

**That Cabinet agrees the rent set out in the table below, which is subject to negotiation with the voluntary sector organisation detailed in this report and instructs the Borough Solicitor to complete the appropriate legal documentation.**

### Reasons for decision

Cabinet made decisions regarding the lease to the Uxbridge Cricket Club for the rugby pitch at Hillingdon House Farm, Park Road Uxbridge. Cabinet's decision enabled the organisation concerned to benefit from heavily discounted rent as part of the Council's Voluntary Sector Leasing Policy and wider commitment to a vibrant local voluntary sector.

### Alternative options considered and rejected

None.

### Officer to action:

Michele Wilcox / Mike Paterson – Infrastructure, Transport and Building Services Directorate

### Classification: Private

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## 13. ANY OTHER ITEMS THE CHAIRMAN AGREES ARE RELEVANT OR URGENT

No additional items were considered by the Cabinet.

The meeting closed at 7.23pm

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

**Decisions that take immediate effect:** Cabinet's decisions on Item 6 relating directly to the Cabinet's budget proposals took immediate effect in order to be recommended to Council on 25 February 2021 to set a balanced budget.

**All other decisions:** Meeting after Cabinet, the Executive Scrutiny Committee did not call-in any of the remaining decisions by the Cabinet. Therefore, these decisions

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can be implemented by officers upon the expiry of the scrutiny call-in period which is from:

**from 5pm, Friday 26 February 2021.**

Officers to action the decisions are indicated in the minutes.

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

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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](mailto:democratic@hillingdon.gov.uk)

Democratic Services: 01895 250636

Media enquiries: 01895 250403

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

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## CLIMATE CHANGE ACTION PLAN

<b>Cabinet Member(s)</b>	Councillor Eddie Lavery
<b>Cabinet Portfolio(s)</b>	Housing, Environment and Regeneration
<b>Officer Contact(s)</b>	David Haygarth / Ian Thynne - Planning, Environment, Education and Community Services
<b>Papers with report</b>	Appendix 1 – Draft Strategic Climate Action Plan

## HEADLINES

<b>Summary</b>	<p>The world's climate is changing due to increased levels of gases such as carbon dioxide in the atmosphere. Scientific research has demonstrated that carbon dioxide levels are higher than at any time in the past 650,000 years and this has resulted in a gradual warming of the world's climate.</p> <p>Uncontrolled climate change will lead to higher global temperatures, rising sea levels and more extreme, unpredictable weather conditions across the world. These events and their knock-on effects, such as drought and its impact on food production, or the flooding of coastal areas where many people live, will put hundreds of millions of lives at risk.</p> <p>Hillingdon Council is striving to be the greenest London Borough, to protect and enhance the environment, and to provide a brighter prospect for future generations. Over the last ten years the Council has made significant progress to reduce carbon emissions and has committed that it will be carbon neutral by 2030. This report presents the draft action plan to achieve this goal and seeks approval from Cabinet to undertake a public consultation to inform the actions the Council should take. The final plan will be presented to Cabinet in July 2021, informed by the consultation findings.</p>
<b>Putting our Residents First</b>	This report supports the following Council objectives of: Our People, Our Natural Environment, Our Built Environment.
<b>Financial Cost</b>	There are no direct costs associated with the proposed consultation on the Climate Action Change Plan, which can be managed within existing resources.
<b>Relevant Policy Overview Committee</b>	Corporate Services, Commerce & Communities Policy Overview Committee / All Committees
<b>Relevant Ward(s)</b>	All Wards

## RECOMMENDATIONS

### That Cabinet:

1. Approves Hillingdon's draft Climate Change Action Plan for consultation.
2. Agrees to receive the final Climate Change Action Plan in July 2021, informed by the findings from the consultation process.

### Reasons for recommendations

Recommendation 1 - The climate change action plan will deliver the Council's climate emergency declaration made by full Council in January 2020. It has a clear focus on community leadership and leading by example. Additionally, this climate change plan supports other objectives, such as air quality, fuel poverty and preventing flooding. This is important to residents, especially those who are more vulnerable to the effects of climate change.

Recommendation 2 – To be effective, Hillingdon's Climate Change Action Plan needs to be informed by the views and ideas from residents, community groups, non-governmental organisations, commerce, industry and other stakeholders to ensure successful outcomes are achieved. It is anticipated the costs of any works and projects to deliver the plan will be met from existing budgets and external funding sources. The consultation will help determine the best use of those resources, based on need.

### Alternative options considered / risk management

The option to take no action was not considered. To achieve the climate emergency declaration requires leadership from the Local Authority and targeted action working in partnership with residents, public sector organisations, community groups and businesses.

### Policy Overview Committee comments

Policy Overview Committees, particularly the Corporate Services, Commerce and Communities who's remit this falls under, will be able to participate actively in the consultation on this Action Plan – including submitting comments to Cabinet as appropriate.

## SUPPORTING INFORMATION

1. The world's climate is changing due to increased levels of gases such as carbon dioxide in the atmosphere. These 'greenhouse' gases occur naturally in the atmosphere, trapping heat that comes from the sun like the glass in a greenhouse. The 'greenhouse effect' is a natural occurrence and without it the Earth would be over 30 degrees cooler and uninhabitable.
2. However, due to human activities such as the burning of fossil fuels (oil, gas and coal) and deforestation, concentrations of greenhouse gases in the atmosphere are rising and making the natural greenhouse effect more pronounced, trapping more of the sun's heat

and resulting in a rise in the earth's temperature. The main contributor to global warming is carbon dioxide.

3. Uncontrolled climate change will lead to higher global temperatures, rising sea levels and more extreme, unpredictable weather conditions across the world. These events and their knock-on effects, such as drought and its impact on food production, or the flooding of coastal areas where many people live, will put hundreds of millions of lives at risk. This is already occurring in the developing world.
4. Hillingdon Council has made significant progress over the last ten years to reduce its carbon footprint through a range of activities such as the installation of lower energy lighting, cavity and loft installation in Council-owned buildings, the planting of thousands of trees and successful campaigns such as 'no idling' of vehicle engines outside schools. However, there is still more than can be achieved to reduce carbon emissions.
5. On 16th January 2020 at full Council, the London Borough of Hillingdon declared a climate emergency in recognition of the need to reduce carbon emissions further, and at a faster pace. The Council gave a commitment to be a carbon neutral by 2030. The Climate Change Action Plan presented to Cabinet provides the framework to achieve this.
6. The plan sets out seven themes of focus and outline targets to achieve the goal of becoming carbon neutral:
  - 1) Community Leadership – the Council as community leader for the Borough to deliver actions to be carbon neutral e.g. active promotion to residents and businesses to be carbon neutral, promoting awareness of and access to grant funding, working with schools to be carbon neutral.
  - 2) The Council's Own Operations – reducing the carbon emissions the Council generates from day to day service delivery e.g. exploring ways to generate renewable energy, introduction of a green travel plan for staff, procuring services which are low or carbon neutral.
  - 3) Building better places – through the local authority planning process, influence developments to be carbon neutral e.g. consider introducing new planning policies that support carbon neutral developments, ensuring sustainable transportation plans, to ensure that any trees lost through development are compensated for by offsite development.
  - 4) Using Clean and Green Energy – to ensure the energy the Council uses comes from renewable sources and to make changes to the heating of buildings to lower the consumption of energy.
  - 5) Waste Management – minimising the production of waste in the first instance and where waste is produced, it creates a smaller carbon footprint e.g. delivering campaigns to residents to avoid producing waste (reducing the use of plastics), encouraging residents to grow their own food, work with businesses to reduce waste.

- 6) Climate Change Adaptation and Mitigation – putting in place changes to everyday activities and changes to the environment we live in which help adapt to the changing climate and / or mitigate the effect of climate change e.g. flood alleviation schemes, water efficiency schemes to store water, providing advice and encouragement to residents and businesses to take action.
  - 7) Carbon Offsetting – to put in place measures to compensate for carbon emissions which can not be avoided in the short-term e.g. tree planting, to promote carbon offsetting actions to residents and businesses.
7. The Council wants to hear from residents, community groups, partners and businesses about the proposals, as well as their own ideas to be carbon neutral to inform the Climate Change Action Plan. Cabinet is, therefore, asked to agree that the draft plan is subject to a consultation period to engage meaningfully with residents, the community and businesses to inform the final plan, to be presented to Cabinet in July 2021.

### **Financial Implications**

8. There are no direct financial implications associated with the preparation of the draft Climate Action Plan or proposed consultation, with both being managed within existing resources.

## **RESIDENT BENEFIT & CONSULTATION**

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

9. The Climate Change Action Plan sets out the action the Council has taken to date to significantly reduce its own carbon emissions and the outline actions needed to be fully carbon neutral across the Borough by 2030. Taking action to continue to further reduce carbon emissions and adapt to the impact of climate change will help residents, businesses and communities to avoid disruption to day to day lives, and ensure the Borough is a cleaner and healthier place to live.

### **Consultation carried out or required**

10. The draft Climate Change Action Plan builds on the work the Council has undertaken to date to significantly reduce carbon emissions in the Borough. Cabinet is asked to agree to undertake a consultation stage to inform the final plan to be presented to Cabinet in July 2021.

## **CORPORATE CONSIDERATIONS**

### **Corporate Finance**

11. Corporate Finance has reviewed this report and confirms that there are no direct financial implications associated with the proposed consultation on the draft Climate Change Action Plan. Following the public consultation and as specific projects are developed to meet the

goals set out in the Action Plan, these will be fully costed and integrated into the Council's Medium-Term Financial Forecast and financial strategy as appropriate.

### **Legal**

12. The Borough Solicitor confirms that there are no specific legal implications arising from this report or to agree to the recommendations and to undertake a consultation. More detailed legal advice will be given as necessary once the outcome of the public consultation is reported back for consideration.

### **Infrastructure / Asset Management**

13. Not applicable at this stage.

### **Comments from other relevant service areas**

14. Not applicable at this stage.

## **BACKGROUND PAPERS**

[Council 16 January 2020 – Motion and Climate Declaration](#)

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# **London Borough of Hillingdon**

# **The Strategic Climate Action Plan**

**Draft for Consultation  
March 2021**

# Foreword

Our climate is changing rapidly, and the consequences are alarming. Consequences that are not a distant problem but are happening now. This is a global crisis with more and more reports of severe and lasting consequences; wildfires, floods, droughts and storms all more commonplace. In the UK the frequency, duration and strength of storms and extreme weather are also far more common.

The risks are escalating and the need for more decisive action more prevalent than ever. The time for discussion on whether and how much the climate is changing is over.

The Council has already taken action. In 2007 we signed the Nottingham Declaration on Climate Change. This led to a climate change strategy which has seen council carbon emissions reduce by over 40% during the last ten years.

Yet further action is required as the challenge intensifies. The Council responded swiftly to the will of the residents in declaring a climate emergency which demonstrates the need for even greater effort from everyone. The Council is not alone in that. As a leader in the community and responsible for shaping the future of the borough it is uniquely placed to set higher standards and achieve meaningful results.

The Council will be carbon neutral by 2030. That is our commitment to our residents. Its ambitious and challenging but it is also necessary. We also commit to providing leadership and direction for others to follow; to give everyone the chance to contribute to the task of responding to this crisis.

This new strategy provides the framework for our response to the challenge. It reaffirms the commitments already made, demonstrates the progress to date and sets out how we will drive through real change through ambitious actions.

We want to encourage, educate, and empower individuals to follow our lead so that we can be proud to be playing our part in responding to this emergency.

I welcome and sincerely encourage your involvement in these shared endeavours.

**Councillor Eddie Lavery**

**Cabinet Member for Environment, Housing and Regeneration**

# The Vision

*To become the greenest London borough, to protect and enhance the environment, and to provide a brighter prospect for future generations.*

This Strategic Plan will set out the Actions to realising this Vision focussing on three Corporate Commitments:

*Corporate Climate Commitment 1: “To lead and inspire our residents, businesses and schools to reduce their own carbon emissions.”*

Where we cannot directly control emissions, we intend to identify the opportunities to enable others to reduce theirs. We want to work with residents, schools, and businesses to enable them to identify their carbon footprint and to put in place actions to reduce it. Typical examples are assisting private sector homeowners with insulation and renewable power schemes or creating the infrastructure for charging electric vehicles and encouraging each school to have its own carbon reduction plans.

*Corporate Climate Commitment 2: “To become ‘Carbon-Neutral’ by 2030.”*

We will invest in energy saving measures across the property portfolio. This applies to public access buildings and sites where the Council pays for the energy supplies, our vehicles and highway assets like streetlighting and car parks. We will reduce our demand on fossil fuel to the minimum and use carbon offsetting to counteract our remaining emissions.

*Corporate Climate Commitment 3: “To achieve 100% clean energy across the Council’s services by 2030.”*

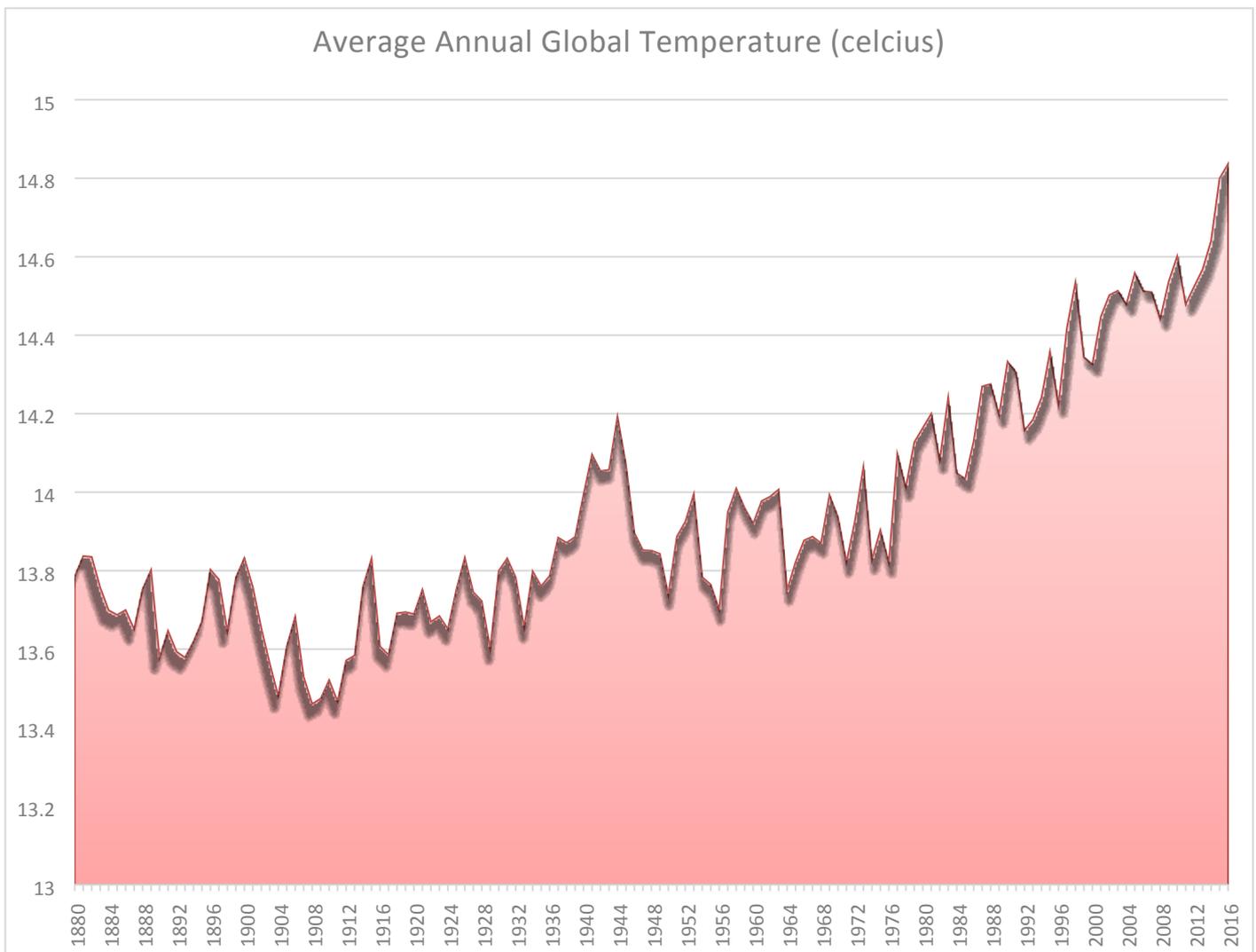
From 2020 all the electrical power to Council assets was sourced from certified renewable sources. The energy was secured through a London wide contract which runs until 2024. This means we can be assured that our electrical power component of our service is currently zero-carbon.

We still use fossil fuels for heating and hot water and this use needs to be reduced. Over the lifetime of this strategy, we will replace and upgrade these heating systems with more efficient, low carbon and renewable power alternatives. In addition, some fleet vehicles will require diesel fuel until a viable electrical replacement can be found. Any remaining fossil fuel use will be incorporate into the carbon offset programme.

# 1. Introduction

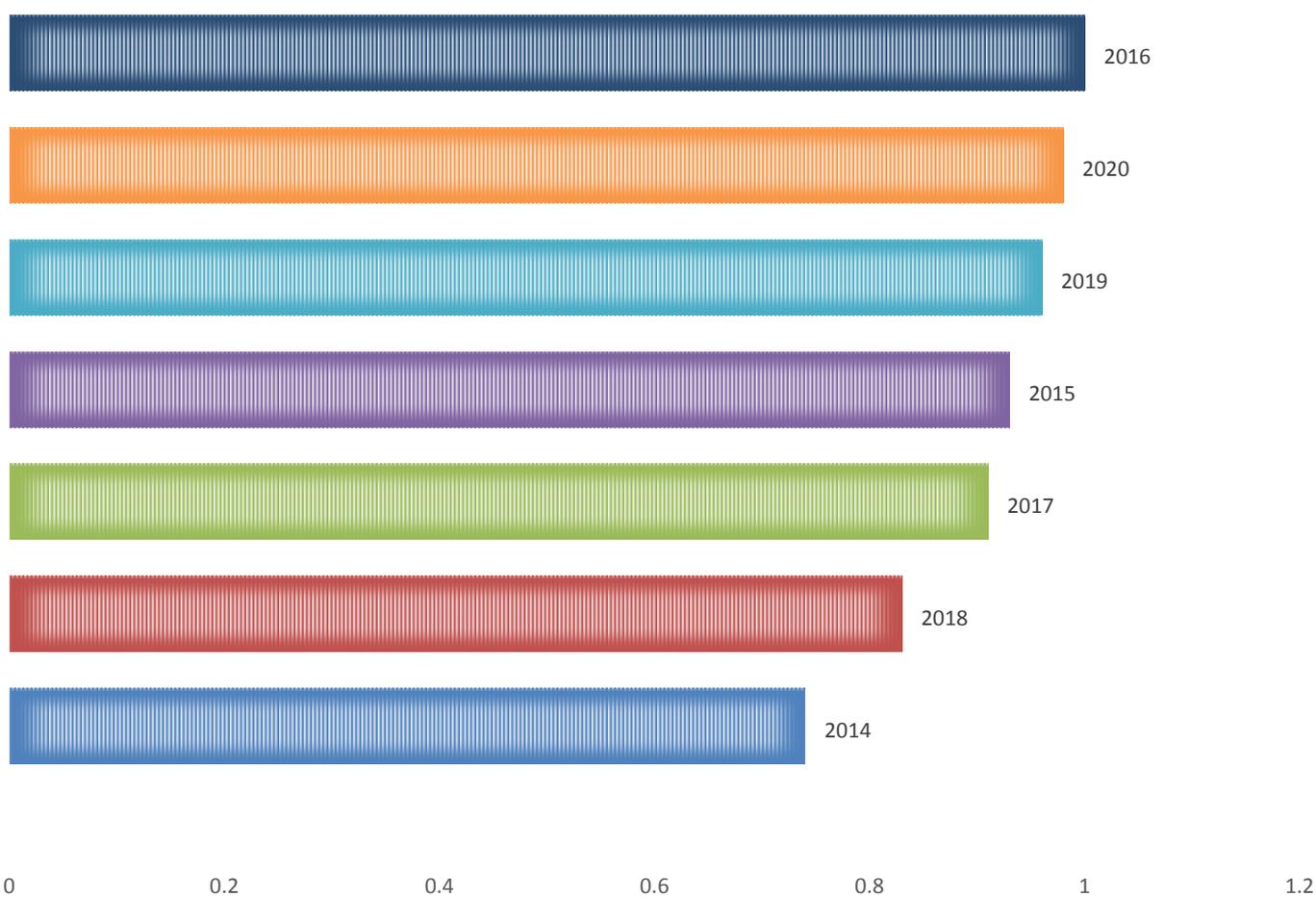
## 1.1. What is Climate Change?

- 1.1.1. The world's climate is changing due to increased levels of gases such as carbon dioxide in the atmosphere. These 'greenhouse' gases occur naturally in the atmosphere, trapping heat that comes from the sun like the glass in a greenhouse. The 'greenhouse effect' is a natural occurrence and without it the Earth would be over 30 degrees cooler and uninhabitable.
- 1.1.2. However, due to human activities such as the burning of fossil fuels (oil, gas and coal) and deforestation, concentrations of greenhouse gases in the atmosphere are rising and making the natural greenhouse effect more pronounced, trapping more of the sun's heat and resulting in a rise in the earth's temperature.



1.1.3. Various gases contribute to amplifying the natural greenhouse effect. However, the main contributor to the global warming that we are now seeing is carbon dioxide. Scientific research has demonstrated that carbon dioxide levels are higher than at any time in the past 650,000 years, and this has resulted in gradual warming of the world's climate.

### WARMEST YEARS ON RECORD (INCREASE FROM 20TH CENTURY AVERAGE)



### 1.2. Why does climate change matter?

1.2.1. Uncontrolled climate change will lead to higher global temperatures, rising sea levels and more extreme, unpredictable weather conditions across the world. These events and their knock-on effects, such as drought and its impact on food production, or the flooding of coastal areas where many people live, will put hundreds of millions of lives at risk. This is already occurring in the developing world.

1.2.2. Global problems are all too common and widely reported. However, the UK is far from immune from the impacts of Climate Change. The Environment Agency's 2020 State of the Environment Report presents some worrying consequences of Climate Change:

## ***Water Resources***

Climate change will affect the amount and timing of rainfall that supports river flows and replenishes groundwater. It will also influence the demand for water and its quality, as well as the way land is used – all of which will put pressure on water resources.

Summers are likely to get hotter, significantly increasing demand for water. Winters are likely to get warmer and wetter. Although average summer rainfall is not predicted to change, more rainfall may come in big downpours. This could lead to droughts and floods, possibly at the same time. This would increase the damage caused and increase the risk of disasters such as wildfires. Increasing frequency of both drought and summer heatwaves could lead to a much higher likelihood of these extreme events occurring at the same time.

River flows are predicted to increase in winter and decrease in summer. Groundwater supplies may decrease over the 21st century. Reduced summer rainfall and increased summer evaporation would negatively affect wetland plant and animal communities, particularly in rain-fed wetlands. Increased areas of stagnant water during droughts, coupled with increased temperatures could lead to the spread of mosquito borne diseases such as dengue fever and West Nile virus.

Treatment plants, pumping stations and sewers that are designed to cope with the past and present climate may no longer be adequate. The reliability of existing reservoirs, groundwater sources and river intakes will change. Some infrastructure, critical for providing water supplies, will be more vulnerable to flooding. Agricultural production may be negatively affected by water shortages during warm, dry summers, particularly in the south and east. Wetter autumns and winters will also reduce productivity by disrupting the timing of farm management activities, and by causing increased flooding in low-lying agricultural areas. Valuable ecosystem services such as biodiversity and pollination provided by well-managed agricultural land are also threatened by the impact of climate change on water resources.

