

# COUNCIL BUDGET - MONTH 10 2013/14 REVENUE AND CAPITAL MONITORING

<b>Cabinet Member</b>	Councillor Jonathan Bianco
<b>Cabinet Portfolio</b>	Finance, Property and Business Services
<b>Report Author</b>	Paul Whaymand, Corporate Director of Finance
<b>Papers with report</b>	None

## HEADLINE INFORMATION

<b>Purpose of report</b>	<p>This report provides an update on the Council's latest financial position and performance against the 2013/14 revenue budget and current capital programme, as forecast at the end of January 2014 (Month 10).</p> <p>A net in-year underspend of £4,652k is forecast against 2013/14 General Fund revenue budgets, an improvement of £80k on the position reported at Month 9.</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>	Achieving value for money is an important element of the Council's medium term financial plan.
<b>Financial Cost</b>	N/A
<b>Relevant Policy Overview Committee</b>	Corporate Services and Partnerships
<b>Ward(s) affected</b>	All

## RECOMMENDATIONS

That the Cabinet:

1. Note the forecast budget position for revenue and capital as at Month 10.
2. Note the treasury management update for Month 10 at Appendix E.
3. Continue the delegated authority up until the 24 April 2014 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 13 February and 20 March 2014 Cabinet meetings, detailed at Appendix F.
4. That Cabinet agrees that the special delegated procurement approval for the HRA Works to Stock Programme during 2013/14, as approved by Cabinet on 26 September 2013, remains in effect for the 2014/15 financial year.

5. That Cabinet agrees to increase the First Time Buyers Initiative maximum purchase price from £210k to £250k.
6. Approves the virement of £165.7k from the Housing Revenue Account to Street Scene Maintenance to fund and undertake repairs to areas of the un-adopted housing network for the 2014/15 financial year.
7. Approve an award of contract to Sanctuary Personnel Ltd (trading as Skylakes) under a single process to undertake up to 1,400 community care reviews and 400 occupational therapy assessments up to a cost of £529k, as set out in Appendix G.
8. Approve payment of a grant of £25k to William Byrd Pool Trust from the 2013/14 Voluntary Sector Grants budget.
9. Ratify an Emergency Contract Decision made on 6 March 2014 by the Chief Executive and the Leader of the Council to award the contract for the construction of a cycle track at Pield Heath School to Blakedown on the basis of the most economically advantageous tender at a total maximum cost of £174,716.66; acknowledge and approve the capital release of the £50,000 grant award from the London Marathon Trust (LMT) as funding towards the total project cost of the cycle track at Pield Heath School; and re-allocate the underspend of £79,896 Transport for London (LIP) funding within the existing capital release already approved for projects in 2013/14, to support the full project costs.

## **INFORMATION**

### **Reasons for Recommendations**

1. The reason for the monitoring recommendation is to ensure that the Council achieves its budgetary objectives, providing Cabinet with an update on performance to date against budgets approved by Council on 28 February 2013 and management actions to deliver outturn within that approved budget.
  2. Appendix E provides an update to Cabinet on Treasury Management performance during the previous month.
  3. In respect of progressing the HRA Works to Stock Programme, Cabinet on 26 September 2013 delegated special procurement authority to the Leader of the Council, Cabinet Member for Finance, Property and Business Services and the Deputy Chief Executive and Corporate Director of Residents Services. The effect of this was to streamline decision-making so various projects to the Council's housing stock could be progressed expediently. Cabinet is asked to continue the same process during the 2014/15 financial year.
  4. Recommendation 5 seeks approval to increase the First Time Buyers Initiative maximum purchase price from £210k to £250k. The maximum purchase price was set when the scheme was first introduced in 2007 and has not increased since. House prices have continued to rise over this period and recent application experience is showing that it is increasingly difficult for families to find properties at the current maximum price.
  5. Recommendation 6 seeks authority for a virement of £165.7k from the Housing Revenue Account to Street Scene Maintenance to fund and undertake repairs to areas of the unadopted housing network. This represents the continuation of the service provision and related budget virement that was approved by Cabinet for the 2013/14
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financial year in February 2013. As a result of this recommendation the council's in-house Street Scene Maintenance service will continue to undertake both inspections and repairs to the network of roads and footways that make up the Borough's housing assets during 2014/15. As in 2013/14 the sum is made up from the cost of 4 operatives, two lorries and road repair equipment to continue with the provision of 2 road repair teams and the associated supervision costs.

6. Recommendation 7 seeks approval to award a contract to reduce the backlogs in Home Care assessments and this is fully explained in Appendix G.
7. Recommendation 8 seeks authority to award a grant of £25k from the remaining uncommitted core grants budget, part of the Council's Voluntary Sector Grants budget to William Byrd Pool Trust to fund an exceptional pressure.
8. Recommendation 9 relates to an emergency contract decision that was authorised by the Chief Executive and the Leader of the Council under the power vested to them in the Constitution. This decision would have ordinarily have been reserved to Cabinet Members to make formally. To provide for continued public transparency in the decisions the Council makes, all emergency decisions are reported to a subsequent Cabinet meeting for ratification.
9. This decision enabled the contract to be awarded and the work to be completed ahead of the school Easter holidays in April 2014.

#### **Alternative options considered**

10. There are no other options proposed for consideration.

## **SUMMARY**

### **REVENUE**

11. As at Month 10, the forecast outturn position on in-year activities is a net underspend of £4,652k, representing an improvement of £80k on the position reported at Month 9. This position consists of a net underspend of £1,881k on directorate budgets, an underspend on capital financing costs of £2,500k and a net underspend of £271k on development and risk contingency.
12. Within this reported position significant pressures are reported on a number of demand-led budgets; including Homelessness, Social Care Placements and SEN Transport. The Council's £17,111k programme of savings for 2013/14 remains broadly on-track for delivery with 82% currently either banked or on track. Further information on the savings position and reported pressures, are contained throughout this report.
13. Unallocated General Fund balances are forecast to reach £36,252k by 31 March 2014, before taking account of any sums remaining uncommitted from the residual £194k general contingency, £230k priority growth funds, £432k unallocated Environmental & Recreational Initiatives funds and £164k unallocated HIP budgets.
14. There are no significant movements to report on other funds from Month 9 which impact upon the General Fund or the Housing Revenue Account.

### **CAPITAL**

15. As at at Month 10 an under spend of £23,533k is reported on the 2013/14 capital programme budget from a revised budget of £107,433k, a downward movement of £123k on forecast expenditure at Month 9. Forecast outturn on the General Fund Programme for 2013/14 to 2015/16 is now an under spend of £19,914k, a reduction of £2,143k from Month 9. This movement relates largely to additional Highways programme spend of £1,500k and Special Resources Provision within Schools of £1,000k, offset by further under spends on some schemes.
16. General Fund capital receipts of £12,023k are forecast for 2013/14, £2,999k in excess of revised budget, with forecast receipts over the period to 2017/18 expected to reach £25,902k.

## FURTHER INFORMATION

### General Fund Revenue Budget

17. The headline position at Month 10 is a £4,652k underspend on normal activities, which includes a net underspend on Directorate Operating Budgets of £1,881k, a £2,500k underspend on capital financing costs and a £271k underspend on Development and Risk Contingency. As previously reported, there are a number of specific pressures in relation to Homelessness, Social Care Placements and SEN Transport which are being managed within the overall position.
18. The above position includes scope to support a further £194k of calls on contingency and £230k new initiatives funded from Priority Growth, in addition assuming that £432k of as yet committed Environmental & Recreational Initiatives funding and £164k HIP monies will be utilised in the current financial year.
19. An improvement of £80k has been reported on General Fund forecasts since Month 9, with an improvement on Directorate Operating budgets of £112k, primarily related to an increase in salary underspends across the Council off-set by a marginal £32k adverse movement on contingency mainly relating to Asylum funding.
20. There remains a £1,350k windfall prior year exceptional item in relation to the improved prospects for recovery of the Council's impaired Icelandic Investments, which brings forecast unallocated General Fund balances to £36,252k by 31 March 2014.