***Environment Agency: State of the Environment Water Resources Report, 2020***

- 1.2.3. Closer to home, there are likely to be problems in Hillingdon related to flooding, either from rivers, sewers or surface water as well as overheating in the hotter summer, causing evacuation of vulnerable people such as the elderly and schools. Water shortages across London are also a likely reality as summers continue to get hotter and drier.
- 1.2.4. The changing climate is not just about environmental impacts. It has significant consequences for the population too and not just directly from issues such as flooding but wider implications for health:

## **Health**

The health impacts of a changing climate will mainly be felt through changes in temperature, disease and pollution. High temperatures can affect health and cause premature death. Older people and those with underlying illnesses are more at risk and the numbers will increase with an ageing population as temperatures increase. Heat related deaths may increase from 2,000 to 7,000 per year by the mid-2050s. Milder winters will reduce cold-related deaths by an estimated 2%. This is likely to marginally reduce the total numbers of temperature related deaths overall, because there are so many more cold-related than heat-related deaths in the UK. Hot weather is also known to increase aggressive and violent behaviour.

There may be an increase in frequency of episodes of high air pollution caused by weather patterns such as heatwaves. There is evidence that pollen releases may increase, affecting hay fever symptoms. Higher temperatures will increase the suitability of the UK's climate for invasive species and increase the risk of them spreading diseases. Native disease vectors such as ticks and mosquitos may also increase in numbers or geographical range as temperature and moisture levels change. For example, hot, dry weather can lead to increased areas of stagnant water, which would be likely to increase the spread of mosquito-borne diseases, should they be introduced. Land-use change such as creating wetlands may also contribute to mosquito abundance.

***Environment Agency: Statement of the Environment Report, 2020***

- 1.2.5. The implications of climate change are dramatic, threatening and will prove costly, not just to the environment or financial resources, but also to the health of residents and communities. This is not a problem that will just affect faraway places, it will have direct consequences for the people of Hillington too.

## 2. A Positive Track Record

We have long established values and a consistent track record of activity in relation to carbon reduction. Over the last 10 years, many practical activities have continued to reduce our carbon footprint.

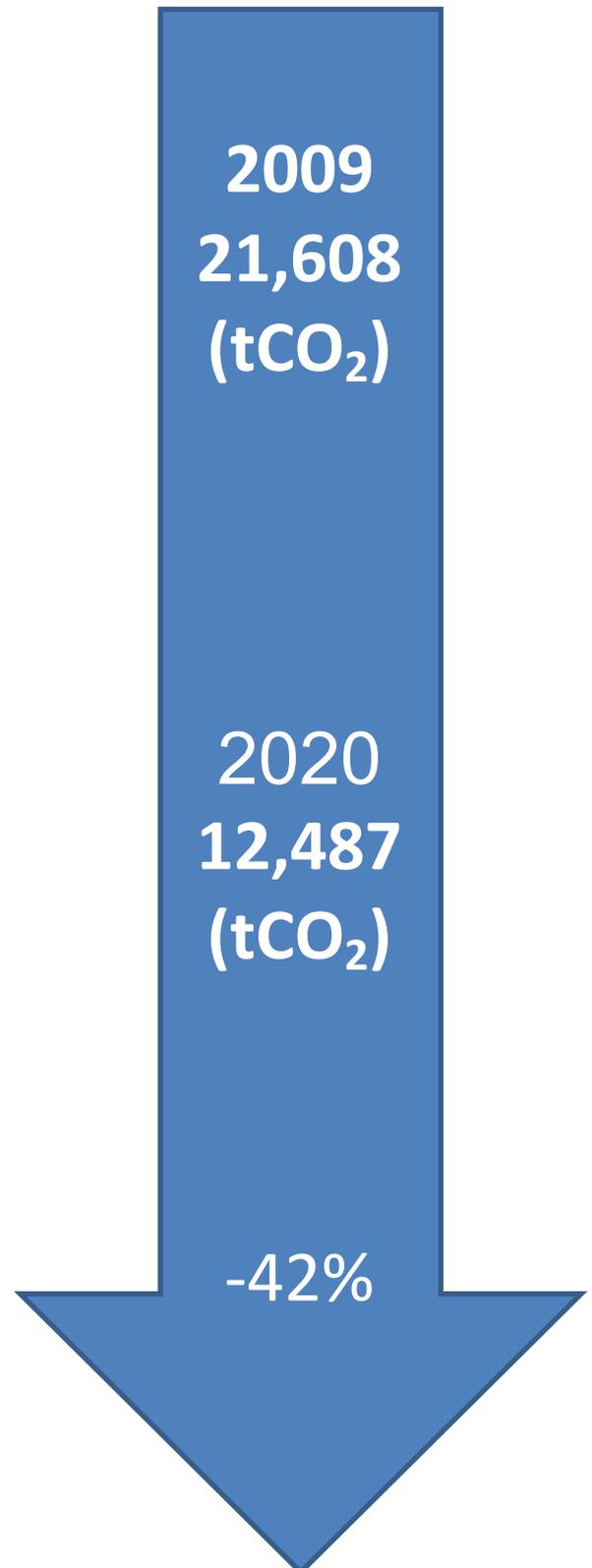
In 2009, emissions across our operations stood at over 21.6 thousand tonnes of CO<sub>2</sub>.

By 2020 we had reduced this by 42% to just under 12.5 thousand tonnes of CO<sub>2</sub>.

It is necessary to keep going though even though the challenge becomes tougher. For example, many of the 'quick wins' have already been taken meaning that even more concerted effort is required within the restrictions of pressurized budgets.

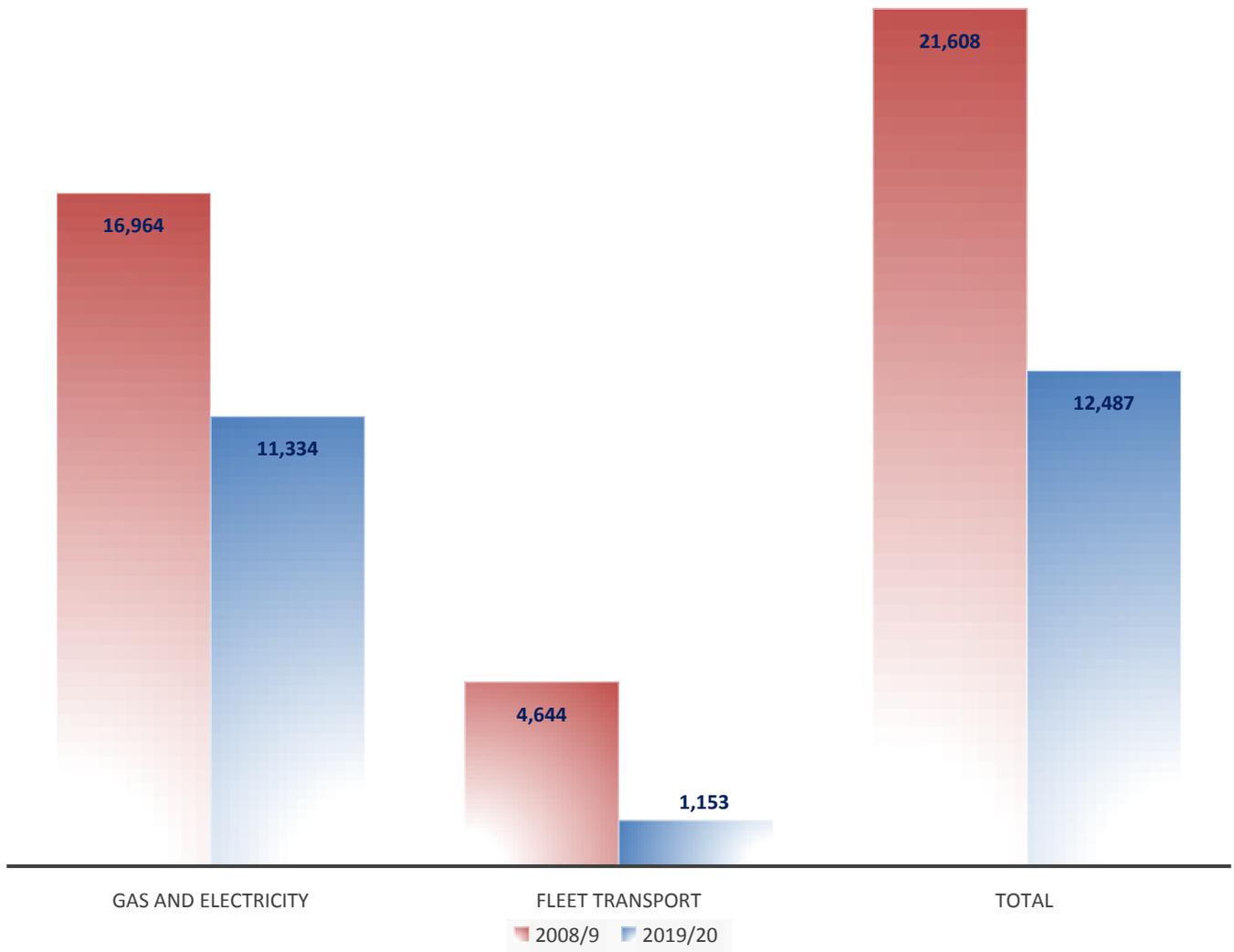
We are well set and well positioned to build on the success already made. Our belief is we must embed climate change in existing services to make more meaningful changes in an efficient and effective manner.

We want services to see carbon emissions in the same way as our financial budgets and for everyone to take responsibility.



Business Area (Tonnes CO <sub>2</sub> )	2008/9	2019/20	Change	Percentage
Gas and Electricity	16,964	11,334	-5,630	-33%
Fleet Transport	4,644	1,153	-3,491	-75%
<b>Total</b>	<b>21,608</b>	<b>12,487</b>	<b>-9,121</b>	<b>-42%</b>

### Emissions reductions from 2009 to 2020 (tCO<sub>2</sub>)



# How we have reduced our own Carbon Emissions

Between 2010 and 2020, the Council has achieved a significant reduction in carbon emissions arising from gas, electric and vehicle fuels use. The reasons for this are two-fold. Investment in systems and technology (shown below) and behavioural changes across services which reduce carbon emissions and, the gradual decarbonisation of the UK electrical power network.

Installation of low carbon and renewable technology at various community facilities around the borough.	Active measures to improve local air quality and deter motorists from leaving their vehicle engine idling, particularly around schools.
Private sector housing, All Tenures: working with government led schemes across our housing stock insulation and heating improvements.	Higher efficiency heating and cooling systems within a range of buildings and facilities
Council Housing properties: loft and cavity wall insulation, upgrades through reactive works upgrading inefficient communal lighting to LED and reducing the energy demand for homes.	Schools and community centres: major refurbishment and new building work leading to higher energy standards.
Smart metering installed for monitoring and to identify the buildings with the most demand.	Active no idling campaigns at schools to reduce air pollution and to encourage more sustainable forms of transportation.
Urban greening initiatives and the planting of new trees across the Borough, including offering 5000 free saplings for residents to grow.	LED lighting upgrades across several corporate buildings including the Civic Centre.
Street lighting programme, replacing 23,700 sodium lights with more efficient LED units.	Installation of solar panels across various buildings
5 hybrid and 3 full electric cars purchased.	50 Operational vehicles upgraded to EURO 6 specification, reducing engine exhaust emissions.



The London Borough of Hillingdon is already one of the greenest boroughs in London.

In terms of climate change these areas are of great importance. They act as carbon sinks. This means they take carbon dioxide and other nasty pollutants out of the air and replace it with clean air. They will continue to play a key role in helping us manage its carbon emissions.

All natural vegetation performs a role as a carbon sink but trees are particularly important. The tree canopy coverage across London is continually under threat which is why we are seeking to protect our own trees where we can. We also have large scale tree planting ambitions to increase the tree canopy coverage across the borough. This is not just a long-term aspiration, it is already happening, as illustrated by our recent concerted tree planting campaign.

601 - Standard tree planting in highways and parks

1500 - Whips - New approach to highway tree belts  
- Long Lane (Trees for Cities)

100 - Sukura Cherry Tree Project

3000 - Whips - Colham Green (Trees for Cities)

37 - Standards - Colham Green (Trees for Cities)

12 Fruit tree orchard - Colham Green (Trees for Cities)

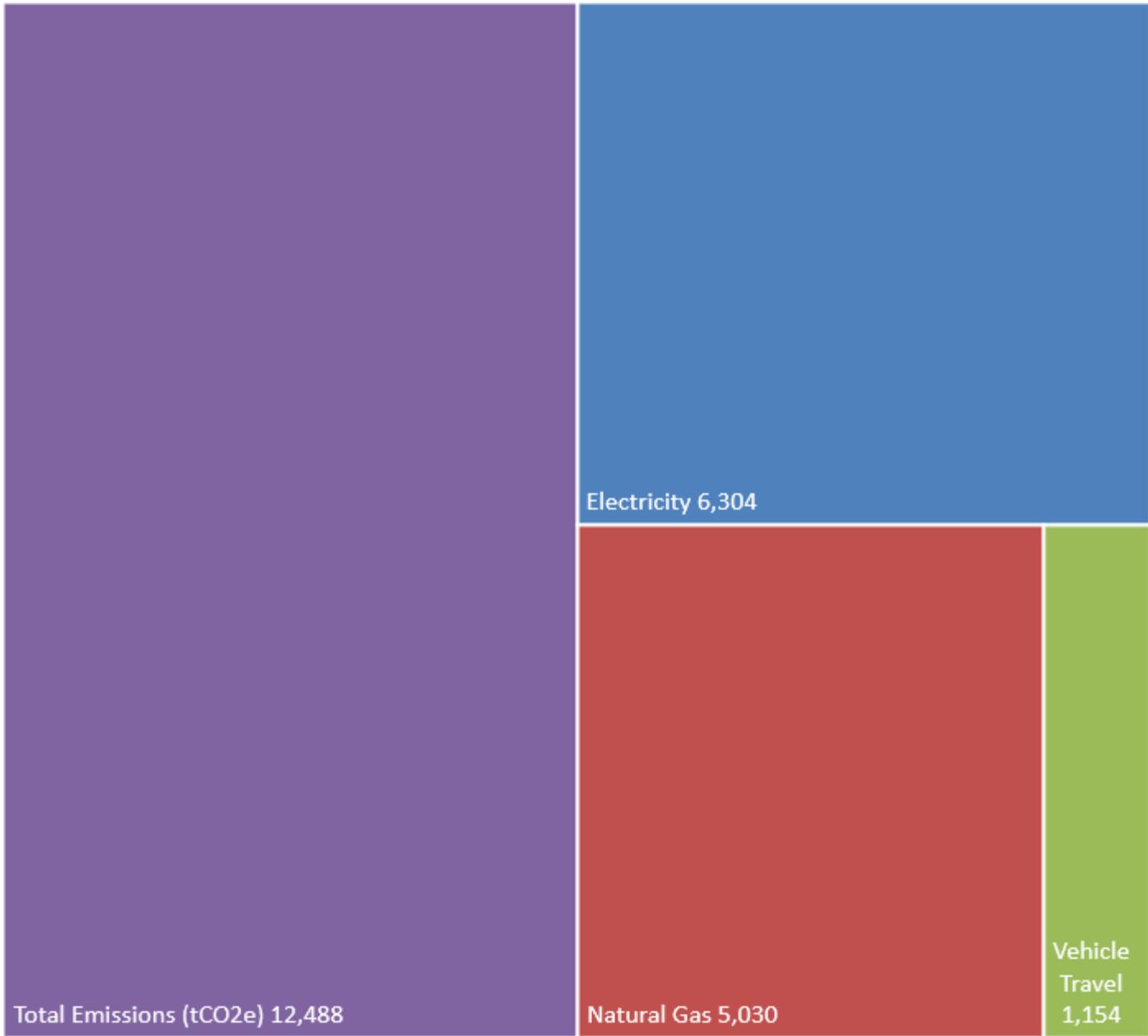
1000 trees provided for our residents to plant

A total 6250 trees planted with only 215 removed for various reasons (e.g. dead or hazardous)

# 3. The Starting Position

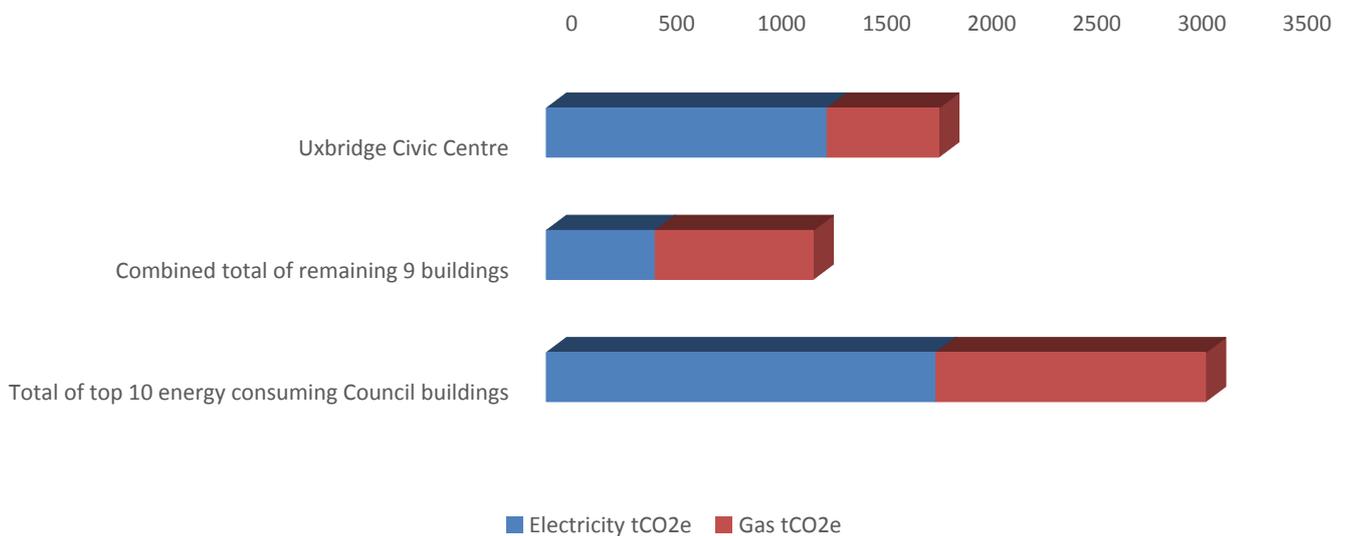
*The last decade of performance on carbon emissions was extremely positive. However, it also means that finding more savings becomes more difficult; there is still a long way to go for Council operations to become to carbon neutral.*

London Borough of Hillingdon  
Carbon Emissions (tCO<sub>2</sub>e) April 2019 to March 2020

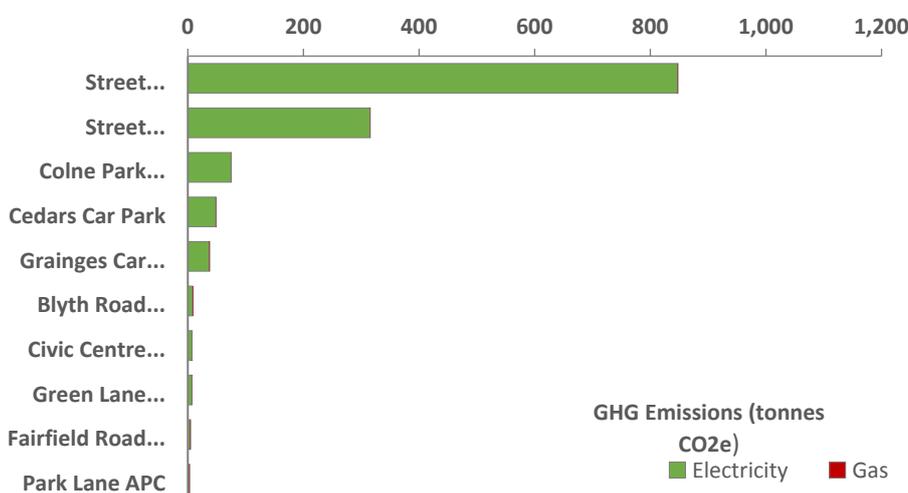


There are several challenges to achieving carbon neutrality across our operations. The chart below shows the highest 'emitting' buildings. Our Civic Centre sits clearly at the top of the operational building stock. This is an ageing building built in the 1970s. This means that it was not designed to accommodate the kind of modern services of office working, for example the number of computers and servers along with the operational demands of so many staff members. It has also recently been designated as a Grade II listed building by Historic England restricting the types of renovations and changes that could be accommodated on other similar ageing buildings.

Total carbon emissions (tCO<sub>2</sub>e) associated with the top 10 energy consuming Council buildings



Top 10 (Non-Building) Annual GHG Emissions



Streetlighting also represents a significant hurdle as it makes up the majority of the 'non-building' emissions.

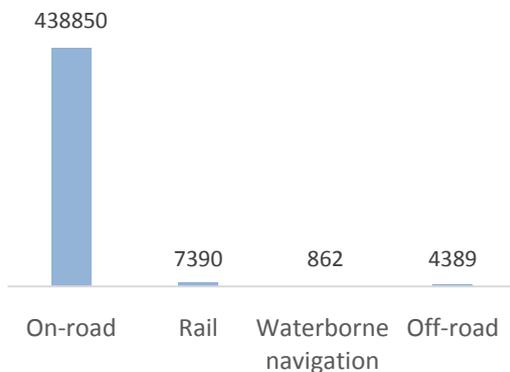
For both the Civic Centre and streetlighting, innovative approaches will be required to find solutions to achieving the necessary emissions reductions.

*Our carbon neutral target relates to our own operations where we have control over emissions. However, that is not to ignore the wider emissions across Hillingdon. The Council intends to take a leadership, influencing, promoting, and supporting role to encourage those sectors outside of our control to follow our lead. This will be difficult as many of the sectors identified below will require action at a national level. We cannot force action on those outside of our control but we can use our unique position to encourage others to change their ways.*

Emissions (tCO<sub>2</sub>e) across Hillingdon from the built environment  
(data taken from Scattercities.com)



Emissions (tCO<sub>2</sub>e) across Hillingdon from Transportation excluding aviation  
(data taken from Scattercities.com)



As an outer London borough Hillingdon has several major transport routes (e.g M4, A40) into London. The emissions from vehicles travelling through Hillingdon account for our borough carbon footprint.

Again, the Council has no control over these types of emissions and action to reduce or offset these emissions must be part of a national series of actions.

However, the Council does acknowledge them and will take action to improve opportunities for sustainable transportation within the borough, i.e. through the promotion of new cycle routes and challenging TFL to improve bus services.

## 4. Taking Action

*7 Key themes have been identified from which the Council's response to Climate Emergency will be developed*

Objective	Theme
C1	Community Leadership
C2	The Council's Own Operations
C3	Building better places
C4	Using Clean and Green Energy
C5	Waste Management
C6	Climate Change Adaptation and Mitigation
C7	Carbon Offsetting

# 5. The Actions

C1	Community Leadership
C1.1	Promote the concept of zero carbon communities.
C1.2	By the end of 2021 we will have a dedicated online learning resource to provide detailed advice and guidance on how to lower a person’s carbon footprint.
C1.3	To use our unique access to communities through, for example residents associations, to develop community forums and groups to support and promote climate actions.
C1.4	Support the access of funding for the ‘greening’ of residential properties and businesses.
C1.5	To use our unique access to businesses to set up a borough wide Climate Change forum to develop ideas collectively to collaboratively work towards achieving climate change objectives.
C1.6	We will prioritise fuel poor households for assistance with accessing grant funds to improve energy efficiency and reduce their energy costs.
C1.7	By 2023 for all our managed schools and educational facilities to have their own Climate Action Plans in place.
C1.8	During 2021 for all non-Council managed schools and educational facilities to be contacted and encouraged to put their own Climate Action Plans in place by 2023.
C1.9	To support, promote and raise awareness of the use of sustainable transportation and ensure resources are available to allow communities to make transport changes that do not rely on polluting private transportation.