**Table 1: General Fund Overview**

Original Budget	Budget Changes		Month 10		% Var	Variance (+ adv / - fav)		
			Revised Budget	Forecast Outturn		Variance (As at Month10)	Variance (As at Month 9)	Movement from Month 9
£'000	£'000		£'000	£'000		£'000	£'000	£'000
165,738	4,378	Directorate Operating Budgets	170,116	168,235	-1%	(1,881)	(1,769)	(112)
20,738	95	Corporate Operating Budgets	20,833	18,333	-12%	(2,500)	(2,500)	0
22,883	(3,714)	Development & Risk Contingency	19,169	18,898	-1%	(271)	(303)	32
1,800	(270)	Priority Growth	1,530	1,530	0%	0	0	0
<b>211,159</b>	<b>489</b>	<b>Sub-total Normal Activities</b>	<b>211,648</b>	<b>206,996</b>	<b>-2%</b>	<b>(4,652)</b>	<b>(4,572)</b>	<b>(80)</b>
		Exceptional items: Reversal of Icelandic Impairment		(1,350)		(1,350)	(1,350)	0
<b>211,159</b>	<b>489</b>	<b>Total Net Expenditure</b>	<b>211,648</b>	<b>205,646</b>	<b>-3%</b>	<b>(6,002)</b>	<b>(5,922)</b>	<b>(80)</b>
(211,159)	(489)	Budget Requirement	(211,648)	(211,648)		0	0	0
<b>0</b>	<b>0</b>	<b>Net Total</b>	<b>0</b>	<b>(6,002)</b>		<b>(6,002)</b>	<b>(5,922)</b>	<b>(80)</b>
(30,250)	0	Balances b/fwd 01/04/13	(30,250)	(30,250)		0	0	0
<b>(30,250)</b>	<b>0</b>	<b>Balances c/fwd 01/14/13</b>	<b>(30,250)</b>	<b>(36,252)</b>		<b>(6,002)</b>	<b>(5,922)</b>	<b>(80)</b>

## Directorate Operating Budgets (£1,881k underspend / £112k improvement)

21. Table 2 below provides an overview of forecast outturn on directorate operating budgets, excluding those items managed through contingency. Further detail on group positions is set out in Appendix A to this report.

**Table 2: Directorate Operating Budgets**

Original Budget £'000	Budget Changes £'000	Directorate		Month10		% Var	Variance (+ adv / - fav)		
				Revised Budget £'000	Forecast Outturn £'000		Variance (As at Month10) £'000	Variance (As at Month9) £'000	Movement from Month 9 £'000
197,598	(21,445)	Admin. & Finance	Expenditure	176,153	175,243	-1%	(910)	(884)	(26)
(174,923)	22,178		Income	(152,745)	(152,831)	0%	(86)	(81)	(5)
<b>22,675</b>	<b>733</b>		<b>Sub-Total</b>	<b>23,408</b>	<b>22,412</b>	<b>-4%</b>	<b>(996)</b>	<b>(965)</b>	<b>(31)</b>
136,349	(3,169)	Residents Services	Expenditure	133,180	136,374	2%	3,194	3,225	(31)
(72,023)	4,024		Income	(67,999)	(71,889)	6%	(3,890)	(3,875)	(15)
<b>64,326</b>	<b>855</b>		<b>Sub-Total</b>	<b>65,181</b>	<b>64,485</b>	<b>-1%</b>	<b>(696)</b>	<b>(650)</b>	<b>(46)</b>
31,100	1,021	Childrens Social Care	Expenditure	32,121	33,483	4%	1,362	1,385	(23)
(7,856)	(893)		Income	(8,749)	(10,155)	16%	(1,406)	(1,429)	23
<b>23,244</b>	<b>128</b>		<b>Sub-Total</b>	<b>23,372</b>	<b>23,328</b>	<b>0%</b>	<b>(44)</b>	<b>(44)</b>	<b>0</b>
72,393	994	Adult Social Care	Expenditure	73,387	73,945	1%	558	594	(36)
(16,900)	1,668		Income	(15,232)	(15,935)	5%	(703)	(704)	1
<b>55,493</b>	<b>2,662</b>		<b>Sub-Total</b>	<b>58,155</b>	<b>58,010</b>	<b>0%</b>	<b>(145)</b>	<b>(110)</b>	<b>(35)</b>
<b>165,738</b>	<b>4,378</b>	<b>Total Directorate Operating Budgets</b>		<b>170,116</b>	<b>168,235</b>	<b>-1%</b>	<b>(1,881)</b>	<b>(1,769)</b>	<b>(112)</b>

22. Administration and Finance are reporting a combined underspend of £996k, which results from a significant number of posts being held vacant across the directorates and the impact of integrating existing Council services into new Public Health responsibilities. A minor improvement of £31k has been reported on this position from Month 9.

23. A net underspend of £696k is reported on Residents Services, with an exceptional £1,985k demand-led pressure on Homelessness being off-set by early delivery of 2014/15 savings - primarily within the Education service and from appropriation of commercial properties to the General Fund. The improvement of £46k from Month 9 relates to underspends in ICT Highways and Business Services due to mild winter weather and minor movements in other budgets.

24. No movement is reported within Children & Young People's Services, with a pressure caused by the increase in the cost of placements being off-set through underspends on establishment budgets since Month 9.

25. Adult Social Care are reporting an underspend of £145k, with substantial underspends across establishment budgets and increased client contributions off-setting a pressure of £2,115k on care placements costs, a minor improvement of £35k from Month 9.

### Progress on Savings

26. An update on the 2013/14 savings programme is set out in table 3 below. In cases where slippage is reported in delivery of savings, the impact upon directorate budgets has been included in the forecast outturn position in table 2.

**Table 3: Month 10 RAG Status for 2013/14 Savings**

	Admin. & Finance £'000	Residents Services £'000	Children & Families £'000	Social Care £'000	Cross Cutting £'000	Total 2013/14 Savings	
						£'000	%
Banked	(1,051)	(5,395)	(1,174)	(3,979)	0	(11,599)	68%
On track for delivery	0	(701)	(325)	(643)	(648)	(2,317)	14%
Potential significant savings shortfall or a significant or risky project which is at an early stage;	0	(6)	0	(97)	(2,352)	(2,455)	14%
Serious problems in the delivery of the saving	0	0	(445)	(295)	0	(740)	4%
<b>Total 2013/14 Savings</b>	<b>(1,051)</b>	<b>(6,102)</b>	<b>(1,944)</b>	<b>(5,014)</b>	<b>(3,000)</b>	<b>(17,111)</b>	<b>100%</b>

27. Favourable progress is reported in delivery of the £17,111k programme of savings for 2013/14 with 82% badged as banked or on track for delivery in full by 31 March 2014 and sufficient compensatory savings in place to manage any shortfall within individual Directorate savings programmes. There remains £740k savings reported as being undeliverable in 2013/14, which consists of £445K of initiatives within Children's and Young People's Services and £295k savings within Adult Social Care which have been delayed by the Judicial Review into day care reconfiguration that will therefore be delivered in full from 2014/15.

28. The £3,000k cross cutting savings required in 2013/14 are to be identified through a bid review of staffing and other budgets through the restructuring of the Social Care Group. To date savings of £648k have been identified and include Children's Pathway of £300k, Support Services Hub £35k, Adults Pathway £37k, £46k in this year from the deletion of the post of the Corporate Director of Social Care and Health and £230k from surplus Children's Centre and Youth budgets. A contingency of £1,500k is held against the potential shortfall of savings and the monitoring assumption is that this will be applied in full. The remaining in-year net savings requirement is therefore £852k. Short term savings in staffing budgets in services subject to BID reviews are expected to cover this remaining saving in-year. The full year impact of BID restructures in Social Care, agreed to date, are expected to deliver savings of £1,005k in 2014/15. The contingency of £1,500k is being kept in the budget in 2014/15. The current net risk against the £3,000k savings target is therefore £495k in 2014/15. Further BID work is continuing and it is expected that this gap can be bridged during 2014/15.

29. In addition there remained £1,979k savings from prior year programmes which were unachieved as at 31 March 2013, £1,690k of which are now been delivered in full, with the remaining £289k linked to day care reconfiguration which are expected to be fully achievable once new service provision is in place. The status of these prior year savings are shown in Table 4 below.

**Table 4: Month 10 RAG Status for b/fwd 2012/13 Savings**

	Admin. & Finance	Residents Services	Children & Families	Social Care	Total B/fwd Savings	
	£'000	£'000	£'000	£'000	£'000	%
Banked	(300)	(137)	0	(22)	(449)	23%
On track for delivery	0	(270)	(255)	(706)	(1,241)	62%
Potential significant savings shortfall or a significant or risky project which is at an early stage;	0	0	0	0	0	0%
Serious problems in the delivery of the saving	0	0	0	(289)	(289)	15%
<b>Total B/fwd Savings</b>	<b>(300)</b>	<b>(407)</b>	<b>(255)</b>	<b>(1,017)</b>	<b>(1,979)</b>	<b>100%</b>

**Corporate Operating Budgets (£2,500k underspend / no movement)**

30. Table 5 below provides an overview of forecast outturn on corporately managed budgets as at Month 10. These budgets fund the costs of financing the Council's capital programme and the externally set levies, over which the Council has limited control.