C2	The Council's Own Operations
C2.1	Council operational building stock to be accredited as carbon neutral by 2030.
C2.2	By 2030 significant progress will be made to ensuring the Council's fleet will be powered by the cleanest available technology.
C2.3	Ensure all corporate decisions, particularly regarding estate management and property disposal consider the impact of the climate emergency.
C2.4	Introduce a green Council staff travel plan that encourages and promotes less business travel and commuting and the increased use of low or zero carbon travel methods.
C2.5	To investigate opportunities for energy generation from renewable sources on Council operational building stock and on land it owns.
C2.6	The procurement of all new Council equipment and services will be measured against the objectives of this strategic plan.

*We are committed to carbon neutral operations by 2030. This is a challenging target that will require new ways of working, innovative approaches to our operations and a carefully coordinated use of the funds available.*

*We also commit to a procurement strategy that will aim to ensure our suppliers' carbon emissions are more clearly understood and are factored into Council decision-making on the purchasing of supplies and services.*

*We will also look to use our own building stock and land to host electricity generating technology, for example through the installation of solar panels. This cleaner energy generation will help us to reduce our carbon footprint, reduce reliance on electricity from fossil fuels and provide low cost supplies.*

*Green travel plans will be developed for both staff commuting and Council business transportation. These will be instrumental in encouraging new ways of working, placing more emphasis on technological solutions (i.e. virtual meetings) and reducing reliance on less sustainable forms of transportation.*

C3	Building Better Places
C3.1	To use the development plan system to ensure all new major development will be zero carbon.
C3.2	To consider new planning policies to ensure all non major new development is also zero carbon.
C3.3	To ensure no new development is built in high and medium flood risk areas unless absolutely necessary and only then where flood risk management is properly understood and mitigated.
C3.4	To ensure all new development contributes to responsible environmental performance.
C3.5	To ensure all new development contributes to the sustainable management of transportation.
C3.6	To ensure that any trees lost are compensated for by offsite replanting.

Our planning policies stem from national and regional policies. The London Plan takes a firm stance on new development with regards to Climate Change.

Many of the policies outlined above are therefore already part of the planning framework which developers must respond to. However, they are reproduced here to ensure this strategic plan is comprehensive in identifying the principal issues concerning climate action.

Innovative approaches to new development mean it doesn't just have to be zero carbon but can assist with providing a net reduction.



C4

## Using Clean and Green Energy

C4.1

To ensure and certify that the Council secures energy supplies from low or clean forms of generation by 2030.

### Green Energy Purchasing

We have committed to purchasing all electrical energy from certified renewable sources. This means 100% of our electrical energy comes from sources such as wind, solar and hydroelectric power. Our existing contract will supply this energy until 2024. To maintain a 100% supply beyond 2024, part of the strategy will consider alternative options for renewable power purchasing to 2030 and beyond.

### Carbon Offsetting

The gas we use in our buildings is not considered to be a renewable source of energy. To compensate for this, we must install low carbon or zero carbon heating sources in as many council owned buildings as possible. Where there is a residual element of fossil fuel leading to carbon emissions, we will mitigate that amount of carbon elsewhere. We will do this using either our own green space or renewable assets, or by purchasing a carbon offset elsewhere.



C5	Waste Management
C5.1	Lead by example with a clear waste collection and sorting strategy for the Council's own operations with year on year targets for improvements.
C5.2	Support the West London Waste Authority on waste reduction campaigns.
C5.3	Provide an online resource for educational facilities to develop and implement waste reduction strategies. Monitor, record, and report on progress.
C5.4	Work with businesses to reduce waste productivity.
C5.5	Encourage and support residents and communities to reduce, reuse and recycle waste.
C5.6	Develop a community campaign to manage waste more sustainability.
C5.7	Promote the importance and value of growing food, either individually or through community groups.

Waste management may only represent a small portion of our carbon footprint, but this does not tell the whole story.

Plastic provides a good example of the carbon lifecycle of waste. Plastic is essentially a form of fossil fuel that is made from oil or natural gas; its carbon footprint starts immediately as it is produced.

From here, plastic undergoes many other processes before its end journey, often over very long distances to the consumer.

From here the carbon footprint grows further. The plastic is discarded and then a new process, with a heavy carbon footprint, commences. Either the waste material is recycled or disposed of. These processes are carbon intensive, from bin collection through to sorting and then whether recovered for re-use, disposed of or incinerated.

It is also necessary to note that not all plastic is managed appropriately; irresponsible treatment of plastic waste has now become a major threat to our natural ecosystems. Reducing its production in the first instance is vital.



The above waste hierarchy for domestic and commercial production is an important guide to how waste should be managed. A lot of attention has been placed on recycling in recent years, but this falls somewhat down the hierarchy. Recycling has its own high carbon footprint from collection, sorting and through to processing. While we aim for high recycling rates, it is important to recognise that recycling is simply a better way of managing a problem that already exists, i.e. what to do with waste.

We want to see more attention given to the higher tiers of the hierarchy. We must first encourage the avoidance of waste wherever possible. When we determine the need for a service or product, we must consider the waste generation and life cycle of what is being proposed. This is because when we factor in the waste generated, it may be worth avoiding the product or service altogether.

Reducing waste is also extremely important and forms part of a more sustainable approach for decision making. A service or product could be preferable if there is a commitment from the supplier to reduce the amount of waste or emissions involved. We see waste as a wide ranging issue, with many forms. It can be as simple as packaging, but also as a by-product of creating the things we need. For example, the emissions associated with the manufacturing of a product.

<b>C6</b>	<b>Climate Change Adaptation and Mitigation</b>
C6.1	To put in place a water efficiency strategy for all Council operations (i.e. green space management), then monitor, record and report year on year savings.
C6.2	To ensure the Council’s flood resilience and management work incorporates a changing climate and that the Council’s own land and property decisions consider the need to make space for water.
C6.3	To run a campaign to raise awareness for the need to be better prepared for a changing climate.

**Carbon Mitigation**

In the context of this objective, mitigation means the enhancement of ‘sinks’ that store and process harmful carbon emissions.

Climate change problems are exacerbated through the production of greenhouse gases in combination with the natural storage of them.

In terms of the latter, it means the loss of natural green space, tree canopies, grassed areas concreted over and the loss of garden space.

We will reverse this trend through its response to the climate emergency.

**Carbon Adaptation**

Carbon adaptation is about being prepared for problems already stored up in the ‘pipeline’.

The climate is changing, and the consequences are already being felt. Action now is about ensuring they do not get worse, but it is also an unfortunate truth that impacts are already upon us.

Hotter summers, colder winter spells and increased storm activity impact everyone but especially the most vulnerable.

We need to identify the most vulnerable and those at risk and ensure we put in place support and resources so that the impacts of climate change are managed appropriately.

## C7

## Carbon Offsetting

- |      |  |
|------|--|
| C7.1 | To develop a Carbon Offsetting strategy for the Council's own operations to manage any residual carbon emissions.  |
| C7.2 | To promote carbon offsetting opportunities for businesses and communities as part of a complete package of measures to tackle climate change and not as a sole solution.   |
| C7.3 | Increase carbon sequestration through increased planting and changes to green space management. In particular to plant more street trees in urban areas to improve air quality, tackle flood risk and improve the quality of life. |

### What is Carbon Offsetting?

Carbon offsetting is the reduction in carbon emissions made through a particular process to compensate the emissions produced elsewhere.

### Why do we need Carbon Offsetting?

We accept we will not be able to save every kilogram of carbon which is why offsetting is so important. It is a way of compensating for what residual carbon emissions remain. We will establish the best methods to deploy carbon offsets to ensure transparency in reporting.

Offsetting sits alongside a robust reduction strategy; we will use it as a last resort and only to be relied upon for those emissions that simply cannot be saved.

### How do we offset carbon emissions?

Offsetting can come in a variety of forms. Large scale tree planting has historically been the most common form of offsetting. Alternatively, developers who cannot achieve zero carbon in a new development will offset the 'shortfall' through contributions to the Council who will find savings on their behalf.

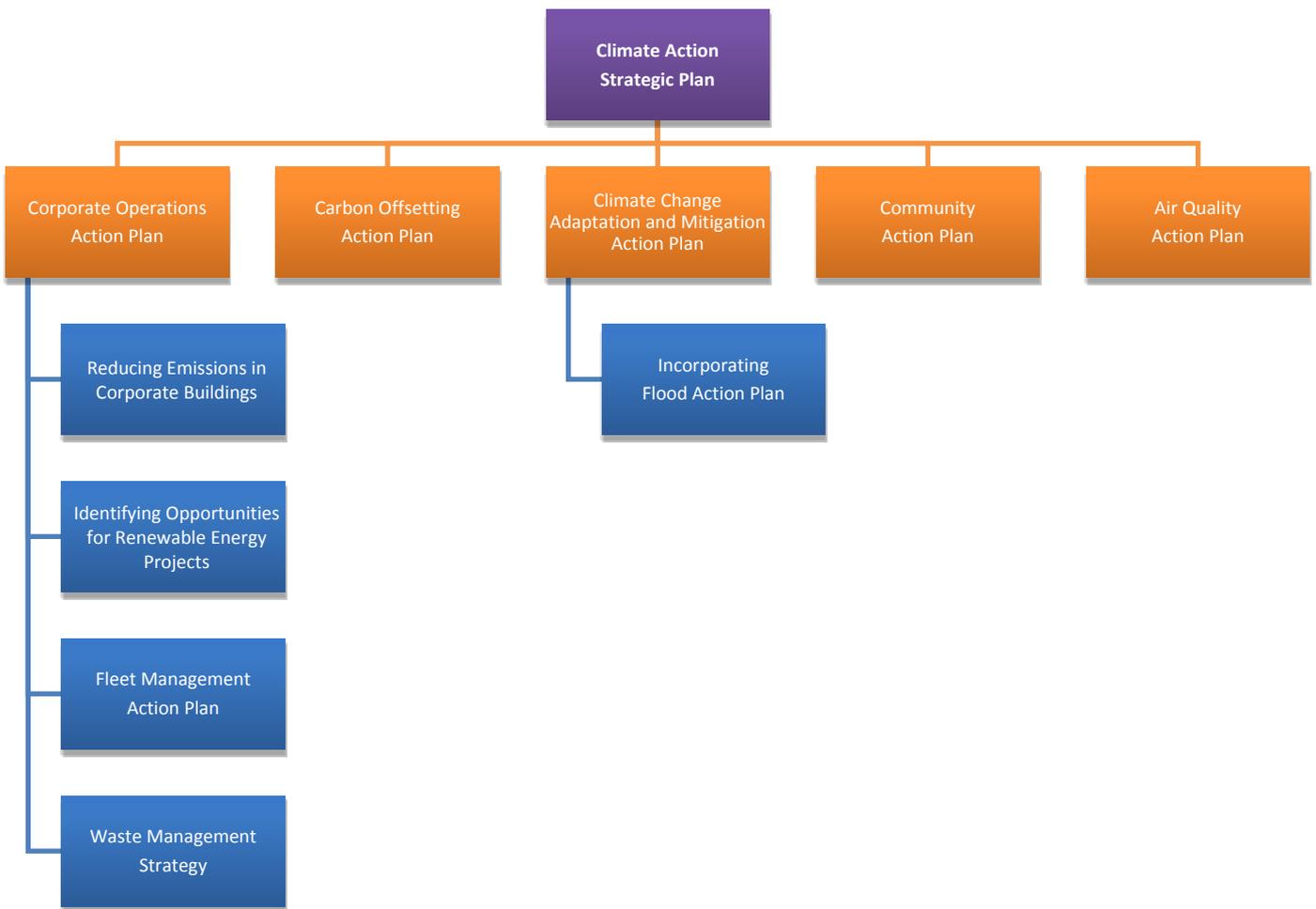
Our preference for offsetting is to develop a strategy in combination with the approach to mitigation (Climate Objective C6). We want to increase the tree canopy across the borough, allow more naturalisation of green spaces and in particular increase tree coverage in areas of poor air quality.

We are a major land holder in Hillingdon which is already one of the greenest boroughs. We have many parks and open spaces that provide the perfect opportunity for increased tree planting and biodiversity improvements.

# 6. How this Plan works

*This Strategic Plan is the just the start. We want all our services to adopt climate responsible operations and we have adopted an approach that puts the responsibility on the individual services to identify and deliver opportunities to respond to the climate emergency.*

*The Strategic Plan is therefore a catalyst for a series of other more detailed plans that will include actions and targets following the consultation on this document. An Action Plan tracker will collate all the actions into one place and will be available online for a transparent understanding of the ongoing actions.*



# 7. Monitoring and Reporting

*We commit to providing an annual report on the actions within this Strategic Plan along with the supporting specific action plans.*

*These annual reports will be accompanied by a review of the plan which we will invite stakeholders, communities, residents and businesses to comment on through a period of consultation.*

*Responding to the climate emergency requires a collaborative effort from everyone. It is therefore important that there is full engagement. It is also important to ensure that everyone has the opportunity to present their ideas and their experiences to ensure that the Council is progressing in the right direction.*



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## COUNCIL BUDGET - 2020/21 REVENUE AND CAPITAL MONTH 10 BUDGET MONITORING

<b>Cabinet Member</b>	Councillor Martin Goddard
<b>Cabinet Portfolio</b>	Cabinet Member for Finance
<b>Report Author</b>	Paul Whaymand, Corporate Director of Finance
<b>Papers with report</b>	Appendices A – F

### HEADLINE INFORMATION

<b>Purpose of report</b>	<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 £3,620k is reported against General Fund revenue budget normal activities as of January 2021 (Month 10), an improvement of £189k on the Month 9 position. Unallocated reserves are projected to total £31,525k at 31 March 2021.</p> <p>To date, COVID-19 pressures of £34,389k have been identified and are being funded by specific Government grant, with the Council also retaining £9,126k of its own funding in a dedicated Earmarked Reserve to supplement Government support in 2020/21 and future years if required.</p> <p>The latest positions on other funds and the Capital Programme are detailed within the body of this report.</p>
<b>Contribution to our plans and strategies</b>	<p><b>Putting our Residents First: <i>Financial Management</i></b></p> <p>Achieving Value for Money is an important element of the Council's Medium Term Financial Plan.</p>
<b>Financial Cost</b>	N/A
<b>Relevant Policy Overview Committee</b>	Corporate Services, Commerce & Communities
<b>Ward(s) affected</b>	All

## RECOMMENDATIONS

That Cabinet:

1. Note the budget position as at January 2021 (Month 10) as outlined in Table 1.
2. Note the Treasury Management update as at January 2021 at Appendix E.
3. Continue the delegated authority up until the April 2021 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 21 January 2021 and 18 February 2021 Cabinet meetings, detailed at Appendix F.
4. Note the virement of £59k funding from the 2020/21 HRA Acquisitions and Internal Developments budget within HRA Major Projects to the 113-127 Moorfield Road redevelopment project.
5. 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. 30-32 Blyth Road, Hayes - £10,000
  - b. Minet School - £20,000
  - c. Brunel Rugby - £8,000
  - d. Brunel University (BCAST) - £10,000
  - e. Nestle Factory (Industrial - Unit 4), Hayes - £26,000
  - f. 15-17 Uxbridge Road - £20,000
  - g. GSK Stockley Park - £40,000
6. Accept £500k grant funding from the West London Waste Alliance to support the implementation and promotion of segregated food waste collection and processing.
7. Accept £681,542 National Leisure Recovery Fund grant funding from Sport England to support the reopening of the Council's leisure facilities.

## SUPPORTING INFORMATION

### Reasons for Recommendations

1. The reason for **Recommendation 1** is to ensure that the Council achieves its budgetary objectives, providing Cabinet with an update on performance at Month 10 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 F reports back on use of this delegated authority previously granted by Cabinet.
3. **Recommendation 4** to note recent virement approval of £59k obtained via the capital release process from unallocated funding within the 2020/21 Acquisitions and Internal Development budget to the 113-127 Moorfield Road shared ownership development project to cover the increase in the project cost following receipt of tender prices.
4. Gift funding has been offered by developers which if accepted by Cabinet will be utilised to fund dedicated staff to support this pre-application and application work. **Recommendation 5** seeks authority from Cabinet to approve the acceptance of £134k in relation to a number of major developments.
  - a. 30-32 Blyth Road, Hayes - £10,000
  - b. Minet School - £20,000
  - c. Brunel Rugby - £8,000
  - d. Brunel University (BCAST) - £10,000
  - e. Nestle Factory (Industrial - Unit 4), Hayes - £26,000
  - f. 15-17 Uxbridge Road - £20,000
  - g. GSK Stockley Park - £40,000
5. Legislation due to come into force by 2023 will require local authorities to adopt a new approach to organic waste management. In order to be fully compliant, Hillingdon Council will be required to collect and process food and garden waste presented by residents separately using specialist closed-roof vehicles. The West London Waste Alliance (WLWA) has offered all six West London boroughs funding of £500k to develop the necessary infrastructure to meet these requirements. **Recommendation 6** seeks authority to accept the funding awarded to procure five sealed, rear-lifting vehicles for segregated collection and deposition of food waste and to contribute towards the one-off revenue implementation costs (including caddies and bags, marketing and promotion). The residual savings generated through the new approach to organic waste management constitute part of the wider review of waste and recycling expected to deliver savings totalling £380k across 2021/22 and 2022/23, identified in the Medium Term Financial Strategy 2021/22-2025/26 approved by Council (25 February Item 6).
6. **Recommendation 7** seeks authority to accept grant funding of £681,542 awarded to the Council by Sport England who are sponsored by the Department for Digital, Culture, Media and Sport. This funding is aimed at supporting the reopening of public leisure facilities and the Council is required to passport the funding to the incumbent leisure provider, GLL, in line with the expenditure profile included in the bid.
7. **Alternative options considered**
8. There are no other options proposed for consideration.

## SUMMARY

### REVENUE

9. General Fund pressures totalling £34,389k are projected in relation to the impacts of the COVID-19 pandemic and the Council's response in 2019/20 and 2020/21, with £32,506k of this pressure impacting the current financial year. With the pandemic continuing and local authorities at the forefront of delivering support to residents, it is expected that this pressure will grow over the coming months and continue into the new financial year.
10. Funding through specific COVID-19 grants and the MHCLG scheme to cover 75% of income losses is expected to total £37,010k by 31 March 2021 and therefore sufficient to manage those pressures already identified. Given the likelihood that further pressures will emerge over the remainder of this financial year and beyond, the Council continues to maintain an Earmarked Reserve of £9,126k to manage further demands exceeding Government funding.
11. On the assumption that this funding strategy for COVID-19 pressures can be maintained, an underspend of £3,620k is projected across General Fund budgets at Month 10, an improvement of £189k on the Month 9 position driven by minor changes in a number of areas across the Council. The £3,620k underspend consists of £2,850k service underspends and a £770k 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 £31,525k at 31 March 2021.
12. Within this position, £3,577k of the £6,386k savings planned for 2020/21 are banked or on track for delivery in full by 31 March 2021, with £2,809k 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 is expected that a similar approach will be required during 2021/22.
13. Within the Collection Fund, a pressure of £4,789k is reported at Month 10, representing a £55k improvement on Month 9, with the underlying variance resulting from 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 and following the November 2020 Spending Review it is expected that 75% of the in-year pressure will be funded by a specific Government grant. The remaining 25% will ultimately impact on General Balances and has been factored into the latest iteration of the MTFE.

### CAPITAL

14. As at Month 10 an underspend of £38,816k is reported on the 2020/21 General Fund Capital Programme of £85,698k, due mainly to re-phasing of project expenditure into future years. Some schemes were temporarily put on hold during the COVID-19 pandemic. The forecast outturn variance over the life of the 2020/21 to 2024/25 programme is an under spend of £6,334k. This outlook for the capital programme remains broadly consistent with those factored into the capital programme projections included in the budget setting reports presented to Cabinet and Council in February 2021.

## FURTHER INFORMATION

### General Fund Revenue Budget

16. **Normal Activities** - An underspend of £3,620k is reported across normal operating activities at Month 10, an improvement of £189k on the Month 9 position. The £189k consists of £189k improvement across the directorate positions, consisting of minor movements across a range of services areas and no movement on Corporate Operating budgets. In addition, there are compensating movements on service contingency largely in Social Care placements and SEN transport however the overall contingency is forecasting a balanced position. This includes £500k general contingency which remains available to deal with any emerging issues.
17. Overall, the directorates are all reporting underspends totalling £2,850k on normal activities, however, within this there are a number of pressures which are being managed and in the current year offset through wider underspends. These underspends are being predominantly driven by the COVID-19 pandemic, in service areas unable to run at normal levels, or forced to close, due to measures put in place to help contain the virus and reduce the rate of infection. Specific pressure areas with departmental budgets are expanded upon in Appendix A to this report.
18. There are underspends reported against Interest and Investment Income and Levies and Other Corporate Budgets, a favourable variance of £770k includes a one-off windfall of £161k related to Icelandic investment recoveries and the benefit of maintaining short term borrowing. 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.
19. **COVID-19 Financial Impact** - There is a significant pressure of £32,506k relating to the in-year impact of the COVID-19 pandemic being reported under Exceptional Items in the table below. This pressure and £1,883k costs incurred in 2019/20 can be contained within the £37,010k confirmed Government funding, although there remains a strong likelihood that further pressures could emerge over the remainder of the year as the pandemic continues. The Council therefore retains £9,126k in Earmarked Reserves to manage any costs exceeding available Government funding.
20. 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, 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 continues to support homelessness and rough sleepers, ensuring this group are protected during the pandemic.
21. **Savings** - £6,386k of savings are included in the 2020/21 General Fund revenue budget. There has been no month on month movement in the savings tracker for Month 10 and delivery is on track or banked against £3,577k of this total, with £2,809k either in the early stages of delivery or deemed higher risk. The 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.

22. **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. The in-year monitoring position reported reflecting the 2.75% uplift in pay, the award above the budgeted 2% has been factored into the 2021/22 budget approved by Cabinet and Council in February 2021.

**Table 1: General Fund Overview**

Original Budget £'000	Budget Changes £'000	Service	Month 10		Variance (As at Month 10) £'000	Variance (As at Month 9) £'000	Movement from Month 9 £'000
			Revised Budget £'000	Forecast Outturn £'000			
213,954	(825)	Directorate Operating Budgets	213,129	210,279	(2,850)	(2,662)	(188)
7,093	(55)	Corporate Operating Budgets	7,038	6,272	(766)	(766)	0
13,657	0	Development & Risk Contingency	13,657	13,657	0	0	0
(420)	880	Unallocated Budget Items	460	460	0	0	0
<b>234,284</b>	<b>0</b>	<b>Sub-total Expenditure</b>	<b>234,284</b>	<b>230,668</b>	<b>(3,616)</b>	<b>(3,428)</b>	<b>(188)</b>
(227,950)		Corporate Funding	(227,950)	(227,954)	(4)	(4)	0
<b>6,334</b>	<b>0</b>	<b>Total Normal Activities</b>	<b>6,334</b>	<b>2,714</b>	<b>(3,620)</b>	<b>(3,432)</b>	<b>(188)</b>
		<u>Exceptional COVID-19 items</u>					
0	0	Pressures	0	32,506	32,160	32,160	346
0	0	COVID-19 Funding	0	(32,506)	(32,160)	(32,160)	(346)
<b>6,334</b>	<b>0</b>	<b>Total Net Expenditure</b>	<b>6,334</b>	<b>2,714</b>	<b>(3,620)</b>	<b>(3,432)</b>	<b>(188)</b>
(34,239)	0	Balances b/fwd	(34,239)	(34,239)			
<b>(27,905)</b>	<b>0</b>	<b>Balances c/fwd 31 March 2021</b>	<b>(27,905)</b>	<b>(31,525)</b>			

23. General Fund Balances are expected to total £31,525k at 31 March 2021 as a result of the forecast position detailed above, representing a marginal improvement on the £31,337k projection for closing General Balances factored into the Council's budget strategy as approved by Cabinet and Council in February 2021.