**Table 5: Corporate Operating Budgets**

Original Budget	Budget Changes		Month 10			Variance (+ adv / - fav)		
			Revised Budget	Forecast Outturn	% Var	Variance (As at Month 10)	Variance (As at Month 9)	Movement from Month 9
£'000	£'000		£'000	£'000		£'000	£'000	£'000
11,456	0	Interest & Investment Income	11,456	8,956	-22%	(2,500)	(2,500)	0
9,282	95	Levies & Other Corporate Budgets	9,377	9,377	0%	0	0	0
<b>20,738</b>	<b>95</b>	<b>Total Corporate Operating Budgets</b>	<b>20,833</b>	<b>18,333</b>	<b>-12%</b>	<b>(2,500)</b>	<b>(2,500)</b>	<b>0</b>

31. There remains a forecast underspend of £2,500k on capital financing costs due to the continuing deferral of borrowing in support of the Primary School Capital Programme, however as previously noted this amount will be required in full as the existing tranche of projects is completed over the next eighteen months. This position excludes the impact of the one-off exceptional item relating to Icelandic Investments.

32. There are no material variances reported on Levies & Other Corporate Budgets.



## Development & Risk Contingency (£271k underspend / £32k adverse movement)

33. The Council set aside £23,372k to manage volatile and uncertain budgets within the Development & Risk Contingency, which includes £21,883k for specific risks and £1,489k as General Contingency. Following the approval to release a number of contingency items to Directorate Operating budgets in December 2013 totalling £4,203k, the Development & Risk Contingency now totals £19,169k.

34. Table 6 below sets out the latest forecast call on these contingency budgets, with further detail provided at a directorate level in Appendix A to this report.

**Table 6: Development & Risk Contingency**

Original Budget	Budget Changes		Current Commitments	Revised Budget	Forecast as Needed	Variance (+ adv / - fav)		
						Variance (As at Month 10)	Variance (As at Month 9)	Movement from Month 9
£'000	£'000			£'000	£'000	£'000	£'000	£'000
1,000	(71)	Corporate	General Contingency	929	194	(735)	(735)	0
500	0		BID Pump Priming Fund	500	500	0	0	0
660	(660)		Pensions Auto-enrolment	0	0	0	0	0
0	500		Abbotsfield School	500	500	0	0	0
400	0	A&F	Uninsured Claims	400	400	0	0	0
402	0	Residents Services	Carbon Reduction Commitment	402	375	(27)	(27)	0
217	(217)		Outsourced Leisure Income Streams	0	0	0	0	0
200	0		HS2 Challenge	200	200	0	0	0
200	0		Heathrow Expansion Challenge	200	200	0	0	0
737	(737)		Impact of Welfare Reform on Homelessness	0	0	0	0	0
30	0		Hillingdon Local Plan	30	30	0	0	0
760	0		SEN Transport	760	1,339	579	575	4
2,010	0		Waste Disposal Levy	2,010	2,444	434	429	5
0	0		Licensing Appeal Costs	0	37	37	37	0
0	60		Storm Damage	60	60	0	0	0
1,995	0	CSC	Reduction in UKBA Asylum Funding	1,995	1,436	(559)	(582)	23
781	0		Looked After Children (Demographic)	781	781	0	0	0
3,814	(2,589)	Adult Social Care	Transitional Children (Demographic)	1,225	1,225	0	0	0
1,500	0		BID Staffing Structure Review	1,500	1,500	0	0	0
3,997	0		Older People's Services (Demographic)	3,997	4,492	495	495	0

1,226	0	Physical Disability (Demographic)	1,226	1,059	(167)	(167)	0
896	0	Learning Disability Service (Demographic)	896	692	(204)	(204)	0
1,558	0	Mental Health Service (Demographic)	1,558	1,434	(124)	(124)	0
<b>22,883</b>	<b>(3,714)</b>	<b>Total Development &amp; Risk Contingency</b>	<b>19,169</b>	<b>18,898</b>	<b>(271)</b>	<b>(303)</b>	<b>32</b>

35. There has been limited movement on Development and Risk Contingency items from Month 9, as year end approaches and the scope for in-year volatility decreases. The above position continues to retain £194k for as yet unforeseen calls on contingency, however, the likelihood of this sum being required will reduce throughout the remainder of the year.

36. A minor adverse movement has been identified on the West London Waste Levy in relation to higher than forecast waste tonnages being reported at Quarter 3, the on-going implications of which have been factored into the Council's medium term projections and reflecting within the draft budget being presented to this Cabinet.

37. An adverse movement of £23k has been reported on the net cost of supporting Asylum seekers due to a number of clients being removed from the grant income calculations as they are being age assessed and funding is not allowable until their age is confirmed.

### Priority Growth

38. The 2013/14 General Fund Revenue Budget approved by Council on 28 February 2013 set aside £1,000k within the unallocated Priority Growth budget, in addition to £800k in the HIP Initiatives budget. On 24 October 2013 Cabinet approved the creation of a new specific fund for Environmental & Recreational Initiatives to be met from the £1,000k unallocated sum. Table 7 summarises the position with regard to each of these elements.

**Table 7: Priority Growth**

	Budget	Approved Allocations	Unallocated Growth
	£'000	£'000	£'000
<b><u>Specific Budgets</u></b>			
HIP Initiatives Budgets	800	636	164
Environmental & Recreational Initiatives	500	68	432
<b>Sub-Total Specific Budgets</b>	<b>1,300</b>	<b>704</b>	<b>596</b>
<b><u>Non-Specific Priority Growth</u></b>			
Original Budget	1,000		
Registrars Suite	(70)		
Environmental & Recreational Initiatives	(500)		
Highways Investment	(200)		
			230
<b>Sub-Total Non-Specific Priority Growth Budget</b>	<b>230</b>		<b>230</b>
<b>Total Priority Growth</b>	<b>1,530</b>	<b>704</b>	<b>826</b>

39. HIP Steering Group has approved release of £636k from the HIP Initiatives Budget to fund a range of projects during 2013/14, leaving £164k unallocated. The reported position assumes that this sum will be utilised in full by 31 March 2014.
40. Within the new Environmental & Recreational Initiatives Fund a sum of £68k has been allocated for sign cleaning, leaving a balance of £432k to support further new initiatives.
41. Following release of funds to support a number of initiatives, £230k remains within the unallocated Priority Growth fund to support new initiatives.

### **Schools Budget, Parking Revenue Account and Collection Fund**

42. Latest forecasts on other funds, except the Parking Revenue Account, indicate favourable positions at year end and therefore will not adversely impact upon the General Fund. There is scope to improve the position within the PRA, which would enable the fund to break even in 2013/14 and avoid any adverse impact on the General Fund.
43. There has been no movement since period 9 in the significant underspends in the Schools Budget 2013/14 in relation to the level of take up on the two year old free entitlement and joint funded placements.
44. A small improvement is forecast on the Parking Revenue Account from Month 9, with a reduction in the previously reported in year deficit by £8k leaving £152k pressure still to be mitigated. This pressure relates to the continuing shortfall in Penalty Charge Notice income, which may limit resources available to support future Parking Management Schemes.
45. There has been no movement since month 9 on the in-year surplus being forecast on Collection Fund at Month 10. Combined with the carried forward surplus from 2012/13, it is expected that £3,610k will be released to the General Fund in 2014/15.
46. As a result of a number of sites being removed from the rating base, there is a risk that the Business Rate element of the Collection Fund may experience a deficit of up to £900k by 31 March 2014. It is expected the compensatory adjustments to the rating list will prevent this from impacting upon the General Fund.
47. On both Council Tax and Business Rates, the sums to be transferred into the General Fund during 2014/15 are now fixed at the Month 9 position and approved in the Council's budget for 2014/15.

### **Housing Revenue Account Budget**

48. There has been no movement from month 9 in the underspend reported on in year activities within the Housing Revenue Account, of £4,822k. An underspend of £4,660k relates to rephasing of planned major works into 2014/15 with the balance from underspends within management and contingency budgets are broadly off-set by the continuing pressure on rental income arising from the higher level of Right to Buy sales and appropriations of commercial properties.

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

49. The latest reported position on the Council's 2013/14-15/16 Capital Programme is detailed in Appendix D. A net underspend of £23,533k is reported on the General Fund

Programme assuming full drawdown on contingency and £1,379k pressure on HRA Projects.