## Directorate Operating Budgets

24. Directorate Operating Budgets represent the majority of the Council's investment in day-to-day services for residents, with more volatile or demand-led areas of activity tracked separately through the Development and Risk Contingency. 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 10		Variance (As at Month 10) £'000	Variance (As at Month 9) £'000	Movement from Month 9 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
19,095 (3,359)	(343) 57	Finance	Expenditure	18,752	18,516	(236)	(216)	(20)
			Income	(3,302)	(3,241)	61	42	19
<b>15,736</b>	<b>(286)</b>		<b>Sub-Total</b>	<b>15,450</b>	<b>15,275</b>	<b>(175)</b>	<b>(174)</b>	<b>(1)</b>
166,088 (38,158)	(949) 144	Social Care	Expenditure	165,139	164,784	(355)	(322)	(33)
			Income	(38,014)	(37,756)	258	262	(4)
<b>127,930</b>	<b>(805)</b>		<b>Sub-Total</b>	<b>127,125</b>	<b>127,028</b>	<b>(97)</b>	<b>(60)</b>	<b>(37)</b>
43,922 (27,112)	2,774 (3,414)	Environment, Education & Community Services	Expenditure	46,696	45,529	(1,167)	(899)	(268)
			Income	(30,526)	(30,335)	191	14	177
<b>16,810</b>	<b>(640)</b>		<b>Sub-Total</b>	<b>16,170</b>	<b>15,194</b>	<b>(976)</b>	<b>(885)</b>	<b>(91)</b>
54,709 (20,180)	980 (174)	Infrastructure, Building Services & Transport	Expenditure	55,689	54,450	(1,239)	(1,208)	(31)
			Income	(20,354)	(20,125)	229	227	2
<b>34,529</b>	<b>806</b>		<b>Sub-Total</b>	<b>35,335</b>	<b>34,325</b>	<b>(1,010)</b>	<b>(981)</b>	<b>(29)</b>
20,537 (1,588)	101 (1)	Corporate Resources & Services	Expenditure	20,638	20,055	(583)	(564)	(19)
			Income	(1,589)	(1,598)	(9)	2	(11)
<b>18,949</b>	<b>100</b>		<b>Sub-Total</b>	<b>19,049</b>	<b>18,457</b>	<b>(592)</b>	<b>(562)</b>	<b>(30)</b>
<b>213,954</b>	<b>(825)</b>	<b>Total Directorate Operating Budgets</b>		<b>213,129</b>	<b>210,279</b>	<b>(2,850)</b>	<b>(2,662)</b>	<b>(188)</b>

25. An underspend of £175k is reported on Finance budgets at Month 10, an improvement of £1k on Month 9. There are compensating variances 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.

26. There is a net underspend of £97k reported across Social Care before COVID-19 pressures, an improvement on Month 9 of £37k, due to favourable movements mostly in Children's social work linked to recruitment assumptions, alongside other minor movements in the service. Within the £97k variance there are compensating movements being driven largely by staffing variances in Children's Services and Adult Social Work alongside non-staffing pressures within Provider and Commissioned Care, offset by staffing reductions in Provider and Commissioned Care where some services have been unable to run during the lockdown period.

27. Environment, Education & Community Services is reporting a net underspend of £976k, within this position is an overspend on Education and Trading Standards offset by an underspend in Green Spaces, Housing and Community Safety. The underspend in Green Spaces is linked to a number of services not being operational due to the pandemic, alongside vacancies across the service. There is a £217k movement from Month 9 resulting from slower than previously anticipated recruitment and further reductions in sessional salaries and associated operating costs as a result of the pandemic.
28. A net £1,010k underspend is reported across Infrastructure, Building Services & Transport, a minor favourable movement from Month 9 of £29k reflecting a £59k favourable movement in Repairs relating to security requests, being offset by minor movements across the service. The headline position is driven by £472k slippage in Highways expenditure alongside £381k additional lease income in Property Services and a £158k underspend on Waste services being offset by a number of minor pressures across the directorate.
29. The Corporate Resources & Services directorate is forecasting an underspend of £592k, a £30k favourable movement from Month 9, which is being driven by reduced canvassing activity due to lockdown, vacant posts and updated recruitment forecasts in the Business & Technical Support service.
30. The Council is permitted to finance the costs associated with service transformation from Capital Receipts, with both one-off implementation costs and the support for service transformation, including the BID team, being funded from this resource. Current projections include an estimate of £2,026k 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**

31. 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. There has been an improvement of £392k where savings have moved from on track for delivery to banked status for Month 10, this is contained within the £3,577k which are either banked or on track for delivery. £447k savings are in the early stages of delivery or potentially subject to greater risk to delivery, with the remaining £2,362k being reported as having a serious problem with delivery.
32. The relatively high number of savings being reported as having a serious problem with delivery (£2,362k) are directly attributable 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.

**Table 3: Savings Tracker**

2020/21 General Fund Savings Programme	Finance	Social Care	EE&CS	IBS&T	Corporate Resources	Cross-Cutting	Total 2020/21 Savings	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%
B Banked	(186)	(766)	(80)	0	(31)	(590)	<b>(1,653)</b>	<b>25.9%</b>
G On track for delivery	(42)	(1,282)	0	(600)	0	0	<b>(1,924)</b>	<b>30.1%</b>
A Potential significant savings shortfall or a significant or risky project which is at an early stage;	0	(447)	0	0	0	0	<b>(447)</b>	<b>7.0%</b>
R Serious problems in the delivery of the saving	0	0	(1,086)	0	(375)	(901)	<b>(2,362)</b>	<b>37.0%</b>
<b>Total 2020/21 Savings</b>	<b>(228)</b>	<b>(2,495)</b>	<b>(1,166)</b>	<b>(600)</b>	<b>(406)</b>	<b>(1,491)</b>	<b>(6,386)</b>	<b>100.0%</b>

**Corporate Operating Budgets (£766k underspend, nil movement)**

33. 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.
34. A favourable variance of £484k is reported against interest payable as a result of maximising short term borrowing, alongside this a further one off windfall income of £161k related to Icelandic bank losses improves the position. In addition, as a result of anticipated capital expenditure and associated borrowing costs, a £108k underspend is reported on the revenue costs of debt financing, all of which bring the overall Interest and Investment Income position to a £753k favourable position. Levies and Other Corporate Budgets are forecast to underspend by £13k, mainly driven by a lower Concessionary Fares levy as the final levy figure wasn't available until after the budget was set. Housing Benefit remains on budget with no variance being reported. No material variances are reported across the remainder of Corporate Budgets, resulting in a headline underspend of £766k.

**Table 4: Corporate Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service	Month 10		Variance (As at Month 10) £'000	Variance (As at Month 9) £'000	Movement from Month 9 £'000
			Revised Budget £'000	Forecast Outturn £'000			
0	0	Interest and Investment Income	Salaries	0	0	0	0
8,459	111		Non-Sal Exp	8,570	7,978	(592)	(592)
(487)	(166)		Income	(653)	(814)	(161)	(161)
<b>7,972</b>	<b>(55)</b>		<b>Sub-Total</b>	<b>7,917</b>	<b>7,164</b>	<b>(753)</b>	<b>(753)</b>
499	0	Levies and Other Corporate Budgets	Salaries	499	514	15	17
12,376	0		Non-Sal Exp	12,376	12,348	(28)	(30)
(12,289)	0		Income	(12,289)	(12,289)	0	0
<b>586</b>	<b>0</b>		<b>Sub-Total</b>	<b>586</b>	<b>573</b>	<b>(13)</b>	<b>(13)</b>
0	0	Housing Benefit Subsidy	Salaries	0	0	0	0
147,893	0		Non-Sal Exp	147,893	147,893	0	0
(149,358)	0		Income	(149,358)	(149,358)	0	0
<b>(1,465)</b>	<b>0</b>		<b>Sub-Total</b>	<b>(1,465)</b>	<b>(1,465)</b>	<b>0</b>	<b>0</b>
<b>7,093</b>	<b>(55)</b>	<b>Total Corporate Operating Budgets</b>		<b>7,038</b>	<b>6,272</b>	<b>(766)</b>	<b>(766)</b>

### Development & Risk Contingency

35. 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. As in prior years specific and emerging variances are contained within the overall budget, although as noted above, exceptional COVID-19 related pressures are being funded through specific grant funding.

**Table 5: Development & Risk Contingency**

Original Budget £'000	Budget Changes £'000	Service	Month 10		Variance (As at Month 10) £'000	Variance (As at Month 9) £'000	Movement from Month 9 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
1,063	0	Social Care	Asylum Service	1,063	669	(394)	(474)	80
3,211	0		Demographic Growth - Looked After Children	3,211	3,983	772	308	464
895	0		Demographic Growth - Children with Disabilities	895	196	(699)	(435)	(264)
2,873	(150)		SEN transport	2,723	2,248	(475)	(259)	(216)
3,842	(1,049)		Demographic Growth - Adult Social Care	2,793	3,957	1,164	1,227	(63)
1,736	(914)	Environment, Education & Community Services	Impact of Welfare Reform on Homelessness	822	819	(3)	11	(14)
0	0		Planning Enforcement	0	0	0	0	0
2,407	(357)	Infrastructure, Building Services & Transport	Waste Disposal Levy & Associated Contracts	2,050	1,685	(365)	(365)	0
(400)	0	Corporate Items	Additional Investment Income	(400)	(400)	0	0	0
500	0		General Contingency	500	500	0	(13)	13
<b>16,127</b>	<b>(2,470)</b>	<b>Total Development &amp; Risk Contingency</b>		<b>13,657</b>	<b>13,657</b>	<b>0</b>	<b>0</b>	<b>0</b>

36. Within Social Care Contingency there are compensating movements in Month 10, linked to COVID-19 reducing the demand for SEN Transport, while demand-led budgets for care packages have been refreshed to reflect latest client numbers and unit costs.
37. There is a decrease in the call on homelessness contingency of £14k, following reduced expenditure against Private Sector Placements. This is now £3k below the contingency budget. There is no change in Waste Services, which is £365k below the contingency budget following confirmation of the pay as you throw tonnages from the West London Waste Authority.
38. It is expected that any further non-COVID-19 related pressures can be managed within the budget set aside for General Contingency. There are currently no identified calls on this £500k provision, leaving the full budget available for such any such emerging issues. All contingency items will continue to be closely monitored over the remainder of this financial year and forecasts refreshed accordingly.

## Exceptional Items – COVID-19 Pressures

39. The majority of the COVID-19 pressure is relating to Social Care, and Environment, Education & Community Services, these two areas represent £20,760k of the £32,506k in-year pressure. In addition, £1,883k pressures were identified in the 2019/20 financial year to give a total direct cost of £34,389k.
- a. Within Social Care, the Council is forecasting a pressure of just over £11.2m, 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, approximately £1.1m of support has been provided to support homeless residents of the Borough and ensure their safety during COVID-19, with a further £2.9m 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 had temporarily suspended in order to support residents during difficult times, with the suspension of parking charges making up approximately £4.2m of this value.
40. 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. The Council has confirmed funding of £37,010k (although the final figure will in part be based on actual income losses and may therefore fluctuate) which will be sufficient to manage pressures identified to date, although there remains a risk that new and emerging issues will leave a funding gap in either the current or future years.
41. The strategy to deal with any unfunded COVID-19 costs is to utilise Earmarked Reserves totalling £9,216k. 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 pressures in 2020/21 and later years.

## HIP Initiatives

42. There is £677k of HIP Initiative balances brought forward at the start of the year. To date £27k has been allocated leaving, £650k available for future releases.

## Schools Budget

43. At Month 10 the Dedicated Schools Grant position is reporting an in-year overspend of £9,846k. This represents a net £16k adverse movement from Month 9, within the High Needs Block there is an adverse £355k movement with a compensating £289k favourable movement in the Schools Block and £50k favourable movement in the Early Years Block.
44. There are continuing pressures in the cost of High Needs. The growth in the number of pupils with an EHCP continued throughout 2019/20 and the current academic year has seen a further increase in the number of pupils with an EHCP. When the £15,002k deficit brought

forward from 2019/20 is considered, the deficit to carry forward to 2021/22 is forecast at £24,848k. This pressure will ultimately be funded from future grant awards and will therefore not directly impact upon the Council's own resources.

### **Collection Fund**

45. The Collection Fund is forecasting a deficit of £4,789k as at Month 10, a £55k favourable movement from Month 9. The overall deficit is predominantly driven by reduced growth in the Council Tax taxbase and a reduction in the Business Rates income as a result of expected business failures due to the COVID-19 pandemic.
46. Additional support within Council Tax is driving approximately 40% of the pressure as households face financial difficulty. The majority of the movement sits within Business Rates and is attributable to a significant reduction in gross yield, nearly wholly offset by Section 31 Grant income as more businesses qualify for Retail Relief.
47. Any deficit realised at outturn will impact on the General Fund budget in future years, with the Government confirming that local authorities will be required to spread the deficit over a period of three years in equal increments as a result of the in-year deficit being directly attributable to COVID-19, a third of the forecast in-year deficit at Month 9 (£1,958k) would hit the Council's budget position for 2021/22 to 2023/24, effectively increasing the budget gap by this value, offset in 2021/22 by the brought forward surplus of £702k and accounting adjustments within Council Tax outside of the scope of the deficit spreading powers (£326k credit).
48. Spending Review 2020 confirmed that the Government will be funding 75% of this deficit, with further details to follow on the exact mechanics of this announcement, in the interim, the Council is assuming 75% of the £1,958k will be funded through this mechanism in the budget strategy, meaning only £489k will impact on the Council's balances.

### **Housing Revenue Account**

49. The Housing Revenue Account is currently forecasting a £475k favourable variance, resulting in a net drawdown of reserves of £1,582k. This results in a projected 2020/21 closing HRA General Balance of £15,493k. This excludes the potential cost pressures of COVID-19, which are estimated at £222k. These pressures have not been included in the Month 10 forecast position for HRA revenue or capital as they are at a level that is fundable in-year within the overall HRA position. In addition, lobbying for specific HRA COVID-19 funding from Government is ongoing through London Councils.

### **Future Revenue Implications of Capital Programme**

50. 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 £2,754k lower – with the majority of this reduction factored into the medium term outlook set out in the budget reports approved by Cabinet and Council in February 2021.

## Appendix A – Detailed Group Forecasts (General Fund)

### FINANCE

51. A forecast underspend of £175k is reported for the Finance Directorate as at Month 10 against normal activities, with £1,619k being reported against the COVID-19 pressure within Exceptional Items.
52. The overall position is in line with that reported for Month 9. The operational variables referred to previously – namely the reduced running costs for the Fleet Service – have shown little movement in month and continue to explain the underlying position overall.

**Table 6: Finance Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service		Month 10		Variance (As at Month 10) £'000	Variance (As at Month 9) £'000	Movement from Month 9 £'000
				Revised Budget £'000	Forecast Outturn £'000			
4,224	0	Corporate Finance	Salaries	4,224	4,268	44	39	5
636	0		Non-Sal Exp	636	674	38	43	(5)
(445)	0		Income	(445)	(549)	(104)	(104)	0
<b>4,415</b>	<b>0</b>		<b>Sub-Total</b>	<b>4,415</b>	<b>4,393</b>	<b>(22)</b>	<b>(22)</b>	<b>0</b>
5,844	(63)	Exchequer and Business Assurance Services	Salaries	5,781	5,781	0	(4)	4
3,283	133		Non-Sal Exp	3,416	3,301	(115)	(89)	(26)
(2,796)	(54)		Income	(2,850)	(2,688)	162	140	22
<b>6,331</b>	<b>16</b>		<b>Sub-Total</b>	<b>6,347</b>	<b>6,394</b>	<b>47</b>	<b>47</b>	<b>0</b>
1,790	(470)	Procurement	Salaries	1,320	1,185	(135)	(56)	(79)
3,318	57		Non-Sal Exp	3,375	3,307	(68)	(149)	81
(118)	111		Income	(7)	(4)	3	6	(3)
<b>4,990</b>	<b>(302)</b>		<b>Sub-Total</b>	<b>4,688</b>	<b>4,488</b>	<b>(200)</b>	<b>(199)</b>	<b>(1)</b>
11,858	(533)	Finance Directorate	Salaries	11,325	11,234	(91)	(21)	(70)
7,237	190		Non-Sal Exp	7,427	7,282	(145)	(195)	50
(3,359)	57		Income	(3,302)	(3,241)	61	42	19
<b>15,736</b>	<b>(286)</b>		<b>Total</b>	<b>15,450</b>	<b>15,275</b>	<b>(175)</b>	<b>(174)</b>	<b>(1)</b>

### Exceptional Items – COVID-19 Pressures

#### Finance Development & Risk Contingency

Original Budget £'000	Budget Changes £'000	Development & Risk Contingency	Month 10		Variance (As at Month 10) £'000	Variance (As at Month 9) £'000	Movement from Month 9 £'000
			Revised Budget £'000	Forecast Outturn £'000			
0	0	COVID-19	0	1,619	1,619	1,591	28
0	0	Total Exceptional Items	0	1,609	1,619	1,591	28

53. At Month 9, gross COVID-19 expenditure is £1,619k is reported – an adverse movement of £28k from £1,591 reported for Month 9.
54. The position is due to the ongoing expenditure pressures of £577k relating predominantly to additional operational resource required to deliver Government driven grant streams. As reported for previous months, the income pressure of £1,285k relates mainly to council tax

court fee income. These pressures are partly offset by COVID-19 related grant income of £243k leaving £1,619k to be funded from the contingency.

## **FINANCE OPERATING BUDGETS (£175k underspend, £1k favourable movement)**

### **Corporate Finance (£22k underspend, nil movement)**

55. The position remains in line with that reported for Month 9 and arises from the projected pressure on the cost of external audit fees continuing to be offset by volume related reductions in bank charges and banking security costs during the COVID-19 pandemic. Minor variations across the group are broadly off-setting overall, resulting in little movement from Month 9.

### **Exchequer & Business Assurance Services (£47k overspend, nil movement)**

56. Staff resource assumptions are consistent with Month 9. The Service have delivered the in year MTFF savings target following the BID review of the Business Assurance function now implemented fully.

### **Procurement (£200k underspend, £1k favourable movement)**

57. The position at Month 10 shows a slight improvement of £1k from Month 9. The comparative stability of oil prices up to this point of the year and reductions to contracted repairs and maintenance costs within the Fleet Service continue to be the key driver for the underlying position. The BID review of the Procurement function has now been fully implemented and the small favourable movement from Month 9 overall arises from updates of resourcing assumptions.

## SOCIAL CARE

58. An underspend of £97k is reported for Social Care at Month 10, representing an improvement of £37k on the base budget.

**Table 7: Social Care Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service	Month 10		Variance (As at Month 10) £'000	Variance (As at Month 9) £'000	Movement from Month 9 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
21,123	(344)	Provider and Commissioned Care	Salaries	20,779	19,513	(1,266)	(1,206)	(60)
9,849	670		Non-Sal Exp	10,519	10,988	469	304	165
(4,876)	0		Income	(4,876)	(4,832)	44	148	(104)
<b>26,096</b>	<b>326</b>		<b>Sub-Total</b>	<b>26,422</b>	<b>25,669</b>	<b>(753)</b>	<b>(754)</b>	<b>1</b>
7,350	732	Adult Social Work	Salaries	8,082	8,089	7	189	(182)
77,244	(1,735)		Non-Sal Exp	75,509	75,562	53	(69)	122
(23,405)	308		Income	(23,097)	(23,064)	33	(28)	61
<b>61,189</b>	<b>(695)</b>		<b>Sub-Total</b>	<b>60,494</b>	<b>60,587</b>	<b>93</b>	<b>92</b>	<b>1</b>
17,296	(307)	Children's Services	Salaries	16,989	16,858	(131)	(109)	(22)
21,287	39		Non-Sal Exp	21,326	21,662	336	331	5
(9,600)	(164)		Income	(9,764)	(9,533)	231	238	(7)
<b>28,983</b>	<b>(432)</b>		<b>Sub-Total</b>	<b>28,551</b>	<b>28,987</b>	<b>436</b>	<b>460</b>	<b>(24)</b>
1,714	(1)	SEND	Salaries	1,713	1,880	167	170	(3)
178	(2)		Non-Sal Exp	176	229	53	53	0
(125)	0		Income	(125)	(221)	(96)	(96)	0
<b>1,767</b>	<b>(3)</b>		<b>Sub-Total</b>	<b>1,764</b>	<b>1,888</b>	<b>124</b>	<b>127</b>	<b>(3)</b>
351	0	Public Health	Salaries	351	384	33	20	13
6,822	0		Non-Sal Exp	6,822	6,789	(33)	(21)	(12)
(45)	0		Income	(45)	(45)	0	0	0
<b>7,128</b>	<b>0</b>		<b>Sub-Total</b>	<b>7,128</b>	<b>7,128</b>	<b>0</b>	<b>(1)</b>	<b>1</b>
456	0	Health Integration & Voluntary Sector Partnerships	Salaries	456	425	(31)	15	(46)
2,417	0		Non-Sal Exp	2,417	2,405	(12)	1	(13)
(107)	0		Income	(107)	(61)	46	0	46
<b>2,766</b>	<b>0</b>		<b>Sub-Total</b>	<b>2,766</b>	<b>2,769</b>	<b>3</b>	<b>16</b>	<b>(13)</b>
48,290	80	Social Care Directorate Total	Salaries	48,370	47,149	(1,221)	(921)	(300)
117,797	(1,028)		Non-Sal Exp	116,769	117,635	866	599	267
(38,158)	144		Income	(38,014)	(37,756)	258	262	(4)
<b>127,929</b>	<b>(804)</b>		<b>Total</b>	<b>127,125</b>	<b>127,028</b>	<b>(97)</b>	<b>(60)</b>	<b>(37)</b>

**SOCIAL CARE DEVELOPMENT AND RISK CONTINGENCY (£368k overspend, £1k adverse movement)**

59. 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 10 projected position for the Development and Risk Contingency, which is forecast to overspend against contingency by £368k, representing a £1k movement on the Month 9 position.
60. Adults placements contingency is forecast to overspend against contingency by £1,164k, representing an improvement of £63k on the Month 9 position due to refining underlying pressures and those relating to COVID-19, particularly within Mental Health services.
61. SEN Transport is reporting an underspend of £475k against contingency which is a favourable movement of £216k from Month 9. This movement has stemmed from the third lockdown in January which has significantly reduced the number of routes and vehicles running. Transport expenditure will continue to be closely monitored, particularly in light of recent Central Government announcements on the reopening of schools, as social distancing measures will continue to be in place to protect vulnerable children using the service.
62. The Looked After Children contingency is forecast to overspend against contingency by £772k due to the pressure on Secure Remand, Residential and Independent Fostering Placements. This reflects the increase in the number of high cost Residential and semi-independent living placements. However, this underlying increase is partly attributed to the impact of COVID-19, which has reduced the overall forecast and call on contingency by £1,334k through this financial year. This is partly offset by a reduction on the call of the CWD contingency by £264k. This favourable movement is a reflection on the number of packages of care which were suspended for a number of children during the COVID-19 lockdown and the allocation of additional one-to-one support being funded through the COVID-19 contingency.