50. The significant underspend currently reported primarily relates to favourable forecast on Primary School Expansions, which are reporting a £10,378k underspend due to tendered costs of the programme being significantly lower than previously anticipated. Significant further investment in schools is likely to be required in the longer term to meet further demographic growth and the transition of the current pupils to the secondary sector, it is expected that further borrowing will be required in future. As such necessary levels of provision for within revenue budgets for capital financing are not expected to reduce as a result of this underspend.

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

### Administration & Finance (£996k underspend, £31k improvement)

1. The combined position for the Administration and Finance Groups at month 10 is an underspend of £996k. This is as a result of holding vacant posts in both Groups, revisions to forecasts for training in Legal and Human Resources, although these have been net down following a revision to income forecasts in these service areas.

**Table 1: Administration & Finance Summary**

Original Budget	Budget Changes			Month 10		% Var	Variance (+ adv / - fav)	Variance (As at Month 9)	Movement from Month 9
				Revised Budget	Forecast Outturn		Variance (As at Month 10)		
£'000	£'000			£'000	£'000		£'000	£'000	£'000
8,749	417	Admin. Directorate	Salaries	9,166	8,820	-4%	(346)	(326)	(20)
5,052	132		Non-Sal Exp	5,184	4,786	-8%	(398)	(406)	8
(2,744)	(187)		Income	(2,931)	(3,063)	4%	(132)	(128)	(4)
<b>11,057</b>	<b>362</b>		<b>Sub-Total</b>	<b>11,419</b>	<b>10,543</b>	<b>-8%</b>	<b>(876)</b>	<b>(860)</b>	<b>(16)</b>
11,558	6	Finance Directorate	Salaries	11,564	11,449	-1%	(115)	(103)	(12)
172,239	(22,000)		Non-Sal Exp	150,240	150,188	0%	(51)	(49)	(2)
(172,180)	22,365		Income	(149,815)	(149,769)	0%	46	47	(1)
<b>11,618</b>	<b>371</b>		<b>Sub-Total</b>	<b>11,989</b>	<b>11,869</b>	<b>-1%</b>	<b>(120)</b>	<b>(105)</b>	<b>(15)</b>
20,307	423	Total	Salaries	20,730	20,269	-2%	(461)	(429)	(32)
177,291	(21,868)		Non-Sal Exp	155,423	154,974	0%	(449)	(455)	6
(174,923)	22,178		Income	(152,745)	(152,831)	0%	(86)	(81)	(5)
<b>22,675</b>	<b>733</b>		<b>Total</b>	<b>23,408</b>	<b>22,412</b>	<b>-4%</b>	<b>(996)</b>	<b>(965)</b>	<b>(31)</b>

2. As a result of holding open vacant posts longer across the Administration Group, particularly in Performance, Occupational Health and Legal Services teams the Group is showing a significant salaries' underspend in Month 10.
3. Revisions of non salary forecasts continue to be undertaken and at month 10 decreased expenses forecasts within Policy, Performance & Partnerships have netted down potential increases for the cost of printing in Electoral Services.
4. A slight increase in income forecasts has been projected in Human Resources from First Aid courses; however this has been netted down by the slight pressure against Hillingdon People income in Corporate Communications.

**Table 2: Administration Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service	Month 10		% Var	Variance (+ adv / - fav) Variance (As at Month 10) £'000	Variance (As at Month 9) £'000	Movement from Month 9 £'000	
			Revised Budget £'000	Forecast Outturn £'000					
442	26	Directorate	Salaries	468	459	-2%	(9)	(9)	0
6	(0)		Non-Sal	6	2	-	(4)	(3)	(0)
(56)	(0)		Exp	(56)	(56)	69%	0	0	0
<b>392</b>	<b>26</b>		Income	<b>417</b>	<b>404</b>	0%	<b>(13)</b>	<b>(13)</b>	<b>(0)</b>
676	15	Corporate Comms	Salaries	691	739	7%	47	48	(1)
187	(0)		Non-Sal	187	156	-	(31)	(30)	(0)
(103)	1		Exp	(103)	(100)	17%	3	0	2
<b>760</b>	<b>16</b>		Income	<b>776</b>	<b>795</b>	-3%	<b>19</b>	<b>18</b>	<b>1</b>
1,425	18	Democratic Services	Salaries	1,443	1,459	1%	16	27	(10)
1,895	70		Non-Sal	1,965	1,914	-3%	(51)	(60)	9
(849)	0		Exp	(849)	(892)	5%	(43)	(43)	0
<b>2,471</b>	<b>88</b>		Income	<b>2,559</b>	<b>2,481</b>	-3%	<b>(78)</b>	<b>(76)</b>	<b>(2)</b>
2,347	40	Human Resources	Salaries	2,387	2,312	-3%	(75)	(73)	(2)
467	(15)		Non-Sal	452	557	23%	105	102	2
(591)	15		Exp	(576)	(602)	4%	(26)	(20)	(5)
<b>2,223</b>	<b>40</b>		Income	<b>2,263</b>	<b>2,267</b>	0%	<b>4</b>	<b>9</b>	<b>(5)</b>
1,924	8	Legal Services	Salaries	1,932	1,870	-3%	(62)	(53)	(9)
98	0		Non-Sal	98	114	17%	16	12	4
(575)	(0)		Exp	(575)	(629)	9%	(54)	(53)	(1)
<b>1,447</b>	<b>8</b>		Income	<b>1,455</b>	<b>1,356</b>	-7%	<b>(100)</b>	<b>(94)</b>	<b>(6)</b>
1,935	310	Policy & Perf.	Salaries	2,245	1,981	-	(264)	(267)	3
2,399	77		Non-Sal	2,476	2,043	-	(433)	(426)	(6)
(570)	(202)		Exp	(772)	(784)	17%	(12)	(12)	0
<b>3,764</b>	<b>185</b>		Income	<b>3,949</b>	<b>3,241</b>	2%	<b>(709)</b>	<b>(705)</b>	<b>(4)</b>
8,749	417		Salaries	9,166	8,820	-4%	(346)	(326)	(20)
5,052	132		Non-Sal	5,184	4,786	-8%	(398)	(406)	8
(2,744)	(187)		Exp	(2,931)	(3,063)	4%	(132)	(128)	(4)
<b>11,057</b>	<b>362</b>		Income	<b>11,419</b>	<b>10,543</b>	-8%	<b>(876)</b>	<b>(860)</b>	<b>(16)</b>

5. The Finance Group is showing an improvement of £15k in Month 10. This is primarily as a result of revising staffing forecasts to account for leaving dates and a later return from maternity leave within Procurement, Strategic and Operational Finance.
7. Revisions continue to be made to non-salaries forecasts as part of monthly monitoring and tight controls are in place on spending to help to mitigate the increased pressure on salaries and recharge budgets. A review of recharges as part of the restructure within Procurement has highlighted a pressure on recharges to Health, as a result of the introduction of Public Health budgets and previous charges no longer being applicable. However, this pressure on recharge budgets has been mitigated after reviewing charges

to other funds, as well as an increase in income from schools in Operational Finance and an improvement in the Housing Benefit subsidy projection.

8. In April 2013, Council Tax Benefit was abolished and replaced with a local Council Tax Reduction Scheme and administration funding for the scheme was reduced. Workload increased as a result of the changes and from having numerous vacant posts, so the contract with Liberata to use their capacity grid to deal with queries received has been extended. This contract is being monitored closely to ensure best value and that service levels are maintained at a high standard. Any additional expenditure through this contract is being funded through the implementation grants which have been received from Central Government.