**Table 8: Social Care Development & Risk Contingency**

Original Budget	Budget Changes	Development & Risk Contingency	Month 10		Variance (As at Month 10)	Variance (As at Month 9)	Movement from Month 9
			Revised Budget	Forecast Outturn			
£'000	£'000		£'000	£'000	£'000	£'000	£'000
1,063	0	Asylum Service	1,063	669	(394)	(474)	80
3,211	0	Demographic Growth - Looked After Children	3,211	3,983	772	308	464
895	0	Demographic Growth - Children with Disabilities	895	196	(699)	(435)	(264)
2,873	(150)	SEN Transport	2,723	2,248	(475)	(259)	(216)
3,842	(1,049)	Demographic Growth - Adult Social Care	2,793	3,957	1,164	1,227	(63)
<b>11,884</b>	<b>(1,199)</b>	<b>Current Commitments</b>	<b>10,685</b>	<b>11,053</b>	<b>368</b>	<b>367</b>	<b>1</b>
0	0	<b>COVID-19</b>	0	11,247	11,247	10,674	572
<b>0</b>	<b>0</b>	<b>Total Exceptional Items</b>	<b>0</b>	<b>11,247</b>	<b>11,247</b>	<b>10,674</b>	<b>572</b>

## **Exceptional Items – COVID-19 Pressures**

63. Within Social Care, COVID-19 pressures of £11,247k are being reported, which is an increase on the requirement of £572k on the Month 9 position.
64. Large impacts within Children's Services as a result of the allocation of £721k of Semi-Independent costs are recorded alongside smaller staffing specific additional costs. In depth reviews have been undertaken this month to identify all COVID-19 related spend and ensure correct categorisation.
65. The Provider and Commissioned Care pressure includes £724k of additional staffing pressures, an increase of £50k this month. £591k of the staffing pressure relates to staffing expenditure in care and residential homes as a direct result of COVID-19. A £110k staffing pressure is being reported as a result of the delay to the implementation of the new Occupational Therapy service delivery model due to the pandemic, which is now underway. Of non-staffing pressures, there is £131k in additional costs for flats in the Extra Care centres that were vacant and were unable to be re-let to the usual pre-COVID-19 timescales between March and September; and £51k in additional banking administration charges for the Brokerage service due to extra payment cards being issued as part of the service's COVID-19 response. £389k is being reported in loss of income due to the pandemic, of which £343k relates to parental fees from Early Years Centres and the remaining £46k due to loss of rental income and sales of meals in day centres.
66. The Adult Social Care pressure includes £1,500k 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 £2,188k is forecast to provide PPE within the wider Adult Social Care service delivery model. A further £2,684k 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.
67. The pressure associated with Children's Services (LAC) relates to an increase in spend in Residential care, as during the pandemic the department are unable to move Children on to more suitable accommodation and therefore achieve a lower unit cost, based on providing a more appropriate level of care. This is specifically caused by delays in moving on clients in LAC and Asylum and continuing to pay for spot purchases within Semi-Independent Placements, due to the limited availability of beds currently within the Block Contract arrangement. There has been a slight favourable movement in the use of additional staffing within Children's Services during the pandemic.

## **SOCIAL CARE OPERATING BUDGETS (£97k underspend £37k favourable movement)**

### **Provider and Commissioned Care (£753k underspend, £1k adverse movement)**

68. At Month 10, Provider and Commissioned Care are reporting a £753k underspend. This is due to a large staffing underspend of £2,647k driven by reductions in agency cover as lower levels of staffing were required for service provision during lockdown. This has been particularly apparent in services such as Passenger Transport, which was heavily impacted by school closures during the first and most recent lockdowns and the temporary closure of Children's Centres, where permanent staff were redeployed to Early Year's Centres to replace agency staffing. Furthermore, staffing costs due to COVID-19 of £724k have been identified and reported against the COVID-19 contingency this month, an increase of £50k from Month 9.

### **Adult Social Work (£93k overspend, £1k adverse movement)**

69. The position reported at Month 10 on the base budget is an overspend of £93k across Adult Social Work, a £1k movement on Month 9.
70. There is an ongoing extensive review of the pooled budget arrangements with the CCG and the use of the Hospital Discharge NHS COVID-19 Funding to fund additional costs of discharges, in the current year and then to determine the long-term impact of clients currently funded through this funding arrangement. The LBH contribution has now been agreed for the current year, with full assessments underway on the ongoing impact of COVID-19 on care needs and the changes to the type of care required.
71. There has been a review of demographics across Learning Disabilities and Mental Health Placements to determine any additional pressures arising this year as a result of the wider impacts of COVID-19, which will continue to be reviewed over the current year and into 2021/22.

### **Children's Services (£436k overspend, £24k favourable movement)**

72. A review of funding allocations across the service, along with minor adverse movements in non-staffing budgets have been netted down by slight improvements in staffing forecasts as a result of a reduction in agency spend. The favourable movement this month is due to a further review of recruitment assumptions within the service.
73. BID reviews are underway within Safeguarding Services which will address the high level of agency personnel currently within the service and ultimately reduce cost. Furthermore, agency staffing arrangements with Sanctuary Personnel, will deliver temporary staff at a lower cost and support further reduction in spend.

### **SEND (£124k overspend, £3k favourable movement)**

74. 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 contribute to reducing this pressure. Across the remainder of the service, staffing and non-staffing pressures caused by agency staff covering vacant posts are driving the overspend position.

### **Public Health (Breakeven, nil movement)**

75. 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. It is currently forecast that Public Health services will be delivered within budget.

### **Health integration and Voluntary Sector Partnerships (£3k overspend, £13k favourable movement)**

76. A favourable movement of £13k on the Month 9 position is as a result of realignments of contract costs for Healthwatch, in line with activity in year. 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 or be carried forward at Month 10.

## ENVIRONMENT, EDUCATION & COMMUNITY SERVICES

77. The Environment, Education and Community Services directorate is showing a projected outturn underspend of £976k at Month 10 on normal activities, a favourable movement of £91k from Month 9. A further £9,513k is being reported under the COVID-19 exceptional items disclosure. The overall variance on normal activities is a result of overspends in Education and Trading Standards offset by underspends in Planning, Greenspaces, Housing, & Community Safety.

**Table 9: Environment, Education & Community Services Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service	Month 10		Variance (As at Month 10) £'000	Variance as at Month 9 £'000	Movement from Month 9 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
3,588	27	Planning, & Regeneration	Salaries	3,615	3,423	(192)	(125)	(67)
1,336	286		Non-Sal Exp	1,622	1,676	54	113	(59)
(4,834)	(294)		Income	(5,128)	(5,132)	(4)	(164)	160
<b>90</b>	<b>19</b>		<b>Sub-Total</b>	<b>109</b>	<b>(33)</b>	<b>(142)</b>	<b>(176)</b>	<b>34</b>
13,164	69	Green Spaces, Sports & Culture	Salaries	13,233	12,610	(623)	(476)	(147)
5,994	0		Non-Sal Exp	5,994	5,771	(223)	(242)	19
(10,767)	(52)		Income	(10,819)	(10,821)	(2)	87	(89)
<b>8,391</b>	<b>17</b>		<b>Sub-Total</b>	<b>8,408</b>	<b>7,560</b>	<b>(848)</b>	<b>(631)</b>	<b>(217)</b>
2,778	446	Housing	Salaries	3,224	3,159	(65)	90	(155)
3,917	3,121		Non-Sal Exp	7,038	6,685	(353)	(510)	157
(3,159)	(3,259)		Income	(6,418)	(6,022)	396	242	154
<b>3,536</b>	<b>308</b>		<b>Sub-Total</b>	<b>3,844</b>	<b>3,822</b>	<b>(22)</b>	<b>(178)</b>	<b>156</b>
973	0	Education	Salaries	973	1,128	155	163	(8)
4,230	0		Non-Sal Exp	4,230	4,314	84	84	0
(4,313)	0		Income	(4,313)	(4,388)	(75)	(60)	(15)
<b>890</b>	<b>0</b>		<b>Sub-Total</b>	<b>890</b>	<b>1,054</b>	<b>164</b>	<b>187</b>	<b>(23)</b>
2,419	36	Trading Standards, Environment & Health & Licensing	Salaries	2,455	2,350	(105)	(72)	(33)
559	0		Non-Sal Exp	559	845	286	274	12
(3,134)	0		Income	(3,134)	(3,192)	(58)	(86)	28
<b>(156)</b>	<b>36</b>		<b>Sub-Total</b>	<b>(120)</b>	<b>3</b>	<b>123</b>	<b>116</b>	<b>7</b>
2,251	(186)	Community Safety, Cohesion & Resilience	Salaries	2,065	1,657	(408)	(365)	(43)
2,713	(1,025)		Non-Sal Exp	1,688	1,911	223	167	56
(905)	191		Income	(714)	(780)	(66)	(5)	(61)
<b>4,059</b>	<b>(1,020)</b>		<b>Sub-Total</b>	<b>3,039</b>	<b>2,788</b>	<b>(251)</b>	<b>(203)</b>	<b>(48)</b>
25,173	392	Environment, Education & Community Services Directorate	Salaries	25,565	24,327	(1,238)	(784)	(454)
18,749	2,382		Non-Sal Exp	21,131	21,202	71	(114)	185
(27,112)	(3,414)		Income	(30,526)	(30,335)	191	14	177
<b>16,810</b>	<b>(640)</b>		<b>Total</b>	<b>16,170</b>	<b>15,194</b>	<b>(976)</b>	<b>(888)</b>	<b>(91)</b>

78. 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 10, projected calls on contingency are forecast to be £3k less than the budgeted provision.

**Table 10: Development and Risk Contingency**

Original Budget £'000	Budget Changes £'000	Contingency Item	Month 10		Variance as at Month 10 £'000	Variance as at Month 9 £'000	Movement from Month 9 £'000
			Revised Budget £'000	Forecast Outturn £'000			
822	0	Impact of Welfare Reform on Homelessness	822	819	(3)	11	(14)
<b>822</b>	<b>0</b>	<b>Total</b>	822	819	(3)	31	(14)
		<b>COVID-19</b>	<b>0</b>	<b>9,513</b>	<b>9,513</b>	<b>9,667</b>	<b>(154)</b>
<b>0</b>	<b>0</b>	<b>Total Exceptional Items</b>	<b>0</b>	9,513	9,513	9,667	(154)

79. The data in the table below shows the use of Temporary Accommodation. At Month 10, the number of households in Bed and Breakfast accommodation is 34 units above the budgeted assumptions made in modelling Supply and Demand for the 2020/21 MTF.

**Table 11: Housing Needs performance data**

	November 2020	December 2020	January 2021
All Approaches	286	211	298
Full Assessment Required	195	153	181
New into Temporary Accommodation (Homeless and Relief)	20	27	43
Households in Temporary Accommodation	426	426	424
Households in B&B	160	162	164

80. 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 £819k, (£3k) below the budgeted provision.

81. The service is currently forecasting the number of clients in B&B accommodation will average 168 over the financial year, however, management actions to reduce numbers through increased non-cost prevention and move-on activity are ongoing.

82. The favourable movement of (£14k) at Month 10 follows reduced expenditure against Private Sector Placements.

83. 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**

84. Environment, Education and Community Services are currently forecasting £9,513k of pressures against the COVID-19 exceptional items disclosure, with approximately £4,469k of this amount related to losses of income during the pandemic, with the balance being related to cost pressures. There has been an overall movement of £154k from the Month 9 reported position.

85. Green Spaces, Sports & Culture has reported an increase in the pandemic impact from £6,747k last month to £6,819k, an increase of £72k. Lost income accounts for £3,262k which

has increased by £52k with further reduced fees and charges within library services of £34k and an increase in the leisure management fee of £34k to align to the contract value. There are smaller reductions totalling £16k due to lower than anticipated income losses across the service area. Salary costs incurred due to the pandemic have increased from £261k to £283k with most attributed to further COVID-19 related staff costs in the library services. Non salary costs have marginally reduced from £3,276k to £3,274k.

86. £869k of lost income relates to trading standards, food & safety and licencing, predominantly driven by imported food charges.
87. The Planning and Regeneration service are reporting a pressure of £840k from reduced income, of which; £422k relates to Development Control, £113k for Local Land Charge fees, £75k against retained CIL admin fees and the remaining £230k relates to Building Control Fees.
88. The pressures being reported in this area include approximately £1,114k for homelessness and rough sleeper support, ensuring that this vulnerable group is protected during the pandemic. A number of smaller pressures reported across the directorate make up the remaining balance, with the largest of these being circa £320k within the Anti-Social Behaviour Team.

#### **ENVIRONMENT, EDUCATION AND COMMUNITY SERVICES OPERATING BUDGETS (£976k underspend, £91k favourable movement)**

##### **Planning, Transportation and Regeneration (£142k underspend, £34k adverse movement)**

89. Planning Services is currently reporting a £142k underspend, largely driven by unbudgeted S106 funding for Air Quality, recruitment delays to permanent posts and the significant reduction of agency staff across Development Management. Building Control is forecasting an underspend of £39k largely due to posts being held vacant until next financial year. The £34k adverse movement is largely driven by external recruitment costs associated with the in-sourcing of the TerraQuest contract and changes to recruitment assumptions.

##### **Green Spaces, Sports and Culture (£848k underspend, £217k favourable movement)**

90. Green Spaces, Sports and Culture is currently reporting a £848k underspend which represents a favourable movement of £217k. Further reductions in staff costs, particularly sessional workers, within Library's (£95k) and the Music Services (£70k) due to the extended lockdown alongside reduced staff costs in Grounds Maintenance (£31k) and Green Spaces (£120k). The service has also reduced operational forecasts by £50k across the wider business. Offset against this is £50k of redundancy costs within the Special Projects Team which will now be met by the service rather than central funds as previously reported, with a further £100k set aside as a revenue contribution to capital to assist with funding equipment for the Library refurbishment capital programme.

##### **Housing (£22k underspend, £156k adverse movement)**

91. Housing is reporting an underspend of (£22k) at Month 10. There is an underlying favourable variance within the First Time Buyers service of (£147k) due to reduced levels of activity following a slowdown in the Housing Market, offset by an overspend position of £135k being reported by the Private Sector Housing service. The overspend is made up of income pressures on HMO licencing of £43k and the residual pressure on enforcement income of

£92k after allocations against COVID-19 contingency. The adverse movement reflects additional expenditure to provide support for clients to access Private Sector Accommodation.

**Education (£164k overspend, £23k favourable movement)**

92. The Month 10 position for Education shows an overspend of £164k against budget. The pressure on the base budget is related to a historical underlying pressure that has been addressed in a BID review of the Education service. The £23k favourable movement relates to a post in the new Education structure which has not yet been recruited to and additional COVID-19 contingency of £15k to support further reductions in truancy fine income.

**Trading Standards, Environment Health & Licensing (£123k overspend, £7k adverse movement)**

93. The service is reporting a £123k pressure at Month 10. There is a £105k staffing underspend forecast, largely attributable to delays in recruiting to vacant posts, not all of which are covered by agency resource. The favourable movement of £32k reflects an expectation that several Environmental Health agency assignments will not now be filled before the year end. The £285k non-staffing pressure reflects ongoing costs associated with the Project Pompeii animal welfare case (£66k) and overspends within the Imported Food Office. The £58k favourable income position is largely attributable to the award of a Brexit preparedness support grant from Defra, funding agency and veterinary services spend. The £28k adverse movement on income reflects reduced forecast application of the grant in the current financial year offsetting the reduced agency spend forecasts.

**Community Safety, Cohesion & Resilience (£251k underspend, £48k favourable movement)**

94. The service is reporting a £251k underspend, the most significant element comprising staffing underspends within Community Safety and ASBET, resulting from recruitment delays and staff turnover. Community Safety's favourable staff costs position is offset by additional support from the Met Police with additional non-staffing costs and reduced grant on LCPF. The £48k favourable movement in Month 10 largely results from a further reduction in staffing costs within Community Safety, with broadly offsetting movements between non-staffing costs and income across the wider service.

## INFRASTRUCTURE, BUILDING SERVICES & TRANSPORT

95. Infrastructure, Building Services and Transport directorate is showing a projected outturn underspend of £1,010k at Month 10 on normal activities, a favourable movement of £29k from Month 9. A pressure of £8,400k is being reported against the COVID-19 pressures under exceptional items, a movement of (£14k) from Month 9. The overall variance is a result of underspends within Highways, Waste Services and Property & Estates.

**Table 12: Infrastructure Building Services & Transport**

Original Budget £'000	Budget Changes £'000	Service		Month 10		Variance (As at Month 10) £'000	Variance (as at Month 9) £'000	Movement from Month 9 £'000
				Revised Budget £'000	Forecast Outturn £'000			
449	10	Property & Estates	Salaries	459	432	(27)	(27)	0
3,596	0		Non-Sal Exp	3,596	3,520	(76)	(97)	21
(2,869)	(10)		Income	(2,879)	(3,157)	(278)	(299)	21
<b>1,176</b>	<b>0</b>		<b>Sub-Total</b>	<b>1,176</b>	<b>795</b>	<b>(381)</b>	<b>(423)</b>	<b>42</b>
1,581	0	Capital Programme	Salaries	1,581	1,181	(400)	(392)	(8)
254	0		Non-Sal Exp	254	148	(106)	(108)	2
(1,526)	0		Income	(1,526)	(945)	581	584	(3)
<b>309</b>	<b>0</b>		<b>Sub-Total</b>	<b>309</b>	<b>384</b>	<b>75</b>	<b>84</b>	<b>(9)</b>
1,286	(105)	Repairs & Engineering	Salaries	1,181	1,242	61	49	12
4,339	974		Non-Sal Exp	5,313	5,235	(78)	(57)	(21)
(545)	(163)		Income	(708)	(741)	(33)	17	(50)
<b>5,080</b>	<b>706</b>		<b>Sub-Total</b>	<b>5,786</b>	<b>5,736</b>	<b>(50)</b>	<b>9</b>	<b>(59)</b>
2,114	0	Highways	Salaries	2,114	2,136	22	21	1
3,741	0		Non-Sal Exp	3,741	3,203	(538)	(476)	(62)
(3,015)	0		Income	(3,015)	(2,971)	44	(6)	50
<b>2,840</b>	<b>0</b>		<b>Sub-Total</b>	<b>2,840</b>	<b>2,368</b>	<b>(472)</b>	<b>(461)</b>	<b>(11)</b>
9,399	96	Waste Services	Salaries	9,495	9,518	23	(12)	35
14,589	0		Non-Sal Exp	14,589	14,532	(57)	(22)	(35)
(3,236)	0		Income	(3,236)	(3,360)	(124)	(129)	5
<b>20,752</b>	<b>96</b>		<b>Sub-Total</b>	<b>20,848</b>	<b>20,690</b>	<b>(158)</b>	<b>(163)</b>	<b>5</b>
3,087	0	ICT	Salaries	3,087	2,729	(358)	(367)	9
4,444	3		Non-Sal Exp	4,447	4,893	446	424	22
(200)	0		Income	(200)	(234)	(34)	(3)	(31)
<b>7,331</b>	<b>3</b>		<b>Sub-Total</b>	<b>7,334</b>	<b>7,388</b>	<b>54</b>	<b>54</b>	<b>0</b>
959	0	Parking Services	Salaries	959	860	(99)	(98)	(1)
2,958	0		Non-Sal Exp	2,958	2,996	38	27	11
(8,429)	0		Income	(8,429)	(8,429)	0	0	0
<b>(4,512)</b>	<b>0</b>		<b>Sub-Total</b>	<b>(4,512)</b>	<b>(4,573)</b>	<b>(61)</b>	<b>(71)</b>	<b>10</b>
1,676	0	Transport, Aviation & Town Centre Initiatives	Salaries	1,676	1,586	(90)	(78)	(12)
239	0		Non-Sal Exp	239	239	0	5	(5)
(361)	0		Income	(361)	(288)	73	63	10
<b>1,554</b>	<b>0</b>		<b>Total</b>	<b>1,554</b>	<b>1,537</b>	<b>(17)</b>	<b>(10)</b>	<b>(7)</b>
20,551	1	Infrastructure, Building Services & Transport Directorate	Salaries	20,552	19,684	(868)	(904)	36
34,160	977		Non-Sal Exp	35,137	34,766	(371)	(304)	(67)
(20,181)	(173)		Income	(20,354)	(20,125)	229	227	2
<b>34,530</b>	<b>805</b>		<b>Total</b>	<b>35,335</b>	<b>34,325</b>	<b>(1,010)</b>	<b>(981)</b>	<b>(29)</b>

96. 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 10, projected calls on contingency are £365k below budget.

**Table 13: Development and Risk Contingency**

Original Budget £'000	Budget Changes £'000	Development & Risk Contingency	Month 10		Variance (As at Month 10) £'000	Variance (as at Month 9) £'000	Movement from Month 9 £'000
			Revised Budget £'000	Forecast Outturn £'000			
2,050	0	Waste Disposal Levy & Associated Contracts	2,050	1,685	(365)	(365)	0
<b>2,050</b>	<b>0</b>	<b>Current Commitments</b>	<b>2,050</b>	<b>1,685</b>	<b>(365)</b>	<b>(365)</b>	<b>0</b>
		COVID-19	0	8,400	8,400	8,414	14
<b>0</b>	<b>0</b>	<b>Total Exceptional Items</b>	<b>0</b>	<b>8,400</b>	<b>8,400</b>	<b>8,414</b>	<b>14</b>

97. The call on the Waste contingency is £1,685k, which funds estimated population driven increases in the cost of disposal via the West London Waste Authority (WLWA) levy and associated waste disposal contracts. The variance reflects tonnage-based PAYT rebates received from WLWA and realigned forecasts for other waste disposal contracts based on actual costs incurred this year to date.
98. There has been a 3% increase in residual waste volumes (which account for the largest proportion of the Council's disposal costs) this year to date compared to the same period last year, although this is within budgeted levels. Whilst mixed organic (food and garden) tonnages are running 14% above the level in the equivalent period last year (being impacted by the pandemic and lockdown), aggregate PAYT costs are below expectations, partly reflecting the more favourable disposal rates on these waste streams.
99. Mixed dry recycling tonnages are running 17% above those for the equivalent period last year, affecting disposal costs via the Council's contract with Biffa. This waste stream has been most significantly affected by the pandemic, with year-on-year increases sustained at a very high level. Accordingly, a further £650k is reported against Exceptional Items related to COVID-19 to report on the estimated additional costs emerging.

#### **Exceptional Items – COVID-19 Pressures**

100. Infrastructure, Building Services and Transport Services are currently forecasting COVID-19 pressures of £8,400k, which relates to £2,324k of expenditure pressures alongside £6,076k of income shortfalls all directly attributable to the COVID-19 pandemic. Total reported pressures have reduced by (£14k) from Month 9.
101. The largest single pressure within the service area relates to a projected £4,294k 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, with a general reduction in parking activity also experienced. Charges were reinstated in June, but the 2020/21 fees and charges uplifts were deferred until early September. Further lockdown periods since have impacted further on parking revenues, increasing income pressures.
102. The Waste Service is reporting staffing pressures due the Council's Passenger Services vehicles being used to transport waste crews to facilitate social distancing measures and additional crews and drivers required to support increased kerbside collection activity and staff absences. There are also non-staffing pressures arising from higher kerbside collections, predominantly for garden waste (in the first half of the year) and mixed dry recycling, slower

progress regarding recycling initiatives given delays in the recruitment to three new recycling officer posts, marshalling and traffic management services at New Year's Green Lane and recycling bag spend. Further non-staffing pressures relate to the use of contract hire of vehicles and drivers to transport waste crews during the current lockdown period (fewer Council-owned vehicles being available given more schools are open).