**Table 3: Finance Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service	Month 10		% Var	Variance (+ adv / - fav)			
			Revised Budget £'000	Forecast Outturn £'000		Variance (As at Month 10) £'000	Variance (As at Month 9) £'000	Movement from Month 9 £'000	
547	3	Internal Audit	Salaries	550	543	-1%	(7)	(6)	(1)
50	0		Non-Sal	50	44	-	(6)	(7)	1
0	0		Exp	0	0	13%	0	0	0
<b>597</b>	<b>3</b>		Income	<b>600</b>	<b>587</b>	0%	<b>(13)</b>	<b>(13)</b>	<b>0</b>
3,353	65	Operational Finance	<b>Sub-Total</b>	<b>600</b>	<b>587</b>	<b>-2%</b>	<b>(13)</b>	<b>(13)</b>	<b>0</b>
687	351		Salaries	3,418	3,482	2%	64	68	(4)
(963)	(0)		Non-Sal	1,038	1,056	2%	19	19	0
<b>3,077</b>	<b>416</b>		Exp	<b>3,493</b>	<b>3,547</b>	3%	<b>54</b>	<b>58</b>	<b>(4)</b>
2,115	382	Procurement	Income	(963)	(991)	-6%	-29	(29)	0
188	(38)		Salaries	2,497	2,522	1%	25	28	(3)
(344)	(274)		Non-Sal	150	117	-	(33)	(29)	(5)
<b>1,959</b>	<b>69</b>		Exp	<b>2,028</b>	<b>2,058</b>	22%	<b>30</b>	<b>36</b>	<b>(6)</b>
4,350	(533)	Revenues & Benefits	Income	(618)	(581)	-6%	37	37	0
170,659	(22,313)		Salaries	3,817	3,668	-4%	(149)	(149)	0
(170,727)	22,641		Non-Sal	148,346	148,279	0%	(67)	(68)	1
<b>4,282</b>	<b>(205)</b>		Exp	<b>4,077</b>	<b>3,961</b>	0%	<b>(180)</b>	<b>(179)</b>	<b>(1)</b>
1,193	89	Strategic Finance	Income	(148,086)	(148,050)	0%	36	38	(2)
655	0		Salaries	1,282	1,234	-4%	(48)	(45)	(3)
(146)	0		Non-Sal	655	692	6%	37	37	0
<b>1,703</b>	<b>89</b>		Exp	<b>1,792</b>	<b>1,781</b>	0%	<b>(11)</b>	<b>(7)</b>	<b>(3)</b>
11,558	6		Income	(146)	(146)	0%	0	0	0
172,239	(22,000)		Salaries	11,564	11,449	-1%	(115)	(103)	(12)
(172,180)	22,365		Non-Sal	150,240	150,188	0%	(51)	(49)	(2)
<b>11,618</b>	<b>371</b>		Exp	<b>11,989</b>	<b>11,869</b>	0%	<b>(120)</b>	<b>(105)</b>	<b>(15)</b>
			Income	(149,814)	(149,768)	0%	46	47	(1)
			<b>Total</b>	<b>11,989</b>	<b>11,869</b>	<b>-1%</b>	<b>(120)</b>	<b>(105)</b>	<b>(15)</b>

## Residents Services (£696k underspend; £46k improvement)

9. Residents Services has a projected outturn position of a £696k underspend, excluding pressure areas that have identified contingency provisions. This includes the exceptional demand-led pressures being experienced on housing needs, in addition to demographic pressures on special needs transport budgets impacting on the corporate contingency. All other divisions of service are managing within budget.

**Table 1: Residents Services Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service	Month 10			Variance (+ adv / - fav)			
			Revised Budget £'000	Forecast Outturn £'000	% Var	Variance (As at Month 10) £'000	Variance (As at Month 9) £'000	Change from Month 9 £'000	
1,940	111	Asset Management	Salaries	2,051	2,055	0%	4	21	(17)
7,803	200		Non-Sal Exp	8,003	8,407	5%	404	387	17
(3,344)	(152)		Income	(3,496)	(4,262)	22%	(766)	(766)	0
<b>6,399</b>	<b>159</b>		<b>Sub-Total</b>	<b>6,558</b>	<b>6,200</b>	<b>-5%</b>	<b>(358)</b>	<b>(358)</b>	<b>0</b>
9,849	(1,210)	Education (GF)	Salaries	8,639	8,094	-6%	(545)	(545)	0
12,133	(457)		Non-Sal Exp	11,676	11,116	-5%	(560)	(560)	0
(10,421)	1,315		Income	(9,106)	(9,187)	1%	(81)	(81)	0
<b>11,561</b>	<b>(352)</b>		<b>Sub-Total</b>	<b>11,209</b>	<b>10,023</b>	<b>11%</b>	<b>(1,186)</b>	<b>(1,186)</b>	<b>0</b>
1,544	(6)	Environmental Policy & Community Engagement	Salaries	1,538	1,515	-1%	(23)	(23)	0
997	3		Non-Sal Exp	1,000	1,000	0%	0	0	0
(7,000)	684		Income	(6,316)	(6,369)	1%	(53)	(53)	0
<b>(4,459)</b>	<b>681</b>		<b>Sub-Total</b>	<b>(3,778)</b>	<b>(3,854)</b>	<b>2%</b>	<b>(76)</b>	<b>(76)</b>	<b>0</b>
3,852	(321)	Housing (GF)	Salaries	3,531	3,531	0%	0	0	0
11,098	(4,404)		Non-Sal Exp	6,694	10,821	62%	4,127	4,127	0
(11,123)	5,333		Income	(5,790)	(7,932)	37%	(2,142)	(2,142)	0
<b>3,827</b>	<b>608</b>		<b>Sub-Total</b>	<b>4,435</b>	<b>6,420</b>	<b>45%</b>	<b>1,985</b>	<b>1,985</b>	<b>0</b>
15,351	905	ICT Highways & Business Services	Salaries	16,256	16,087	-1%	(169)	(140)	(29)
15,200	(4,923)		Non-Sal Exp	10,277	10,219	-1%	(58)	(40)	(18)
(10,118)	4,029		Income	(6,088)	(6,288)	3%	(200)	(200)	0
<b>20,433</b>	<b>11</b>		<b>Sub-Total</b>	<b>20,445</b>	<b>20,018</b>	<b>-2%</b>	<b>(427)</b>	<b>(380)</b>	<b>(47)</b>
4,154	3,521	Planning Green Spaces & Culture	Salaries	7,675	7,627	-1%	(48)	(73)	25
4,569	1,656		Non-Sal Exp	6,225	6,374	2%	149	122	27
(4,957)	(4,712)		Income	(9,669)	(10,311)	7%	(642)	(581)	(61)
<b>3,766</b>	<b>465</b>		<b>Sub-Total</b>	<b>4,231</b>	<b>3,690</b>	<b>13%</b>	<b>(541)</b>	<b>(532)</b>	<b>(9)</b>
439	0	Public Health	Salaries	439	325	26%	(114)	(114)	0
14,868	0		Non-Sal Exp	14,868	14,982	1%	114	114	0
(15,307)	0		Income	(15,307)	(15,307)	0%	0	0	0
<b>0</b>	<b>(0)</b>		<b>Sub-Total</b>	<b>(0)</b>	<b>(0)</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>0</b>
14,918	(1,859)	Public Safety	Salaries	13,059	13,059	0%	0	0	0
17,634	3,615		Non-Sal Exp	21,249	21,162	0%	(87)	(51)	(36)
(9,753)	(2,473)		Income	(12,226)	(12,233)	0%	(7)	(52)	45
<b>22,799</b>	<b>(717)</b>		<b>Sub-Total</b>	<b>22,082</b>	<b>21,988</b>	<b>0%</b>	<b>(94)</b>	<b>(103)</b>	<b>9</b>
52,047	1,141	Residents Services	Salaries	53,188	52,293	-2%	(895)	(874)	(21)
84,302	(4,310)		Non-Sal Exp	79,992	84,081	5%	4,089	4,099	(10)
(72,023)	4,024		Income	(67,999)	(71,889)	6%	(3,890)	(3,875)	(15)
<b>64,325</b>	<b>855</b>		<b>Total</b>	<b>65,181</b>	<b>64,485</b>	<b>-1%</b>	<b>(696)</b>	<b>(650)</b>	<b>(46)</b>



10. The Council's 2013/14 contingency budget contains provision for areas of expenditure or income within Residents Services for which there is a greater degree of uncertainty. The position against these contingency items is shown in Table 2 below.

**Table 2: Residents Services Contingency Items**

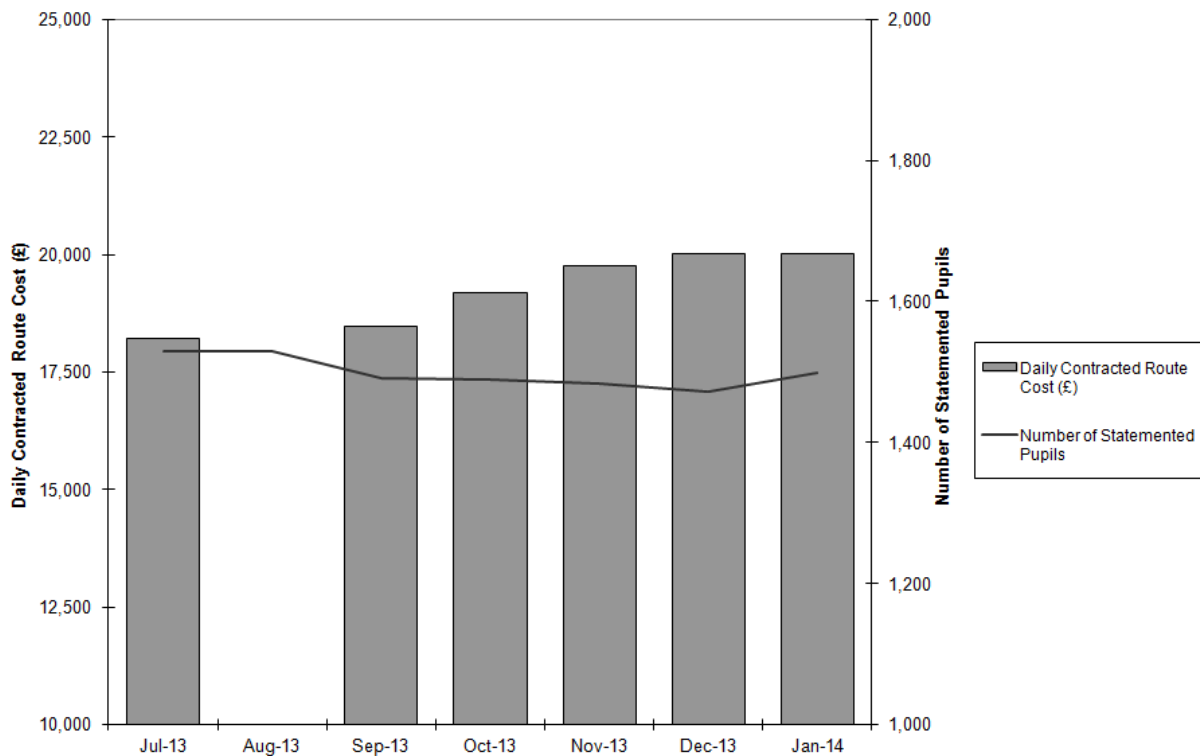
Original Budget	Budget Changes	Current Commitments	Revised Budget	Forecast as Needed	Variance (+ adv / - fav)		
					Variance (As at Month 10)	Variance (As at Month 9)	Change from Month 9
£'000	£'000	£'000	£'000	£'000	£'000	£'000	
2,010	0	Waste Disposal Levy (Demand-led Tonnage Increases)	2,010	2,444	434	429	5
760	0	SEN Transport	760	1,339	579	575	4
737	(737)	Impact of Welfare Reform on Homelessness	0	0	0	0	0
402	0	Carbon Reduction Commitment	402	375	(27)	(27)	0
217	(217)	Outsourced Leisure Income Streams	0	0	0	0	0
200	0	HS2 Challenge Contingency	200	200	0	0	0
200	0	Heathrow Expansion Challenge Contingency	200	200	0	0	0
30	0	Hillingdon Local Plan	30	30	0	0	0
0	60	Parks Storm Damage	60	60	0	0	0
0	0	Licensing Appeal Legal Costs	0	37	37	37	0
<b>4,556</b>	<b>(894)</b>		<b>3,662</b>	<b>4,685</b>	<b>1,023</b>	<b>1,014</b>	<b>9</b>

11. The contingency allocation reflects the budgeted projection set by the West London Waste Authority (WLWA) for the impact of the 'Pay as You Throw' (PAYT) scheme. The increase in tonnages has been generally lower than assumed when the levy was set, but recent months have seen some variations in the usual seasonal trends. There is a projected underspend against the full contingency of £21k, an adverse movement of £5k compared to Month 9. In addition, Hillingdon's share of the portion of the increase in the Fixed Cost Levy from WLWA due to a correcting base budget adjustment by WLWA of £2.6 million is £455k, which is treated as a call on the general contingency of £489k brought forward from 2012/13.

12. Special Educational Needs (SEN) Transport is an area that has seen significant pressure in the last financial year. The forecast pressure on this budget is now £1,339k, which exceeds the budgeted contingency allocation of £760k by £579k, an adverse movement of £4k compared to Month 9. The overall pressure mainly reflects the increased costs of delivering home to school transport for out-of-borough placements and children with more complex needs. There is an increase in the number of contracted routes operated of 5 routes (2%) compared to January 2013. However, the cost of delivering the current route requirements has increased by 8% over the same period. This reflects the increased need to provide transport on routes to out-of-borough placements requiring greater distances travelled, as well as an increased number of children requiring individual transport due to more complex needs, that could not appropriately be provided on existing routes.

13. The pressure beyond the budgeted contingency allocation of £579k reflects that mitigating actions through policy changes and controls that in the budget were assumed to reduce overall costs by £250k are serving mainly to slow the overall rate of growth in the demographic pressure. There are also additional costs reflecting the transport needs of statemented children that commenced since budget setting for the current financial year of £346k, an adverse movement of £4k compared to Month 9. However, there is a one-off underspend on inter-authority recoupment of £17k, no change compared to Month 9.

14. Chart 1 below illustrates the recent trends in SEN transport contracted route costs compared to the overall numbers of statemented pupils that Hillingdon supports.



15. The contingency to cover the impact of changes in Housing Benefit on temporary accommodation was released to the Residents Services operating budget following approval by Cabinet in December 2013.

16. The Carbon Reduction Commitment contingency is for the estimated costs for the requirement to purchase allowances for each tonne of carbon produced by the Council. The actual requirement to purchase allowances under the Carbon Reduction Commitment energy efficiency scheme for 2012/13 was reported to Cabinet in September 2013. An underspend against the contingency of £27k is expected mainly due to the exemption for un-metered supplies continuing in 2013/14, no change compared to Month 9. The contingency requirement also includes the £250k budget for allowances for schools that has been provided for in the schools budget.

17. The remaining Outsourced Leisure Contingency pressure is now included in the base budget position for Planning Green Spaces & Culture following the release of contingency approved by Cabinet in December 2013.

18. The HS2 and Heathrow expansion challenge contingencies provide resources to enable the Council to respond flexibly and effectively to the continuing threat that these infrastructure projects pose to residents. It is currently assumed that these resources will be fully utilised however this will be kept under close review over the remainder of the financial year.
19. The examination in public of Part 2 of the Hillingdon Local Plan is forecast to take place during 2014/15, however it is expected that this contingency will be fully utilised.
20. Cabinet in December 2013 approved the release of £60k from the general contingency to cover the costs of necessary works to manage damage from storms during November and December within the borough's parks and open spaces.
21. The Council has appealed against a challenge to a licensing decision incurring costs of £37k.

#### **Asset Management (£358k underspend; no change)**

22. Cabinet approved the transfer of the non-dwelling shop and garage assets from the Housing Revenue Account (HRA) in September and October 2013 respectively, which provides a forecast net income stream to the General Fund of £675k over the remainder of the current year, no change compared to Month 9.
23. There is a forecast pressure of £280k on maintenance budgets for day to day repairs for both the Civic Centre and outstations around the borough, no change compared to Month 9. In addition, there is a pressure of £37k on the income targets for the Civic Centre due to changes in third party occupation of the Civic Centre estate, no change compared to Month 9.
24. The service is also managing financial risks around the achievement of capital receipts and the delivery of the capital programme, particularly the Primary School Capital Programme. At this stage it is forecast that these risks can be contained within existing budgets.

#### **Education (£1,186k underspend; no change)**

25. The education service has savings items totalling £1,369k included in the 2013/14 budget, which includes savings from the children's pathway project, and are all on track to be delivered.
26. The service continues to experience high staff turnover and vacancies resulting in forecast staffing underspends in the youth service (£220k), the school improvement service (£125k), education welfare (£45k), parent support (£55k), educational psychology (£90k) and the early years' team (£40k), no change compared to Month 9. Many of these posts have been held vacant pending the full implementation of the children's pathway.
27. There is a forecast underspend of £170k on Children's Centres due to the combined impact of a more corporate approach to commissioning services from the centres, and continued underspends on staffing and running costs identified in the previous financial year, no change compared to Month 9.
28. There is also a forecast underspend of £100k on training for early years providers, continuing the position identified last year, no change compared to Month 9. There is an

underspend of £50k on bought-in support for the School Improvement Service, and an underspend of £230k from the ongoing review of discretionary and central budgets for the service, no change compared to Month 9.

29. In addition, there is a forecast underspend on schools redundancy costs of £60k, as schools are continuing to maintain staffing levels despite the freeze in the funding unit, and the Council has applied strict criteria to the funding of redundancy claims.

30. There is an over-achievement of £81k on income due to additional buy back from schools, no change compared to Month 9.