103. Within the income shortfall reported against COVID-19, £756k relates to the Waste Service, attributable to reduced income at the New Years Green Lane site whilst it was closed for several weeks at the start of the pandemic (and reduced activity since reopening), a decrease in income from Trade Waste collection services and a shortfall in recycling income as markets for certain materials, particularly textiles, have collapsed due to the pandemic.
104. A pressure against rental income of approximately £570k is included within Property & Estates on the anticipation that income collection rates are likely to reduce from commercial shops, General Estates and garages alongside other small pressures within rental income budgets.
105. Expenditure of £339k is reported within the Facilities Management service, an increase of £47k from Month 9. This forecast provides for the introduction of safety measures across Corporate Buildings and the setup costs of COVID-19 testing and vaccination centres. The £339k is the net pressure remaining after £142k of reduced contract expenditure following site closures.
106. The Transport, Aviation and Town Centre Initiatives Service is reporting a £196k pressure against revenue budgets, of which £166k is due to the suspension of the Transport for London (TfL) Grant. £14k of this pressure relates to COVID-19 specific staffing costs, £13k comprises anticipated spend associated with post-lockdown High Street related promotions and the remaining £3k is a result of lost income for Christmas lights community partner contributions.
107. Finally, £458k is being reported in Highways as a result of the part-year suspension of vehicle crossovers work and reduced street-works activity during the early part of the first lockdown period.

## **BUILDING SERVICES, TRANSPORT AND BUSINESS IMPROVEMENT SERVICES OPERATING BUDGETS (£1,010k underspend, £29k favourable movement)**

### **Property and Estates (£381k underspend, £42k adverse movement)**

108. There is a reported underspend of £381k at Month 10, predominantly due to additional rental income receivable from two new leases effective from April 2020. The adverse movement from Months 9 to 10 reflects the reallocation of pre-paid rental income relating to the 2021-22 financial year.

### **Capital Programme (£75k overspend, £9k favourable movement)**

109. The Capital and planned works service is showing a projected pressure of £75k 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 (£50k underspend, £59k favourable movement)**

110. The Facilities Management Service is showing an underspend of £50k against budget, attributable to reduced expenditure on service contracts. The favourable movement from Month 9 reflects reduced expenditure on boroughwide security requests.

**Highways (£472k underspend, £11k favourable movement)**

111. The service is reporting a £472k underspend at Month 10, largely reflecting a favourable position in relation to non-staffing budgets, partly netted out by smaller staffing and income pressures. These comprise reduced costs associated with the construction of domestic vehicle crossings whilst works ceased following lockdown (not resuming until the latter part of May), below-budget street lighting energy spend, a reduction in the minor works programme and the suspension of column testing works, which cannot take place over the winter period.

**Waste Services (£158k underspend, £5k adverse movement)**

112. There is a reported £158k underspend across Waste Services. Staffing costs show a £23k overspend, relating to agency and overtime pressures. The £57k non-staffing underspend is attributable to the temporary cessation of Waste Weekend events and the permanent closure of the Hatton Cross public convenience partly offset by increased spend on trade waste bin maintenance. There is a favourable income variance of £124k, largely reflecting the new charging structure for bulky waste collection services, with some additional revenue arising as a result of sales of bulk bins to developers of flatted properties.

**ICT (£54k overspend no change)**

113. ICT is reporting a £54k overspend at Month 10. Whilst there is a favourable staff costs variance of £357k, largely attributable to vacant posts as the service continues to recruit to establish the structure approved as part of the March 2019 BID business case, there is a non-staffing pressure of £446k with annual renewal uplifts and system upgrades impacting on contract costs.

**Parking Services (£61k underspend, £9k adverse movement)**

114. The service's reported underspend at Month 10 is largely attributable to the staffing forecast, with recruitment to several vacant posts, particularly within the Parking Admin Team, subject to delay whilst a BID review is progressed. The £38k non-staffing pressure partly reflects costs associated with the enforcement contract and with CCTV cameras – both new kit and the repair and maintenance of existing equipment.

**Transport, Aviation & Town Centre Initiatives (£17k underspend, £7k improvement)**

115. A £90k staffing underspend at Month 10 relates to the recruitment of a Town Centres Improvement Officer no longer being progressed (this post was to be recharged to capital, with a compensatory pressure reported within the service's income forecast), maternity leave adjustments, and delays in recruiting a Highways Engineer post within the Transport Team. This is partly offset by a £73k income shortfall, reflecting the aforementioned capital recharge and an income shortfall relating to the TfL grant suspension.

## CORPORATE RESOURCES & SERVICES OPERATING BUDGET

116. An underspend of £592k is reported for the Corporate Resources and Services Directorate at Month 10, representing an improvement of £30k on the Month 9 position.

117. The underlying position shown in the table below continues to be caused predominantly by salaries underspends across the group. The key salary underspends are largely within Legal Services and Business & Technical Support with a combined total of £1,226k, offset by a range of factors across the group the most material being a contribution to MTFE savings.

**Table 14: Corporate Resources & Services Directorate Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service	Month 10		Variance (As at Month 10) £'000	Variance (As at Month 9) £'000	Movement from Month 9	
			Revised Budget £'000	Forecast Outturn £'000				
1,496	0	Democratic Services	Salaries	1,496	1,481	(15)	(13)	(2)
1,750	0		Non-Sal Exp	1,750	1,783	33	69	(36)
(702)	0		Income	(702)	(693)	9	10	(1)
<b>2,544</b>	<b>0</b>		<b>Sub-Total</b>	<b>2,544</b>	<b>2,571</b>	<b>27</b>	<b>66</b>	<b>(39)</b>
1,791	0	Human Resources	Salaries	1,791	1,731	(60)	(66)	6
978	0		Non-Sal Exp	978	1,015	37	44	(7)
(232)	0		Income	(232)	(244)	(12)	(10)	(2)
<b>2,537</b>	<b>0</b>		<b>Sub-Total</b>	<b>2,537</b>	<b>2,502</b>	<b>(35)</b>	<b>(32)</b>	<b>(3)</b>
2,303	200	Legal Services	Salaries	2,503	2,308	(195)	(176)	(19)
58	1		Non-Sal Exp	59	88	29	29	0
(284)	0		Income	(284)	(284)	0	0	0
<b>2,077</b>	<b>201</b>		<b>Sub-Total</b>	<b>2,278</b>	<b>2,112</b>	<b>(166)</b>	<b>(147)</b>	<b>(19)</b>
614	0	Corporate Communications	Salaries	614	592	(22)	(22)	0
152	0		Non-Sal Exp	152	139	(13)	(11)	(2)
(26)	0		Income	(26)	(26)	0	0	0
<b>740</b>	<b>0</b>		<b>Sub-Total</b>	<b>740</b>	<b>705</b>	<b>(35)</b>	<b>(33)</b>	<b>(2)</b>
679	40	Business Performance	Salaries	719	712	(7)	(7)	0
83	(39)		Non-Sal Exp	44	45	1	1	0
0	0		Income	0	0	0	0	0
<b>762</b>	<b>1</b>		<b>Sub-Total</b>	<b>763</b>	<b>757</b>	<b>(6)</b>	<b>(6)</b>	<b>0</b>
10,635	(100)	Business & Technical Support	Salaries	10,535	9,771	(764)	(748)	(16)
(3)	0		Non-Sal Exp	(3)	390	393	336	57
(345)	0		Income	(345)	(351)	(6)	2	(8)
<b>10,287</b>	<b>(100)</b>		<b>Sub-Total</b>	<b>10,187</b>	<b>9,810</b>	<b>(377)</b>	<b>(410)</b>	<b>33</b>
17,518	140	Corporate Resources & Services Directorate	Salaries	17,658	16,595	(1,063)	(1,032)	(31)
3,018	(38)		Non-Sal Exp	2,980	3,460	480	468	12
(1,589)	0		Income	(1,589)	(1,598)	(9)	2	(11)
<b>18,947</b>	<b>102</b>		<b>Total</b>	<b>19,049</b>	<b>18,457</b>	<b>(592)</b>	<b>(562)</b>	<b>(30)</b>

118. Further improvements in the salaries position have arisen following the revision of resourcing assumptions for Business & Technical Support, with posts newly vacant as at Month 10 now held open until the end of the year.

**Exceptional Items – COVID-19 Pressures**

119. A pressure of £1,125k on the COVID-19 contingency is reported for Month 10. This is an increase of £35k compared to the Month 9 forecast of £1,090k due largely to increased income pressures within Democratic Services as new lockdown restrictions further limit activity for the last quarter (£13k), additional PPE requirements (£9k) together with additional resource within Business Performance (£13k) – new for Month 10.

**Table: 15 Corporate Resources & Services Development & Risk Contingency**

Original Budget	Budget Changes	Development & Risk Contingency	Month 10		Variance (As at Month 10)	Variance (As at Month 9)	Movement from Month 9
			Revised Budget	Forecast Outturn			
£'000	£'000		£'000	£'000	£'000	£'000	£'000
0	0	COVID-19	0	1,125	1,125	1,090	35
0	0	Total Exceptional Items	0	1,125	1,125	1,090	35

**CORPORATE RESOURCES & SERVICES OPERATING BUDGET (£592k underspend, £30k favourable movement)**

**Democratic Services (£27k pressure, £39k favourable movement)**

120. A pressure of £27k is reported for Month 10. This is an improvement of £39k and further reflects the reduced canvassing activity due to lockdown restrictions first reported at Month 9.

**Human Resources (£35k underspend, £3k favourable movement)**

121. The Month 10 position continues to reflect the impact of the reorganisation of the senior Management tier, in full, in line with the ongoing BID review and proposals agreed by the Leader. As for previous months, underspends in Learning and Development budgets continue to be reported as a result of a reduction in training spend during lockdown and have increased further across months accounting for the month on month movement across non-salaries.

**Legal Services (£166k underspend, £19k favourable movement)**

122. Posts held vacant within Legal Services during the COVID-19 pandemic have resulted in a net underspend. The Month 10 position continues to reflect the vacancies in full, with staff transfers into the team accounting for the favourable movement across months.

**Corporate Communications (£35k underspend, £2k favourable movement)**

123. The service is reporting an underspend of £35k at Month 10, broadly in line with the position reported for Month 9.

**Business Performance (£6k underspend, nil movement)**

124. The Business Performance position at Month 9 is broadly in line with the position reported at Month 9.

**Business & Technical Support (£377k underspend, £33k adverse movement)**

125. The service reports an underspend of £377k. The movement compared with Month 9 reflects continuing salary underspends offset by a reduction in assumed transformation funding across the Service.

## Appendix B – Other Funds

### SCHOOLS BUDGET

#### Dedicated Schools Grant (£9,846k overspend, £16k adverse)

126. The Dedicated Schools Grant (DSG) monitoring position is an in-year overspend of £9,846k at month 10, this is an increase of £2,671k on the budgeted deficit of £7,175k and a £16k adverse movement from the position reported at month 9. The 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 the latest projections indicate a further increase in the expenditure on pupils with an EHCP being placed in Independent special school placements along with an increase in the spend on specialist SEN tuition for pupils with an EHCP. When the £15,002k deficit brought forward from 2019/20 is taken into account, the cumulative deficit carry forward to 2021/22 is £24,848k.

**Table 16: DSG Income and Expenditure 2020/21**

Original Budget	Budget Changes	Funding Block	Month 10		Variance		
			Revised Budget	Forecast Outturn	Variance (As at Month 10)	Variance (As at Month 9)	Change from Month 9
£'000	£'000		£'000	£'000	£'000	£'000	£'000
(296,926)	151	<b>Dedicated Schools Grant Income</b>	(296,775)	(296,775)	0	0	0
231,400	(28)	<b>Schools Block</b>	231,372	230,964	(408)	(119)	(289)
25,401	0	<b>Early Years Block</b>	25,401	25,358	(43)	7	(50)
3,270	0	<b>Central Schools Services Block</b>	3,270	3,320	50	50	0
44,030	(123)	<b>High Needs Block</b>	43,907	46,979	3,072	2,717	355
<b>7,175</b>	<b>0</b>	<b>Total Funding Blocks</b>	<b>7,175</b>	<b>9,846</b>	<b>2,671</b>	<b>2,655</b>	<b>16</b>
		Balance Brought Forward 1 April 2020	15,002	15,002			
		<b>Balance Carried Forward 31 March 2021</b>	<b>22,177</b>	<b>24,848</b>			

#### Dedicated Schools Grant Income (Nil variance, no change)

127. It is not expected that there will be any further adjustments to the Dedicated Schools Grant Income for 2020/21.

#### Schools Block (£408k underspend, £289k favourable)

128. 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. 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.

129. 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 being lower than budgeted resulting in the increase to the underspend on the Schools Block.

130. The growth contingency also funds diseconomies of scale funding for new basic need academy schools. School Forum has taken the decision to limit the funding to one school in receipt of diseconomies which has resulted in a further projected underspend.

#### **Early Years Block (43k underspend, £50k favourable)**

131. The process for determining early years funding allocations for local authorities is to take an annual census count of the number of hours taken up by children each January. The rationale is that this is the mid-point of the academic year and therefore balances the lower numbers eligible for the free entitlements in the autumn term and the higher numbers in the summer term. The DfE recognises that, given COVID-19, the number of children accessing childcare may not have returned to normal levels by January 2021. Therefore, the final funding allocation to local authorities for the 2020 autumn term will be based on the January 2020 census count.

132. From the start of the autumn term 2020, the guidance is for local authorities to continue to fund providers which are open at broadly the levels they would have expected to see in the 2020 autumn term had there been no COVID-19 outbreak. Providers which have been advised to close, or left with no option but to close, due to public health reasons should also be funded as normal. Providers which are closed, without public health reason, should not receive funding. Guidance has not yet been released on the approach that local authorities should take to funding providers in the Spring term 2021.

133. The favourable movement in Month 10 relates to the £139k budget for the placement of vulnerable early years children which is projected to underspend in 2020/21. This is due to a lower than expected number of referrals being made for additional funding and is likely a direct consequence of COVID-19, with less families and children being identified this year. However, it is recognised that there are still children and families that have a need for this funding and therefore there is no proposal to reduce this budget in 2021/22

#### **Central School Services Block (£50k overspend, no change)**

134. 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. This 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.

135. At Month 10 the Central School Services block is projecting a £50k pressure predominantly due the additional cost of maternity cover in the School Placement and Admissions.

#### **High Needs Block (£3,072k overspend, £355k adverse)**

136. There continues to be significant pressure in the High Needs Block in 2020/21, with an overspend of £3,072k being projected at month 10. The growth in the number of pupils with an EHCP continued throughout 2019/20 and the current academic year has seen a further increase in the number of pupils with an EHCP.

137. Most in-borough special schools are over their commissioned place number. Where a special school is over its planned place number there is a requirement to fund for the additional places plus the agreed top-up funding which is placing additional pressure on the High Needs block.
138. 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 a further increase in the number of children that commenced new placements in Independent special schools in the current academic year.
139. There are still a number of SEN pupils awaiting a school placement and the local authority is required to provide specialist tuition whilst an appropriate placement is sought. The total cost on this tuition has increased significantly over the last twelve months with the current projection that there will be a £375k overspend in this area which accounts for some of the month 10 adverse movement. Due to the lack of capacity in in-borough special schools some of these pupils have now been placed in Independent special schools increasing the projected expenditure in this area and contributing to the adverse movement being reported at month 10.
140. 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. The current projection has been updated to reflect the changes in placements of this cohort from September 2020.
141. 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.

### **COVID-19 - Financial Impact on Schools**

142. Some schools have indicated budget pressures because of additional premises related costs in relation to COVID-19. Whilst most schools have now received additional funding to cover some of these exceptional costs the DfE has confirmed that there will be no opportunity for schools to claim for exceptional costs incurred as a result of COVID-19 since September. The expectation is that these costs should be met from existing school funding. Additionally, there will be an opportunity for schools with high staff absence rates as a consequence of COVID-19 to apply for additional 'COVID-19 workforce funding', which will be backdated to the beginning of November.
143. The impact of COVID-19 on income generation has also been significant for some schools. Several schools generate significant levels of additional income from private sources for letting the premises and COVID-19 has resulted in an on-going stop on all such activities. The DfE has confirmed that there will be no additional funding in relation to this and therefore this lost revenue will create an additional pressure on school budgets.
144. The DfE has confirmed that the £650m universal catch-up premium funding will be paid directly to schools through the 2020/21 academic year, on a per pupil basis. Mainstream schools will receive £80 per pupil, with Special Schools receiving £240 per place. Schools will have flexibility to use this funding which should be used for specific activities to support pupils to catch up for lost teaching over the previous months. In addition, schools will be able to

access £350m of funding through a National Tutoring Programme to provide additional targeted support for those children and young people who need the most help.

## COLLECTION FUND

145. A deficit of £4,789k 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 approximately 40% of the pressure as households face financial difficulty. The majority of the movement sits within Business Rates and is attributable to a significant reduction in gross yield, nearly wholly offset by Section 31 Grant income as more businesses qualify for Retail Relief.
146. Any deficit realised at outturn will impact on the General Fund budget in future years, with the Government confirming that councils will be required to spread the deficit over a period of three years in equal increments as a result of the in-year deficit being directly attributable to COVID-19, a third of the forecast in-year deficit at Month 9 (£1,958k) would hit the Council's budget position for 2021/22 to 2023/24, effectively increasing the budget gap by this value, offset in 2021/22 by the brought forward surplus of £702k and accounting adjustments within Council Tax outside of the scope of the deficit spreading powers (£326k credit). The Spending Review confirmed that the Government will be funding 75% of this deficit, with further details to follow on the exact mechanics of this announcement, in the interim, the Council is assuming 75% of the £1,958k will be funded through this mechanism in the budget strategy, meaning only £489k will impact on the Council's balances. Any movement from the Month 9 position to Outturn impact on the Council in 2021/22 in their entirety, therefore, the improvement reported in this position will wholly impact in the next financial year.
147. 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 10		Variance (As at Month 10) £'000	Variance (As at Month 9) £'000	Movement from Month 9 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
(131,835)	0	Council Tax	Gross Income	(131,835)	(131,035)	800	660	140
11,049	0		Council Tax Support	11,049	13,163	2,114	2,115	(1)
39	0		B/fwd Deficit	39	303	264	264	0
<b>(120,747)</b>	<b>0</b>		<b>Sub-Total</b>	<b>(120,747)</b>	<b>(117,569)</b>	<b>3,178</b>	<b>3,039</b>	<b>139</b>
(112,314)	0	Business Rates	Gross Income	(112,314)	(79,858)	32,456	34,140	(1,684)
(6,141)	0		Section 31 Grants	(6,141)	(33,029)	(26,888)	(28,191)	1,303
53,666	0		Less: Tariff	53,666	53,666	0	0	0
8,784	0		Less: Levy	8,784	5,794	(2,990)	(3,178)	187
(498)	0		B/fwd Surplus	(498)	(1,464)	(966)	(966)	0
<b>(56,503)</b>	<b>0</b>	<b>Sub-Total</b>	<b>(56,503)</b>	<b>(54,892)</b>	<b>1,611</b>	<b>1,805</b>	<b>(194)</b>	
<b>(177,250)</b>	<b>0</b>	<b>Total Collection Fund</b>	<b>(177,250)</b>	<b>(177,250)</b>	<b>4,789</b>	<b>4,844</b>	<b>(55)</b>	

148. At Month 10 a deficit of £3,178k is projected against Council Tax, the position includes an adverse variance reported against Gross Income of £800k, 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 movement from Month 9 is mainly driven by a marginal movement in the taxbase forecast, alongside movements within the debt collection position. The majority of the pressure in Council Tax is driven by a £2,114k 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.

149. A £1,611k deficit is reported across Business Rates at Month 10, the position includes an adverse variance against in-year activity of £2,577k with this variance being driven by an adverse position within Gross Rates of £32,456k. This is predominantly due to the Government's support package to assist businesses during the pandemic, including 100% rates relief for the retail, hospitality and leisure sectors, 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 £26,888k. The £32,456k 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.
150. The in-year position includes a favourable position being reported against the Levy of £2,990k, 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

151. The Housing Revenue Account (HRA) is currently forecasting a drawdown of reserves of £1,942k, which is £70k favourable compared to the Month 9 position. This excludes the potential cost pressures of COVID-19, which are estimated at £222k. The 2020/21 closing HRA General Balance is forecast to be £15,133k. 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 10		Variance (+ adv / - fav)		
	Revised Budget	Forecast Outturn	Variance (As at Month 10)	Variance (As at Month 9)	Movement from Month 9
	£'000	£'000	£'000	£'000	£'000
Rent Income	(57,872)	(57,754)	118	179	(61)
Other Income	(5,414)	(5,402)	12	57	(45)
<b>Net Income</b>	<b>(63,286)</b>	<b>(63,156)</b>	<b>130</b>	<b>236</b>	<b>(106)</b>
Housing Management	14,741	14,643	(98)	(98)	0
Tenant Services	3,759	3,818	59	33	26
Repairs	5,368	6,012	644	374	270
Planned Maintenance	4,040	3,190	(850)	(590)	(260)
Capital Programme Funding	20,790	20,144	(646)	0	(646)
Interest & Investment Income	15,385	15,671	286	0	286
Development & Risk Contingency	1,260	1,620	360	0	360
<b>Operating Costs</b>	<b>65,343</b>	<b>65,098</b>	<b>(245)</b>	<b>(281)</b>	<b>36</b>
<b>(Surplus) / Deficit</b>	<b>2,057</b>	<b>1,942</b>	<b>(115)</b>	<b>(45)</b>	<b>(70)</b>
General Balance 01/04/2020	(17,075)	(17,075)	0	0	0
<b>General Balance 31/03/2021</b>	<b>(15,018)</b>	<b>(15,133)</b>	<b>(115)</b>	<b>(45)</b>	<b>(70)</b>

### Income

152. As at Month 10 the rental income is forecast to under-recover by £118k, a favourable movement of £61k on Month 9 which reflects updated rent and stock movements. Other income is forecast to under-recover by £12k, a favourable movement of £45k on Month 9 due to an increase in income from leaseholders.

153. The number of Right to Buy (RTB) applications received in the first ten months of 2020/21 was 144, compared to 144 for the same period in 2019/20. There have been 22 RTB completions in the first ten months of 2020/21 compared to 43 for the same period in 2019/20; a reduction of 49%. As at Month 10 the 2020/21 forecast for RTB sales is 25; nil movement from Month 9.

### Expenditure

154. The Housing management service is forecast to underspend by £98k, with no forecast movement in this area from the Month 9 position.

155. Tenant services is forecast to overspend by £59k, an adverse movement of £26k on running costs.
156. The repairs and planned maintenance budget totals £9,408k. The forecast is a net underspend of £206k, an adverse net movement of £10k on Month 9. There is an adverse movement in the repairs forecast of £270k relating to voids of £153k and day to day repairs of £117k. There is a favourable movement of £260k on planned maintenance, £145k relating to surveys and remedial works on various service contracts including water hygiene and electricals, and £115k on subsidence surveys and works.
157. As at Month 10 the interest and investment income is forecast to overspend by £286k relating to the interest penalty on the estimated the Right to Buy 1-4-1 capital receipts underspend. The development and risk contingency budget is forecasting an overspend of £360k relating to the revenue costs of the Packet Boat House project. These forecast overspends are to be funded from slippage of £646k in the capital programme funding.