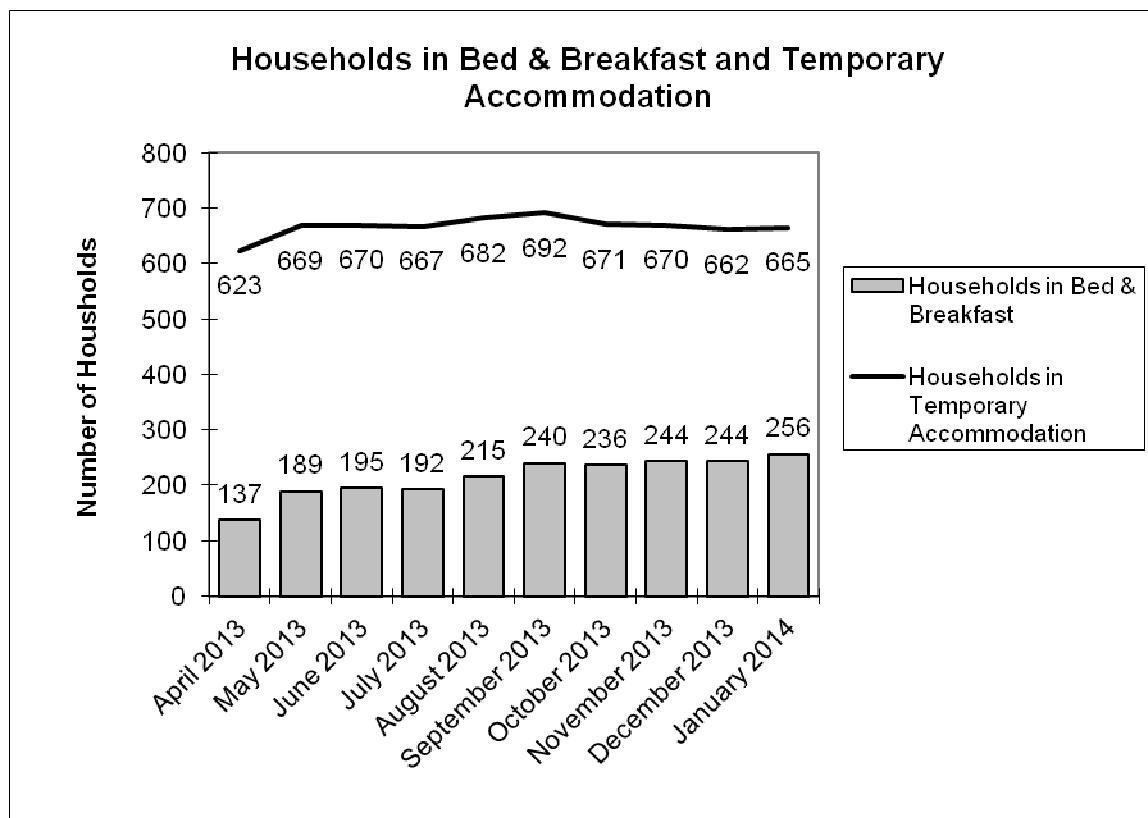
### **Environmental Policy & Community Engagement (£76k underspend; no change)**

31. The forecast underspend results from the impact of vacant posts within the planning specialist team (£23k), no change compared to Month 9, the matching of external grant to budgeted expenditure on town centres (£41k), and the final allocation of the New Homes Bonus adjustment grant for 2013/14 being £12k greater than assumed at the time of budget setting.

### **Housing (£1,985k pressure; no change)**

32. The Housing Needs budget is under considerable pressure as a result of increased demand for temporary accommodation and reductions in the supply of low-cost private rented sector accommodation. As a result the Housing Needs budget is projecting an overspend of £1,985k, no change compared to Month 9.

33. Increased use of bed and breakfast (B&B) accommodation accounts for £1,730k of the forecast overspend, no change compared to Month 9. The number of households in B&B was 256 at the end of January, an increase of 12 households compared to December 2013. The Month 10 projection assumes that B&B numbers will increase to 304 by the end of the financial year, no change from Month 9. The trend in B&B households and total households in temporary accommodation over the year is shown in Chart 2 below:



34. There are 665 homeless households in temporary accommodation which is an increase of 3 households compared to December and an increase of 34 households compared to March 2013. The risk that the number of households in temporary accommodation could increase further by the end of the financial year is still present and being closely monitored as the winter period traditionally increases demand for accommodation and there continues to be fall off in PSL numbers. At this time it is still relatively early to accurately forecast the effects of welfare reform but this could also exert an upward pressure particularly from under-occupiers.
35. Rent arrears continue to be a concern and the forecast B&B overspend includes a provision for increased bad debt of £294k, no change compared to Month 9. All arrears are being examined to ensure Housing Benefit is awarded and paid for all appropriate claimants. The use of Discretionary Housing Payments (DHP) is also being monitored particularly in respect of cases where welfare reform is moving responsibility for payment of rent to the claimant.
36. There is a landlord incentive estimated spend of £522k is included in the year end forecast which may be committed but not spent by the end of the year. As these incentives assist in the acquisition of Leased properties which will have a beneficial effect on the cost of service going forward into 2014/15 any unspent budget could be put forward as an earmarked reserve request at the end of the financial year, subject to the wider financial position.
37. A recharge of £250k to the HRA based on voids impacts dating back to the start of the calendar year will be actioned at the end of the year, no change compared to Month 9.

## **ICT Highways & Business Services (£427k underspend; £47k improvement)**

38. There is a forecast staffing underspend of £140k in Technical Administration and Business Support, due to the impact of vacant posts that have been held open during the restructuring process for this service. This service area has also delivered a savings target of £169k included in the 2013/14 budget.
39. There is also an underspend of £40k on Ordnance Survey mapping charges which are being covered directly by the Government, no change compared to Month 9.
40. Income from the London Common Permit Scheme is forecast to exceed the target set by £200k, no change compared to Month 9. The outturn variance for 2012/13 was £369k, however a cautious approach continues to be taken as there is no guarantee that this income stream will be sustained at the current level throughout the year.
41. Due to the absence of adverse winter weather there is also a forecast underspend on winter maintenance of £47k due to reduced standby pay (£29k) and salt usage (£18k), an improvement of £47k compared to Month 9.

## **Planning Green Spaces & Culture (£541k underspend; £9k improvement)**

42. The overall deficit on Golf courses is forecast at £335k, of which £117k was released from contingency following the approval of Cabinet in December 2013, leaving a residual pressure of £218k, no change compared to Month 9. In overall terms this represents an improvement of £124k compared to last year's outturn. There are forecast shortfalls on membership income of £73k and on pay and play and associated income of £86k, no change compared to Month 9, and a forecast overspend on course management costs of £111k, offset by a projected underspend on staffing costs of £52k due to a lower than anticipated call on casual staff.
43. Significant synergies between existing Council services and Public Health, particularly around sports and leisure provision, have been identified and funding realigned to produce a saving of £555k, no change compared to Month 9.
44. The forecast pressure on building control is £90k, no change compared to Month 9, driven by the budgeted over-recovery of fee income compared to the costs of processing building control applications under the cost recovery model, which is ringfenced to the service.
45. The management agreement with the operator of the Hillingdon Sports & Leisure Centre has now been completed, releasing an ongoing annual contribution for contract monitoring of £30k which is additional income to the service and can be released in the current year, no change compared to Month 9.
46. There is additional income of £55k due to the impact of the rent escalator for Stockley Park golf course, £10k from other leisure rents, and a minor staffing underspend of £23k due to a vacant post in the Events team, an improvement of £2k compared to Month 9.
47. There is a forecast underspend of £20k on gold bursaries to talented athletes which will now be awarded in the next financial year, no change compared to Month 9.
48. Development control income is running ahead of the profiled income target, and a net underspend of £156k is now forecast, an improvement of £7k compared to Month 9. This includes a pressure on the costs of the external contract for processing planning

applications of £58k due to increased numbers of applications, an increase of £27k compared to Month 9, and a pressure on staffing budgets of £27k due to additional agency staff recruited to meet the increase in major applications.

#### **Public Health (nil variance; no change)**

49. The responsibility for Public Health transferred into Residents Services in May 2013, and since then an exercise has been undertaken linked to a BID project to review all of the budget assumptions underpinning the allocation of the ringfenced Public Health grant. Within this there are two vacant posts in the Specialist Health Promotion team, producing the staffing underspend of £114k, no change compared to Month 9, and increasing the grant available for allocation by the same amount.

#### **Public Safety (£94k underspend; £9k adverse)**

50. There is a projected shortfall of £150k on off-street parking income, no change compared to Month 9, which is attributable to Cedars and Grainges multi-storey car parks in Uxbridge town centre, reflecting the continuation of pressures reported last financial year.