### COVID-19 cost pressures on the HRA

158. The table below summarises the 2020/21 HRA COVID-19 cost pressures that are not included in the 2020/21 HRA forecast position. The COVID-19 cost pressures total £222k at Month 10 and will be kept under review. The movement from Month 9 of £55k reflects both revised calculations and confirmed COVID-19 costs which have been declared in the Month 10 HRA forecast position.
159. The repairs and maintenance cost pressures of £38k due to catch up day-to-day repairs are now confirmed and have been taken out of the pressures table below and declared in the Month 10 HRA forecast position.
160. The potential staffing costs of £25k relating to domestic violence and anti-social behaviour have been revised to £14k, with £8k remaining on the pressures list dependent on the recruitment process and £6k confirmed in the Month 10 HRA forecast position.
161. The bad debt provision totalling £214k due to increasing arrears and the age of the arrears remains on the pressures list and will be finalised as part of the year end calculations which are dependent on the arrears position as at 31<sup>st</sup> March 2021.

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

HRA COVID-19 pressures	2020/21 Month 10	2020/21 Month 9	Movement from Month 9
	£'000	£'000	£'000
Repairs and Planned Maintenance	0	38	(38)
Staffing	8	25	(17)
Development and Risk Contingency – Bad Debt Provision	214	214	0
<b>Total HRA Revenue COVID-19 pressures</b>	<b>222</b>	<b>277</b>	<b>(55)</b>

## HRA Capital Expenditure

162. The HRA capital programme is set out in the table below. The 2020/21 revised budget is £63,009k and forecast expenditure is £33,626k with a net variance of £29,383k of which £28,688k is due to re-phasing and £695k due to cost underspends.

**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	Movement 2020-25
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Major Projects (Note 1)</b>								
New General Needs Housing Stock	35,389	19,898	(170)	(15,321)	140,541	140,371	(170)	-
New Build - Shared Ownership	4,000	250	(125)	(3,625)	14,867	14,742	(125)	-
New Build - Supported Housing Provision	816	816	0	0	816	816	0	-
<b>Total Major Projects</b>	<b>40,205</b>	<b>20,964</b>	<b>(295)</b>	<b>(18,946)</b>	<b>156,224</b>	<b>155,929</b>	<b>(295)</b>	<b>0</b>
<b>HRA Programmes of Work</b>								
Works to Stock programme	16,753	10,612	0	(6,141)	61,126	61,126	0	-
Major Adaptations to Property	2,188	1,000	(400)	(788)	10,129	9,729	(400)	600
Green Homes	3,863	1,050	0	(2,813)	3,863	3,863	0	-
<b>Total HRA Programmes of Work</b>	<b>22,804</b>	<b>12,662</b>	<b>(400)</b>	<b>(9,742)</b>	<b>75,118</b>	<b>74,718</b>	<b>(400)</b>	<b>600</b>
<b>Total HRA Capital</b>	<b>63,009</b>	<b>33,626</b>	<b>(695)</b>	<b>(28,688)</b>	<b>231,342</b>	<b>230,647</b>	<b>(695)</b>	<b>600</b>
Movement from Month 5	-	(7,586)	600	(8,186)	-	600	600	

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

## Major Projects

163. The 2020/21 Major Projects programme revised budget has reduced to £40,205k. Forecast expenditure in 2020/21 is £20,964k, with a re-phasing variance of £18,946k and a cost underspend of £295k forecast in 2020/21.

## New General Needs Housing Stock

164. There is forecast re-phasing of £15,321k across the General Needs programme due to delays in the progress of several projects, partly arising from COVID-19 lockdown. The movement in month of £6,537k is mainly due to the remaining unallocated element of the Acquisitions and Internal Development budget which is no longer expected to be spent this financial year.

165. 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. However, there is a possibility that the defect liabilities' works and additional works due to vandalism may not complete within this financial year. This is marginally offset by a minor over spend of £5k on the acquisition of 17 new build homes over three sites.

166. The redevelopment of Maple and Poplar Day Centre was put on hold due to the COVID-19 crisis but is now expected to commence in 2021/22 once a contractor is able to be appointed. The project has a planned development of 34 units comprising 50% general needs social housing and the remainder being shared ownership.
167. 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.
168. Construction works at the Nelson Road development were paused due to COVID-19 and the main contractor resumed work on site in July 2020, however due to unsatisfactory progress, the contractor was terminated recently. The remaining construction works will be tendered soon and the construction of the 6 new homes expected to be complete later in 2021.
169. In total £8,519k have been approved this financial year for buy backs of former Right to Buy properties, from the Acquisitions and Internal Developments budget, inclusive of stamp duty, legal fees & expected void repairs costs.
170. In October 2019 Cabinet Members approved the purchase of land at Newport Road and a turnkey package development of 28 units for short-term accommodation, at a total cost of £9,071k including stamp duty and fees, and a deposit of £1,297k was previously paid in 2019/20. Further staged payments will be released in 2020/21 and 2021/22 as the construction works progress, which are due to complete in September 2021.
171. In September 2020 Cabinet Members approved the purchase of freehold acquisition of 253 Park Road, Uxbridge and 9 new build homes for short term accommodation which are currently under construction at a package price of £3,736k including stamp duty and fees, with a deposit of £724k paid on exchange of contracts. A further staged payment will be released in 2020/21 on completion of the construction works, which are due to complete in March 2021.

#### New Build - Shared Ownership

172. Revised plans for the redevelopment of Woodside Day Centre have been appraised following changes to the original plan for the ground floor. Changes to the design are being made before issuing tenders. Construction works are expected to proceed next year.
173. The construction of five new 3-bed shared ownership dwellings at land to the rear of 113-127 Moorfield Road, NFC Homes Limited is expected to commence shortly following the appointment of a main contractor, for which approval has recently been obtained via the capital release process. This includes a virement of £59k from the Acquisitions and Internal Developments budget to cover an increase in the project cost following receipt of tender prices. The scheme had been paused during the pandemic.

#### New Build - Supported Housing

174. 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.
175. Liquidated damages continue to be held against the Park View contractor for delays. Currently the total project costs are expected to come in within the revised budget pending any appeals from the contractor. A mediation hearing is scheduled for the end of February.

## **HRA Programmes of Work**

176. The Works to Stock 2020/21 revised budget is £16,753k following a virement of £883k funding from Major Projects to support additional works at Packet Boat House which are ongoing. Works are in various stages of progress across various work streams with some schemes and planned programmes continuing into next year.
177. The major adaptations to property budget forecast is reporting an underspend of £1,188k based on forecast delivery for the year. The movement of £600k in month reflects an increased level of cases being submitted for approval in recent months.
178. The Council has been successful with an application to the Green Homes Grant Local Authority Delivery scheme for funding to provide energy efficiency upgrades to low-income homes, and has recently been awarded £3,863k from the Department for Business, Energy and Industrial Strategy. Works have been tendered to appoint contractors early in 2021 to provide loft insulation, cavity wall insulation, low energy lights and double glazing across existing Council housing. As these programme elements will continue into 2021/22 there is forecast re-phasing of £2,813k into next financial year.

## **HRA Capital Receipts**

179. There has been 22 Right to Buy sales of council dwellings as at the end of January 2021 for a total gross sales value of £4,399k. A further 3 sales are forecast to bring the yearly total to 25, totalling £5,000k in 2020/21.
180. 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.
181. In response to the ongoing situation brought about by the COVID-19 pandemic, the MHCLG has announced in mid-December 2020 the extension of the deadline to spend the Right to Buy 1-4-1 capital receipts generated in 2017/18 by a further 3 months to 31<sup>st</sup> March 2021.
182. During 2020/21, some of the Right to Buy 1-4-1 capital receipts generated in 2017/18 could potentially become repayable unless the following expenditure profile is achieved: £27,950k by Q4.

## 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	306	(405)	(300)	(105)	711	411	(300)
325	Belmore Allotments	86	4,220	0	(4,220)	0	(4,220)	10,493	10,493	0
315	Maple And Poplar	34	627	5	(622)	0	(622)	6,072	6,072	0
315	Willow Tree	10	2,025	1,984	(41)	0	(41)	2,627	2,627	0
31	2 East Way	1	10	0	(10)	0	(10)	203	203	0
25	Bartram Close	2	305	0	(305)	0	(305)	305	305	0
67	34-44 Sullivan Crescent	6	41	15	(26)	0	(26)	949	949	0
363	Nelson Road	6	1,704	507	(1,197)	0	(1,197)	1,944	1,944	0
285	Great Bentley	2	236	0	(236)	0	(236)	471	471	0
39	Petworth Gardens	9	100	15	(85)	0	(85)	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	612	30	(582)	0	(582)	1,089	1,089	0
403	Woodside Day Centre	27	500	24	(476)	0	(476)	4,915	4,915	0
1,297	Acquisition Of Freehold Land At TCM House	28	7,774	3,460	(4,314)	0	(4,314)	7,774	7,774	0
556	Acquisition Of 2 Units At 191 Harefield Road	2	28	0	(28)	0	(28)	28	28	0
5,400	Acquisition Of 17 New Build Homes Over 3 Sites	17	265	270	5	5	0	265	270	5
0	Acquisition of New Build Flats Park Road	9	3,736	3,555	(181)	0	(181)	3,736	3,736	0
n/a	Internal Acquisitions and Developments		16,495	9,977	(6,518)	0	(6,518)	110,722	110,722	0
<b>51,472</b>		<b>425</b>	<b>40,205</b>	<b>20,964</b>	<b>(19,241)</b>	<b>(295)</b>	<b>(18,946)</b>	<b>156,224</b>	<b>155,929</b>	<b>(295)</b>
16,228	New General Needs Housing Stock	161	35,389	19,898	(15,491)	(170)	(15,321)	140,541	140,371	(170)
88	New Build - Shared Ownership	116	4,000	250	(3,750)	(125)	(3,625)	14,867	14,742	(125)
35,156	New Build - Supported Housing	148	816	816	0	0	0	816	816	0
<b>51,472</b>		<b>425</b>	<b>40,205</b>	<b>20,964</b>	<b>(19,241)</b>	<b>(295)</b>	<b>(18,946)</b>	<b>156,224</b>	<b>155,929</b>	<b>(295)</b>

## Appendix D - GENERAL FUND CAPITAL PROGRAMME

183. As at Month 10 an under spend of £38,816k is reported on the 2020/21 General Fund Capital Programme of £85,698k, due mainly to re-phasing of project expenditure into future years. The 2020/21 forecast under spend is partly due to various schemes being temporarily put on hold during the Coronavirus pandemic. The forecast outturn variance over the life of the 2020/21 to 2024/25 programme is an under spend of £6,334k.
184. General Fund Capital Receipts of £2,751k are forecast for 2020/21, with a deficit of £383k in total forecast receipts to 2024/25.
185. Overall, Prudential Borrowing required to support the 2020/21 to 2024/25 capital programmes is forecast to be under budget by £2,754k. This is due to cost under spends of £6,334k, offset by a combined shortfall of £1,883k on other Council resources (capital receipts and CIL), and £1,697k grants and contributions.

### Capital Programme Overview

186. Table 21 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	Movement
	£'000	£'000	£'000	£'000
Schools Programme	20,244	20,506	262	-
Major Projects	189,941	189,816	(125)	(12)
Programme of Works	169,549	163,078	(6,471)	(670)
General Contingency	6,557	6,557	-	
<b>Total Capital Programme</b>	<b>386,291</b>	<b>379,957</b>	<b>(6,334)</b>	<b>(682)</b>
<b>Movement</b>	-	(682)	(682)	

### Schools Programme

187. The Schools Expansions programme is reporting an overspend of £262k relating mainly to additional items of £277k requested by Ruislip High School included in the expansion, which were not in the original scope of works. Works at Ruislip High were delayed due to COVID-19 lockdown, with completion in November 2020.
188. The installation of a modular classroom at Hedgwood primary school for pupils with special educational needs has been completed for September 2020, funded from the Special Provision Capital Fund. Other plans for the remainder of the grant are under feasibility review with expenditure expected to fall in future years.
189. The additional temporary classrooms budget has been re-phased into future years as it is not forecast to be required this year based on current demand for school places.

## Major Projects

190. 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, over a number of years. One new development at St Helen's Close, Cowley will commence in 2021/22 and forecast financing of the housing company for this financial year has reduced by £1,000k.
191. 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 has been on hold during the Coronavirus pandemic and is currently under review.
192. Tenders have been issued for the construction works contract to build a new £30,000k leisure centre in Yiewsley/West Drayton. Works on site are planned to start towards the end of 2021. The £2,000k refurbishment of Yiewsley and West Drayton Community Centre is in progress on site for completion in June 2021.
193. Works are expected to commence in March to extend the Uxbridge mortuary, following appointment of the main contractor.
194. The first phase of remedial works at the Battle of Britain Bunker are in progress, with further packages of works planned to take place next year. Works to expand the Rural Activities Garden Centre are currently on hold during the pandemic.
195. The re-provision of Hillingdon Outdoor Activity Centre project is expected to re-commence in 2021 with options under consideration.
196. 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. The delivery of the programme for planned locations is under review, with public realm work paused until future Transport for London funding or other sources can be identified.
197. There are cost under spends amounting to £74k following settlement of retentions and minor items for completed projects such as the refurbishment of Bessingby FC clubhouse and Battle of Britain Visitor Centre.
198. Detailed design work is in progress on the regeneration of Cranford Park, largely funded from the National Lottery Heritage Fund with Council match funding. Works are expected to start on site next year.
199. Enhancements works at the Battle of Britain bunker and visitors centre have been completed with a minor under spend of £5k on the budget of £172k. In January, Cabinet approved a further £100k for the "Faces of the Battle of Britain" exhibition to be implemented in 2021/22.

## Programmes of Works

200. 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 fare revenues. Following settlement between the Department for Transport and TFL for this financial year, TFL have confirmed an allocation of £946k in respect
-

of the 2020/21 LIP, resulting in the expenditure and grant financing shortfall reducing to £2,725k. Numerous schemes are in progress to fully utilise the grant by the financial year end. The funding outlook for 2021/22 remains uncertain due to the ongoing impact of the pandemic.

201. A number of road safety measures funded from the HS2 Road Safety fund will be implemented this year with further works falling into next year. The Council resourced Road Safety programme reports an under spend of £84k on schemes that can be financed instead from the 2020/21 TFL LIP programme.
202. Several Chrysalis outdoor gyms and playgrounds projects were put on hold when the pandemic started but are now in the process of being implemented, although recent wet ground conditions have caused minor delays.
203. The libraries refurbishment programme continues with eight sites complete or near completion. Works have been completed at Manor Farm and Oak Farm libraries and the refurbishment of Hayes End library is expected to finish in February 2021. Works at Ickenham library are commencing and West Drayton library is planned to start in the near future. As individual library site designs have been made and costings developed for each site over the course of the programme, a forecast over spend of £322k is now reported on the original £3,000k budget.
204. Works are underway on refurbishing the Mezzanine area at the Civic Centre to enable relocation of services. Numerous schemes within the Civic Centre and Property Works Programme are in various stages of progress with works continuing into next year, and £102k total under spends are reported across several completed projects.
205. There is an under spend of £250k on completed schemes within the School Conditions Building Programme. A number of other schemes are in various stages progress and will continue into 2021/22.
206. An overall under spend of £297k is reported within the Environmental and Recreational Initiatives programme, relating mainly to pollution screening works being introduced at various schools this year, with further works to be funded from future year allocations. A number of cemetery schemes are in the process of being implemented.
207. New pay and display parking payment machines has been rolled out across the Borough this year, following approval of the contract award at June Cabinet. An under spend of £140k is reported on the project.
208. Disabled Facilities Grant adaptations are forecast to under spend by £1,827k based on anticipated demand for the year. Social Care equipment capitalisation reports an under spend of £187k based on year to date activity. New essential repair grant cases are lower than previously anticipated increasing the overall forecast under spend for Private Sector Renewal and Landlord Property Grants by £41k.
209. Works are in various stages of progress on a large number of carriageway and footway refurbishments within the Highways improvement programme with £13,158k of works in phases completed or commencing before the end of this financial year, with some schemes continuing into 2021/22.
210. Under Corporate Technology and Innovation, the project to upgrade computer hardware and transition to Windows 10/Microsoft 365 is largely complete. There are under spends of £149k

reported on several completed schemes. The ICT equipment budget is forecast to under spend by £103k, based on existing commitments at this stage of the financial year, a movement of £25k.

211. 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. Based on existing commitments to date, the budget is forecast to under spend by £265k, a movement of £100k.

### Capital Financing - General Fund

212. Table 22 below outlines the latest financing projections for the capital programme, with an underspend of £2,754k in the medium term reported on Prudential Borrowing, which represents a favourable movement of £1,575k being driven by favourable movements in programme spend alongside an increase in grant funding.

**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	Movement £'000
<b>Council Resource Requirement</b>							
Self Financing Schemes	11,900	5,026	(6,874)	62,160	62,160	-	-
Invest to Save Schemes	5,881	4,177	(1,704)	8,881	8,592	(289)	-
Service Provision	52,610	25,718	(26,892)	221,513	217,165	(4,348)	(1,480)
<b>Total Council Resources</b>	<b>70,391</b>	<b>34,921</b>	<b>(35,470)</b>	<b>292,554</b>	<b>287,917</b>	<b>(4,637)</b>	<b>(1,480)</b>
<b>Financed By</b>							
Capital Receipts	8,097	2,751	(5,346)	52,820	52,437	(383)	95
CIL	3,500	2,000	(1,500)	17,500	16,000	(1,500)	-
Prudential Borrowing	58,794	30,170	(28,624)	222,234	219,480	(2,754)	(1,575)
<b>Total Council Resources</b>	<b>70,391</b>	<b>34,921</b>	<b>(35,470)</b>	<b>292,554</b>	<b>287,917</b>	<b>(4,637)</b>	<b>(1,480)</b>
Grants & Contributions	15,307	11,961	(3,346)	93,737	92,040	(1,697)	798
<b>Capital Programme</b>	<b>85,698</b>	<b>46,882</b>	<b>(38,816)</b>	<b>386,291</b>	<b>379,957</b>	<b>(6,334)</b>	<b>(682)</b>
Movement	-	(4,570)	(4,570)	-	(682)	(682)	

213. Capital receipts before transformation financing in 2020/21 include £3,412k in sales already achieved and two additional sites planned for auction in February. The overall capital financing forecast has improved by £95k from last month due to a reduction in transformation financing. The overall forecast is a shortfall of £383k mainly due to General Fund share of Right to Buy receipts falling as only 25 RTB sales are expected this year, partly offset by favourable offer prices for recent auction sales.

214. As at the end of January 2021, a total of £1,104k Community Infrastructure Levy receipts have been invoiced, a movement in month of £244k. Forecast receipts for this financial year

are a shortfall of £1,500k as developer activity has been affected by COVID-19 with a subsequent impact on timing and certainty of CIL payments on numerous developments, although some sizable developments may be invoiced before financial year end. Eligible expenditure 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.

215. Forecast grants and contributions are £1,697k lower than the revised budget, due mainly to the cut to the 2020/21 TFL LIP grant, partially offset by confirmed Capital Maintenance Grant being higher than the estimate included in the capital financing budget, including a further additional award of £994k announced this summer. Forecast grants and contributions financing has increased by £798k mainly due to Disabled Facilities Grant being available to finance estimated costs of £593k for social care equipment. A revenue contribution to capital of £100k from under spend within the Libraries revenue budget is also included to support the Libraries refurbishment programme.
216. Prudential Borrowing has moved favourably by £1,575k due partly to further cost under spends within the overall programme and additional grant financing replacing Council resources.

## 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
	<b>Education and Children Services</b>										
16,032	New Primary Schools Expansions	367	361	(6)	0	367	361	(6)	361	0	0
16,868	Secondary Schools Expansions	4,781	5,049	268	0	9,571	9,839	268	9,049	790	0
0	Additional Temporary Classrooms	0	0	0	0	6,650	6,650	0	4,400	2,250	0
458	Schools SRP	411	391	0	(20)	3,416	3,416	0	0	3,416	0
0	Meadow School	240	0	0	(240)	240	240	0	240	0	0
<b>33,358</b>	<b>Total Schools Programme</b>	<b>5,799</b>	<b>5,801</b>	<b>262</b>	<b>(260)</b>	<b>20,244</b>	<b>20,506</b>	<b>262</b>	<b>14,050</b>	<b>6,456</b>	<b>0</b>

## 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 2020-25 £000	Total Project Forecast 2020-25 £000	Total Project Variance 2020-25 £000	Project Forecast Financed by:		
									Council Resources £000	Government Grants £000	Other Cont'ns £000
	<b><u>Property and Infrastructure</u></b>										
0	New Theatre	0	0	0	0	44,000	44,000	0	42,950	0	1,050
963	New Yiewsley Leisure Centre	365	450	0	85	29,037	29,037	0	29,037	0	0
69	Yiewsley/West Drayton Comm Centre	1,500	1,535	0	35	1,931	1,931	0	1,931	0	0
773	Hillingdon Outdoor Activity Centre	250	100	0	(100)	25,727	25,727	0	0	0	25,727
0	New Museum	50	5	0	(45)	5,632	5,632	0	4,882	0	750
7,294	Hayes Town Centre Improvements	437	750	0	313	1,933	1,933	0	299	350	1,284
1,597	Uxbridge Change of Heart	492	492	0	0	492	492	0	438	0	54
93	Battle of Britain Underground Bunker	288	220	0	(68)	1,462	1,462	0	1,462	0	0
Page 93 58	RAGC Expansion	94	20	0	(74)	1,356	1,356	0	1,356	0	0
7	Uxbridge Mortuary Extension	1,026	350	0	(676)	1,900	1,900	0	950	0	950
2	1 & 2 Merrimans Housing Project	10	5	0	(5)	619	619	0	619	0	0
31	Uxbridge Cemetery Gatehouse	0	0	0	0	543	543	0	543	0	0
0	Uniter Building Refurbishment	20	5	0	(15)	390	390	0	390	0	0
0	Botwell Leisure Centre Football Pitch	0	0	0	0	200	200	0	200	0	0
6,871	Housing Company Financing	11,750	5,000	0	(6,750)	43,129	43,129	0	43,129	0	0
250	Yiewsley Site Development	150	26	0	(124)	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	0	0	0	0	5,000	5,000	0	5,000	0	0
1,485	Bessingby Football/Boxing Clubhouse	111	49	(62)	0	111	49	(62)	56	0	0
2,552	Cedars and Grainges Car Park	119	60	0	(59)	119	119	0	119	0	0
6,761	Battle of Britain Visitors Centre	20	8	(12)	0	20	8	(12)	8	0	0
0	Battle of Britain Enhancements	272	167	(5)	(100)	272	267	(5)	272	0	0
	<b><u>Public Safety and Transport</u></b>										
0	Cranford Park Heritage Lottery Project	308	150	0	(158)	2,597	2,597	0	215	1,783	599
0	Shopping Parades Initiative	503	100	(46)	(357)	2,896	2,850	(46)	2,105	590	155
<b>28,806</b>	<b>Total Major Projects</b>	<b>17,765</b>	<b>9,492</b>	<b>(125)</b>	<b>(8,148)</b>	<b>189,941</b>	<b>189,816</b>	<b>(125)</b>	<b>154,980</b>	<b>2,723</b>	<b>32,113</b>

## 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	2,665	(250)	(1,791)	10,906	10,656	(250)	1,791	7,890	975
N/A	Sports Clubs Rebuild / Refurbishments	750	177	(573)	0	3,750	3,177	(573)	3,177	0	0
N/A	Bowls Clubs Refurbishments	556	510	0	(46)	556	556	0	556	0	0
N/A	Leisure Centre Refurbishment	1,946	183	0	(1,763)	3,097	3,097	0	3,097	0	0
N/A	Libraries Refurbishment Programme	2,320	1,521	322	(1,121)	2,320	2,642	322	2,474	0	168
N/A	Youth Provision	1,620	30	0	(1,590)	3,620	3,620	0	3,620	0	0
N/A	Harlington Road Depot Improvements	586	96	0	(490)	586	586	0	586	0	0
N/A	Property Works Programme	3,227	1,515	(33)	(1,679)	8,986	8,953	(33)	8,922	31	0
N/A	Civic Centre Works Programme	5,156	1,324	(69)	(3,763)	8,177	8,108	(69)	8,108	0	0
N/A	CCTV Programme	284	321	0	37	384	384	0	384	0	0
N/A	Highways Structural Works	15,684	9,377	0	(6,307)	47,684	47,684	0	47,684	0	0
N/A	HS2 Road Safety Fund	645	106	0	(539)	645	645	0	0	0	645
N/A	Transport for London	4,188	1,302	(2,725)	(161)	17,590	14,865	(2,725)	0	14,664	201
N/A	Emergency Active Travel	100	100	0	0	100	100	0	0	100	0
N/A	Street Lighting Replacement	924	744	(25)	(155)	2,403	2,378	(25)	2,258	0	120
N/A	Road Safety	310	116	(84)	(110)	910	826	(84)	826	0	0
N/A	Disabled Facilities Grant	2,852	1,025	(1,827)	0	14,260	12,433	(1,827)	0	12,433	0
N/A	Equipment Capitalisation - Social Care	2,359	2,172	(187)	0	11,795	11,608	(187)	2,824	8,784	0
N/A	PSRG/LPRG	100	34	(66)	0	500	434	(66)	422	12	0
N/A	Homeless Provision	190	50	0	(140)	190	190	0	0	190	0
N/A	Corporate Technology and Innovation	3,984	3,359	(252)	(373)	7,440	7,188	(252)	6,595	593	0
N/A	Environmental/Recreational Initiatives	1,405	904	(297)	(204)	2,905	2,608	(297)	823	40	1,745
N/A	Playground Replacement Programme	170	130	0	(40)	420	420	0	420	0	0
N/A	Equipment Capitalisation - General	765	500	(265)	0	3,825	3,560	(265)	3,558	2	0
N/A	Leader's Initiative	356	41	0	(315)	1,156	1,156	0	1,156	0	0
N/A	Car Park Pay & Display Machines	1,040	900	(140)	0	1,040	900	(140)	900	0	0
N/A	Purchase of Vehicles	2,960	280	0	(2,680)	7,022	7,022	0	7,022	0	0
N/A	Chrysalis Programme	1,135	465	0	(670)	5,135	5,135	0	5,127	0	8
N/A	Section 106 Projects	590	416	0	(174)	590	590	0	0	0	590
N/A	Devolved Capital to Schools	669	669	0	0	1,557	1,557	0	0	1,159	398
	<b>Total Programme of Works</b>	<b>61,577</b>	<b>31,032</b>	<b>(6,471)</b>	<b>(24,074)</b>	<b>169,549</b>	<b>163,078</b>	<b>(6,471)</b>	<b>112,330</b>	<b>45,898</b>	<b>4,850</b>

## Appendix E – Treasury Management Report as at 31<sup>st</sup> January 2021

**Table 23: Outstanding Deposits – Average Rate of Return 0.09%**

Period	Actual (£m)	Actual (%)	Benchmark (%)
Call Accounts and MMF's*	49.5	51.14	70.00
Up to 1 Month Fixed-Term Deposits	27.0	27.89	
Over 1 Month Fixed-Term Deposits	5.3	5.47	0.00
<b>Total</b>	<b>81.8</b>	<b>85.62</b>	<b>70.00</b>
Strategic Pooled Funds	15.0	15.50	30.00
<b>Total</b>	<b>96.8</b>	<b>100.00</b>	<b>100.00</b>

\*Money Market Funds

217. 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, Santander UK plc and the DMADF. The average rate of return on day-to-day operational treasury balances is 0.09%. As part of the Council's investment strategy for 20/21, 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.
218. The Council aims to minimise its exposure to bail-in risk by utilising bail-in exempt instruments and institutions whenever possible. However, due to the significant amount held in instant access facilities, which is needed to manage daily cashflow, it is not possible to fully protect Council funds from bail-in risk. At the end of January, 61% of the Council's day-to-day operational treasury investments had exposure to bail-in risk compared to a December benchmark average of 63% in the Local Authority sector (latest benchmark provided quarterly by the Council's treasury advisors Arlingclose). The Council's exposure reduces to 0% once instant access facilities are excluded from the total bail-in percentage.
219. Liquidity was maintained throughout January by placing surplus funds in instant access accounts and making short-term deposits with the DMADF. Cash-flow was managed by ensuring deposit maturities with the DMADF were matched to outflows and where required, funds were withdrawn from instant access facilities.

**Table 24: Outstanding Debt - Average Interest Rate on Debt: 3.23%**  
**Average Interest Rate on Temporary Borrowing: 0.47%**

	Actual (£m)	Actual (%)
<b>General Fund</b>		
PWLB	45.10	14.55
Long-Term Market	15.00	4.84
Temporary	80.00	25.81
<b>HRA</b>		
PWLB	136.82	44.15
Long-Term Market	33.00	10.65
<b>Total</b>	<b>309.92</b>	<b>100.00</b>

220. There were no scheduled debt repayments during January. Gilt yields moved up during the month, but long term borrowing costs remain consistent with those anticipated in the Council's MTFB and budget strategy. With the Council's long-term borrowing need and with restrictive premiums, early repayment of debt remains unfeasible.

221. 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 February, cash balances will be placed in instant access accounts and short-term deposits. In addition, £10m of forward dated temporary borrowing will reach settlement.

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

223. 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. Social Care Agency approvals were approved for two months in the previous report to ensure continuity over the Christmas and New Year period hence the smaller list of approvals this month.

**Table 25: Consultancy and agency assignments**

**Table 25: Consultancy and agency assignments**

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
<b>Finance</b>						
Benefit Officer	15/02/2021	16/05/2021	31/03/2022	193	13	206
Pensions Accountant	02/12/2019	08/02/2021	19/04/2021	192	46	238
<b>Social Care</b>						
AMHP	04/02/2019	01/02/2021	28/02/2021	153	6	159
AMHP	03/06/2019	01/02/2021	28/02/2021	128	6	134
AMHP	01/07/2019	01/02/2021	28/02/2021	122	6	128
Social Worker	03/08/2019	01/02/2021	28/02/2021	109	6	115
AMHP	30/09/2019	01/02/2021	28/02/2021	103	6	109
AMHP	30/09/2019	01/02/2021	28/02/2021	103	6	109
Social Worker	01/11/2019	01/02/2021	28/02/2021	110	7	117
AMHP	04/11/2019	01/02/2021	28/02/2021	96	6	102
Social Worker	03/02/2020	01/02/2021	28/02/2021	52	4	56
AMHP	03/02/2020	01/02/2021	28/02/2021	77	6	83
Team Manager	03/02/2020	01/02/2021	28/02/2021	85	6	91
Social Worker	03/02/2020	01/02/2021	28/02/2021	60	5	65
AMHP	04/05/2020	01/02/2021	28/02/2021	57	6	63
AMHP	04/05/2020	01/02/2021	28/02/2021	46	5	51
Social Worker/Senior Social Worker	02/08/2020	01/02/2021	28/02/2021	53	6	59
AMHP	02/08/2020	01/02/2021	28/02/2021	51	6	57
Social Worker	02/08/2020	01/02/2021	28/02/2021	60	7	67
Social Worker	02/08/2020	01/02/2021	28/02/2021	59	7	66
Social Worker	03/08/2020	01/02/2021	28/02/2021	44	7	51
AMHP	04/11/2019	01/02/2021	28/02/2021	159	10	169
Social Worker (CHC)	03/01/2017	01/02/2021	28/02/2021	200	4	204
Social Worker	01/04/2013	01/02/2021	28/02/2021	149	6	155
Team Manager	17/07/2017	01/02/2021	28/02/2021	373	8	381
Senior Social Worker	01/04/2013	01/02/2021	28/02/2021	296	6	302
Senior Social Worker	01/07/2020	01/02/2021	28/02/2021	47	6	53
Social Worker	06/04/2017	01/02/2021	28/02/2021	287	6	293
Social Worker	23/10/2017	01/02/2021	28/02/2021	227	5	232
Social Worker	16/12/2016	01/02/2021	28/02/2021	324	6	330

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
Social Worker	21/08/2016	01/02/2021	28/02/2021	325	6	331
Social Worker	10/07/2017	01/02/2021	28/02/2021	255	6	261
Social Worker	04/05/2015	01/02/2021	28/02/2021	373	5	378
Social Worker	13/04/2015	01/02/2021	28/02/2021	420	6	426
Social Worker	11/07/2016	01/02/2021	28/02/2021	347	6	353
Social Worker	01/08/2015	01/02/2021	28/02/2021	391	7	398
Social Worker	27/10/2016	01/02/2021	28/02/2021	317	6	323
Senior Social Worker	04/05/2020	01/02/2021	28/02/2021	49	5	54
Social Worker - Children With Disabilities (CWD) Team	01/07/2020	01/02/2021	28/02/2021	50	6	56
Educational Psychologist	04/02/2019	01/02/2021	28/02/2021	292	11	303
Educational Psychologist	15/11/2015	01/02/2021	28/02/2021	443	8	451
Social Worker	11/08/2014	01/02/2021	28/02/2021	517	6	523
Team Manager	01/07/2020	01/02/2021	28/02/2021	45	6	51
Social Worker	01/01/2013	01/02/2021	28/02/2021	535	6	541
Social Worker	01/04/2013	01/02/2021	28/02/2021	332	6	338
Social Worker	26/08/2016	01/02/2021	28/02/2021	312	6	318
Support Worker	20/12/2015	01/02/2021	28/02/2021	151	3	154
Social Worker	04/07/2016	01/02/2021	28/02/2021	370	6	376
Social Worker	24/11/2015	01/02/2021	28/02/2021	166	4	170
Social Worker	21/11/2016	01/02/2021	28/02/2021	308	6	314
Senior Social Worker	19/12/2011	01/02/2021	28/02/2021	166	7	173
Social Worker	01/01/2013	01/02/2021	28/02/2021	533	6	539
Senior Social Worker	29/06/2017	01/02/2021	28/02/2021	298	6	304
Senior Educational Psychologist	15/08/2016	01/02/2021	28/02/2021	421	11	432
Senior Social Worker	01/07/2020	01/02/2021	28/02/2021	47	6	53
Senior Social Worker	01/07/2020	01/02/2021	28/02/2021	47	6	53
Senior Social Worker	01/07/2020	01/02/2021	28/02/2021	47	6	53
Senior Social Worker	01/07/2020	01/02/2021	28/02/2021	47	6	53
Senior Social Worker	01/07/2020	01/02/2021	28/02/2021	47	6	53
Senior Social Worker	01/07/2020	01/02/2021	28/02/2021	47	6	53
Senior Social Worker	01/07/2020	01/02/2021	28/02/2021	47	6	53
Senior Social Worker	01/07/2020	01/02/2021	28/02/2021	47	6	53
Senior Social Worker	01/07/2020	01/02/2021	28/02/2021	47	6	53
Senior Social Worker	01/07/2020	01/02/2021	28/02/2021	47	6	53
Senior Social Worker	01/07/2020	01/02/2021	28/02/2021	47	6	53
Senior Social Worker	01/07/2020	01/02/2021	28/02/2021	47	6	53
Senior Social Worker	01/07/2020	01/02/2021	28/02/2021	47	6	53
Social Worker	02/07/2017	01/02/2021	28/02/2021	249	6	255
Senior Social Worker	01/07/2020	01/02/2021	28/02/2021	47	6	53
Senior Social Worker	21/11/2017	01/02/2021	28/02/2021	157	7	164
Independent Domestic Violence Advocate	01/10/2018	01/02/2021	28/02/2021	124	4	128
Independent Domestic Violence Advocate	01/10/2018	01/02/2021	28/02/2021	67	4	71

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
Head of Service - LAC and Young People's Services	17/02/2020	01/02/2021	28/02/2021	97	8	105
EDT Senior Social Worker	24/04/2020	01/02/2021	28/02/2021	63	6	69
EDT - Emergency Duty Team Approved Mental Health Practitioner	10/06/2020	01/02/2021	28/02/2021	55	6	61
SEND Officer	24/04/2020	01/02/2021	28/02/2021	58	6	64
Support Worker	03/04/2017	01/02/2021	28/02/2021	134	3	137
Registered Manager	04/02/2019	01/02/2021	28/02/2021	92	5	97
Support Worker	03/10/2016	01/02/2021	28/02/2021	102	2	104
Support Planner	03/09/2018	01/02/2021	28/02/2021	81	3	84
Care Worker	06/07/2016	01/02/2021	28/02/2021	131	2	133
Care Worker	06/03/2017	01/02/2021	28/02/2021	111	2	113
Brokerage Officer	03/09/2018	01/02/2021	28/02/2021	70	2	72
Residential Worker	29/04/2019	01/02/2021	28/02/2021	68	3	71
SENDIASS Manager	29/04/2019	01/02/2021	28/02/2021	159	7	166
Service Development & Quality Assurance Officer	01/04/2019	01/02/2021	28/02/2021	216	9	225
Residential Worker	29/04/2019	01/02/2021	28/02/2021	60	3	63
FIS Officer	01/04/2018	01/02/2021	28/02/2021	61	3	64
Support Worker	03/06/2019	01/02/2021	28/02/2021	56	3	59
Residential Worker	30/07/2019	01/02/2021	28/02/2021	48	2	50
Support Worker	07/08/2019	01/02/2021	28/02/2021	63	3	66
Residential Worker	30/09/2019	01/02/2021	28/02/2021	51	3	54
Support Worker	02/12/2019	01/02/2021	28/02/2021	49	3	52
Online Services Co-ordinator	04/03/2019	01/02/2021	28/02/2021	130	5	135
Senior Business Analyst (Liquid Logic Implementation)	01/07/2019	01/02/2021	28/02/2021	134	7	141
Project Manager/Senior Business Analyst (Liquid Logic Implementation)	01/07/2019	01/02/2021	28/02/2021	138	7	145
Senior Business Analyst (Liquid Logic Implementation)	01/07/2019	01/02/2021	28/02/2021	135	7	142
<b>Environment, Education &amp; Community Services</b>						
Senior Land Contamination Officer	18/11/2018	29/01/2021	26/03/2021	151	11	163
Housing Options & Homeless Prevention Officer	06/01/2020	08/02/2021	04/04/2021	54	8	63
Programme Mger (Capital Programme)		15/03/2021	04/06/2021	71	25	96
CME Tracker	01/08/2018	31/12/2020	31/03/2021	114	15	129

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## PLANNING OBLIGATIONS - QUARTERLY FINANCIAL MONITORING

<b>Cabinet Member(s)</b>	Councillor Eddie Lavery
<b>Cabinet Portfolio(s)</b>	Environment, Housing and Regeneration
<b>Officer Contact(s)</b>	Nicola Wyatt, Planning, Environment, Education & Community Services
<b>Papers with report</b>	<b><u>Appendix 1 - circulated separately in A3 size</u></b>

### HEADLINES

<b>Summary</b>	This report provides financial information on s106 and s278 agreements up to 31st December 2020 against respective portfolio areas.
<b>Putting our Residents First</b>	This report supports the following Council objective of: Our Built Environment; Our Heritage and Civic Pride; Financial Management Planning obligations are an established delivery mechanism for mitigating the effect of development, making it acceptable in planning terms and achieving the aims of the Community Strategy and other strategic documents that make up the Local Development Framework.
<b>Financial Cost</b>	As at 31 December 2020 the Council holds £15,626k relating to s106 and s278 agreements. Of this £3,782k is allocated/ earmarked for projects and £3,844k relates to funds that the Council holds but is currently unable to spend directly, leaving a residual balance of funds that the Council holds of £7,893k that is currently spendable and not yet allocated towards specific projects and £107k interest on interest bearing schemes. In Quarter 3, the Council has received additional income of £388k and spent £251k.
<b>Relevant Policy Overview Committee</b>	Residents', Education and Environmental Services
<b>Relevant Ward(s)</b>	All

## RECOMMENDATIONS

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

### Reasons for recommendation

Planning best practice guidance encourages local planning authorities to consider how they can inform members and the public of progress in the allocation, provision and implementation of obligations whether they are provided by the developer in kind or through a financial contribution. This report details the financial planning obligations held by the Council and what progress has and is being made in allocating and spending those funds.

### Alternative options considered / risk management

The alternative is to not report to the Cabinet. However, it is an obvious example of good practice to monitor income and expenditure against specific planning agreements and ensure that expenditure takes place in accordance with the parameters of those agreements.

### Policy Overview Committee comments

None at this stage.

## SUPPORTING INFORMATION

1. Appendix 1 provides a schedule of all agreements on which the Council holds funds. The agreements are listed under Cabinet portfolio headings. The appendix shows the movement of income and expenditure taking place during the financial year including information at 30 September 2020 as well as up to 31 December 2020. Text that is highlighted in bold indicates key changes since the Cabinet report of 10 December 2020. Figures indicated in bold under the column headed 'Total income as at 31/12/20' indicate new income received and shaded cells indicate where funds are held in an interest-bearing account. The table shows expenditure between 1 October and 31 December 2020 of £251k (compared to £237k during the previous quarter) and income of £388k (compared to £341k during the previous quarter) within the same period.
2. The balance of s278/106 funds that the Council held on 31 December 2020 is £15,626k. It should be noted that the 'balance of funds' listed, i.e. the difference between income received and expenditure, is not a surplus. Included in the balance at 31 December 2020 are those s278/106 funds that the Council holds but is unable to spend for a number of reasons, such as cases where the funds are held as a returnable security deposit for works to be undertaken by the developer and those where the expenditure is dependent on other bodies such as transport operators. The column labelled "balance spendable not allocated" shows the residual balance of funds after taking into account funds that the Council is unable to spend and those that it has allocated to projects. The 'balance of funds' at 31 December 2020 also includes funds that relate to projects that are already underway or

programmed, but where costs have not been drawn down against the relevant s106 (or s.278) cost centre.

- In summary, of the 'total balance of funds' that the Council held at 31 December 2020 (£15,626k) £3,844k relates to funds that the Council is unable to spend and £3,782k is allocated/earmarked for projects, leaving a residual balance of funds that the Council holds of £7,893k that is currently spendable and not yet earmarked/allocated towards specific projects and £107k that relates to interest on the interest-bearing schemes.

## Financial Implications

4. As at 31st December 2020, the s106/278 balance is £15,626k. This is inclusive of £3,844k which the Council holds on behalf of its partners who are responsible for project delivery e.g. NHS Property Services (formerly PCT) and TFL. A further £3,782k has been earmarked to specific projects. The residual balance of £7,893k represents amounts yet to be allocated for any specific use although projects are being put in place to utilise this balance and £107k relates to interest on the interest-bearing schemes. As and when a specific interest-bearing Section 106 balance is required to be returned to a developer the amount of cumulative interest since the balance was received is transferred to the scheme from the total balance of accumulated interest on interest bearing schemes and then repaid to the developer.

The table below summarises existing S278 and S106 balances by service areas:

**Table 1 – S106 / 278 contributions by service area**

Service Area	Bal b/f 01/10/20 £000	Income £000	Total £000	Spend £000	Bal c/f 31/12/20 £000	Earmarked Balances £000	Balance Spendable not allocated £000
<b>S278 – Public Safety &amp; Transport</b>	1,915	10	1,925	0	1,925	1,925	0
<b>S106</b>							
Public Safety & Transport	5,261	356	5,617	-130	5,487	2,633	2,853
Families, Education & Wellbeing	2,538	3	2,541	0	2,541	1,291	1,249
Environment, Housing & Regeneration	2,203	19	2,222	-121	2,101	554	1,547
Health & Social Care	1,221	0	1,221	0	1,221	1,221	0
Property & Infrastructure	2,244	0	2,244	0	2,244	0	2,244
Interest on interest bearing schemes	107	0	107	0	107	107	0
<b>Sub-Total (S278/106)</b>	<b>15,489</b>	<b>388</b>	<b>15,877</b>	<b>-251</b>	<b>15,626</b>	<b>7,731</b>	<b>7,893</b>
Less: Sums held on behalf of partners	3,807	37	3,844	0	3,844	3,844	0
<b>Total LBH Balances</b>	<b>11,682</b>	<b>351</b>	<b>12,033</b>	<b>-251</b>	<b>11,782</b>	<b>3,887</b>	<b>7,893</b>

5. In quarter 3 additional income received in s106/278 monies was £388k, whilst expenditure totalling £251k was financed by the contributions.

6. The unallocated balance of £7,893k represents amounts yet to be formally allocated for specific projects, and this has increased by £202k from the previous quarter due to contributions received that have not yet been allocated to specific schemes. Proposals are in various stages of development to utilise the unallocated balances. These are generally required to be spent towards the following areas and within the specific terms identified in the individual agreements:

**Table 2 - S106 unallocated balances breakdown**

Category	£'000
Affordable Housing	2,244
Air Quality	408
Carbon Reduction	678
Community Facility	10
Economic Development	488
Libraries	68
Nature Conservation	612
Public Realm / Town Centres	1,664
Schools	14
TFL / Highways	626
Training Schemes	1,035
Travel Plans	47
<b>Total</b>	<b>7,893</b>

7. From the above formally unallocated balances, those relating to affordable housing can potentially be utilised towards housing developments within the General Fund or HRA capital programmes. Other balances are expected to be used towards the TFL LIP programme, town centre initiatives and energy efficiency works.

8. Officers will continue to review the applicability of unallocated balances within existing and proposed capital and revenue budgets in order to minimise the impact on the Council's internal resources.

9. Contributions which are not spent within the designated time frame may need to be returned to the developer. As at the end of December 2020 it has been identified that £81k needs to be spent within twelve months, i.e. 31st December 2021.

10. There is a balance totalling £26k for which the time limit has expired and was not able to be spent within the terms of the agreement. This may, therefore, need to be returned.

## CORPORATE CONSIDERATIONS

### Corporate Finance

Corporate Finance has reviewed this report, noting that schemes have not yet been identified to utilise £7,893k Section 106 / 278 Contributions received from developers to support investment in local infrastructure. As outlined in the financial implications above, proposals are in various stages of development to utilise these balances and officers will continue to review the applicability of these unallocated balances to ensure that where appropriate these are deployed to support existing or planned expenditure.

### Legal

There are no specific legal implications arising from the recommendation which asks the Cabinet to note the current status on the receipt and expenditure of S106 monies. The monies referred to in this report are held by the Council for the purposes specified in each of the relevant legal agreements. Such monies should only be spent in accordance with the terms of those agreements. Where monies are not spent within the time limits prescribed in those agreements, such monies and interest accrued should be returned to the payee. Where officers are unsure whether monies held pursuant to particular agreements can be used for particular purposes, Legal Services should be consulted for advice on a case by case basis.

### Infrastructure / Asset Management

There are no property implications arising from the recommendation in the report.

## BACKGROUND PAPERS

District Auditor's "The Management of Planning Obligations" Action Plan May 1999  
Monitoring Officers Report January 2001  
Planning Obligations Supplementary Planning Document Adopted July 2008 and revised 2014  
Planning Obligations Quarterly Financial Monitoring Report to Cabinet December 2020)

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