51. There is a forecast overspend of £26k on the imported food service, an adverse movement of £9k compared to Month 9. Income targets for this service are on track to be exceeded by £76k, mainly due to continued strong imports of seasonal fruit and vegetables, an adverse movement of £45k compared to Month 9. However the cost of testing these products increased significantly at the end of last year due to changes in the sampling requirements specified by the European Union for these products, and is forecast to overspend by £102k, an improvement of £36k compared to Month 9. This position assumes there are no further changes to the list of 'high risk' products and their sampling frequencies, which are re-issued quarterly, over the remainder of the financial year.

52. New powers to issue licences for scrap metal dealers in the borough approved by Cabinet in November 2013 are forecast to raise £18k in licence fees this year, no change compared to Month 9.

53. The fleet management service has been in a transitional position as the vehicle replacement programme takes effect, and the benefits of this programme are now feeding through. A net underspend of £106k is now reported, as the service is actively managing down maintenance costs as older vehicles are replaced, producing an underspend of £231k, no change compared to Month 9. However in this interim period there remain pressures on contract hire and leases of £125k due to short-term arrangements being put in place while replacement vehicles are procured, no change compared to Month 9. The service is also closely monitoring insurance claims, where there is a greater risk around accidental damage under self-insurance arrangements.

54. Waste Services is currently forecast at a £106k underspend, no change compared to Month 9. This is due to a forecast underspend on graffiti removal of £43k and additional recycling income of £63k.

55. There is also a forecast underspend on the funding provided to the Metropolitan Police to cover the costs of the Police Partnership Tasking Team of £40k due to vacancies within the Police service, no change compared to Month 9.

## Children's and Young Peoples Services

### Revenue (General Fund): £44k underspend (no change)

56. The Children's and Young Peoples Service is projecting an underspend of £44k as at Month 10, no change on the month 9 projections. This consists of an underspend of £355k on Salaries, an improvement of £159k on the month 9 projections, an overspend of £629k on non-staffing budgets, an adverse movement of £236k on the month 9 projections, due to an increase in the cost of placements and a projected surplus of £317k on income streams, an improvement of £76k on the month 9 projections. The projected variances at Month 10 are summarised in the following table, with more detail provided in the paragraphs below:

Original Budget £'000	Budget Changes £'000	Service	Month 10			Variance (+ adv / - fav)			
			Revised Budget £'000	Forecast Outturn £'000	% Var	Variance (As at Month 10) £'000	Variance (As at Month 9) £'000	Change from Month 9 £'000	
521	(0)	Adoption	Salaries	521	644	24%	123	65	58
1,064	0		Non-Sal Exp	1,064	1,312	23%	248	241	7
(20)	0		Income	(20)	(426)	2030%	(406)	(376)	(30)
<b>1,565</b>	<b>0</b>		<b>Sub-Total</b>	<b>1,565</b>	<b>1,530</b>	<b>2077%</b>	<b>(35)</b>	<b>(70)</b>	<b>35</b>
1,296	(1)	Children's Homes	Salaries	1,296	1,506	16%	211	220	(10)
2,599	0		Non-Sal Exp	2,599	2,817	35%	218	238	(20)
(912)	0		Income	(912)	(652)	-29%	260	302	(42)
<b>2,983</b>	<b>(0)</b>		<b>Sub-Total</b>	<b>2,983</b>	<b>3,671</b>	<b>23%</b>	<b>688</b>	<b>760</b>	<b>(72)</b>
1,149	67	Family Support	Salaries	1,216	1,048	-14%	(168)	(150)	(18)
1,269	22		Non-Sal Exp	1,291	1,302	13%	11	(2)	13
(127)	(56)		Income	(183)	(204)	-6%	(21)	(14)	(7)
<b>2,291</b>	<b>33</b>		<b>Sub-Total</b>	<b>2,324</b>	<b>2,146</b>	<b>-7%</b>	<b>(178)</b>	<b>(166)</b>	<b>(12)</b>
1,420	1	Fostering	Salaries	1,421	1,240	-13%	(181)	(126)	(55)
5,200	197		Non-Sal Exp	5,397	5,726	14%	329	173	156
(271)	0		Income	(271)	(199)	19%	72	71	1
<b>6,349</b>	<b>198</b>		<b>Sub-Total</b>	<b>6,547</b>	<b>6,767</b>	<b>20%</b>	<b>220</b>	<b>118</b>	<b>102</b>
1,347	(61)	Other Care	Salaries	1,286	1,382	7%	96	106	(10)
2,216	59		Non-Sal Exp	2,275	1,826	2%	(449)	(500)	51
(518)	57		Income	(461)	(485)	5%	(24)	(25)	1
<b>3,045</b>	<b>55</b>		<b>Sub-Total</b>	<b>3,100</b>	<b>2,723</b>	<b>14%</b>	<b>(377)</b>	<b>(419)</b>	<b>42</b>
5,755	49	Support Services	Salaries	5,804	5,402	-4%	(402)	(291)	(111)
471	(4)		Non-Sal Exp	467	691	52%	224	197	27
(304)	0		Income	(304)	(455)	50%	(151)	(152)	1
<b>5,922</b>	<b>45</b>		<b>Sub-Total</b>	<b>5,967</b>	<b>5,638</b>	<b>98%</b>	<b>(329)</b>	<b>(246)</b>	<b>(83)</b>
1,342	(2)	Youth Offending	Salaries	1,340	1,306	-3%	(34)	(20)	(14)
43	(3)		Non-Sal Exp	40	88	120%	48	46	2
(494)	0		Income	(494)	(541)	10%	(47)	(47)	0
<b>891</b>	<b>(5)</b>		<b>Sub-Total</b>	<b>886</b>	<b>853</b>	<b>127%</b>	<b>(33)</b>	<b>(21)</b>	<b>(12)</b>
12,830	53	Children's And Families	Salaries	12,883	12,528	-3%	(355)	(196)	(159)
12,862	272		Non-Sal Exp	13,134	13,762	24%	628	393	235
(2,646)	1		Income	(2,645)	(2,962)	1%	(317)	(241)	(76)
<b>23,046</b>	<b>326</b>		<b>Sub-Total</b>	<b>23,372</b>	<b>23,328</b>	<b>0%</b>	<b>(44)</b>	<b>(44)</b>	<b>0</b>



### **Adoption Service: £35k underspend (£35k adverse)**

57. The Adoption service is projecting an underspend of £35k, an adverse movement of £35k on the month 9 projections, due to an increase in staffing costs relating to the improvements being developed across the service to recruit more adopters. In total, the additional cost of Adoption and Special Guardianship Order placements is causing a pressure of £248k, additionally there is an overspend of £123k on staffing costs. This is netted down by the receipt of additional income of £406k, part of which relates to income received from other local authorities for adopters that the Council have recruited, which are being used by another local authority.

### **Children's Homes (Residential Placements): £688k overspend (£72k improvement)**

58. This service is projecting an overspend of £688k, an improvement of £72k on the month 9 projections, due to an improvement on the agreed funding that will be received from the Dedicated Schools Grant.

59. The main reasons for the overspend relates to a number of factors:

- The first is due to the Government grant funded initiative, the Multidimensional Treatment Foster Care (MTFC) programme, where the eligibility criteria set within the grant conditions made it very difficult to convert children to the point where no children have been converted under this programme (this is a national issue). As a result, this has directly impacted on the ability of the service to deliver the £300k saving that it was envisaged would be delivered through this programme. Based on this, it has been agreed that this grant funded programme will cease in its current set up and be replaced with a similar support mechanism which is not constrained by the conditions of the grant. This will be fully operational from 1 April 2014, and will be well placed to deliver the £300k saving target that is in the 2013/14 MTFF proposals in the 2014/15 financial year. The DfE have confirmed that no clawback will be applied in 2013/14 and have agreed that the scheme will end on 31 March 2014. There will therefore be no grant income in 2014/15, which was the last year of the MTFC programme.
- The service continues to see a rise in the number of Looked After Children being placed in residential accommodation, where there appears to be a recent surge of activity, some of which relates to a number of adolescents requiring more secure accommodation for their safety.

60. Additionally, there is a projected shortfall of £260k in income, which is due to a reduced contribution that will be received from the Dedicated Schools Grant, as the majority of the residential placements that have been converted to more local provision, no longer require a contribution from education.

### **Family Support: £178k underspend (£12k improvement)**

61. The Family Support service is projecting an underspend of £178k, an improvement of £12k on the month 9 projections, due to a decrease in staffing costs, where a further review has indicated that the need to appoint agency staff is less than originally assumed. The underspend is due primarily to the high level of staff vacancies across this service.

### **Fostering: £220k overspend (£102k adverse)**

62. The Fostering service is projecting an overspend of £220k, an adverse movement of £102k on the month 9 projections, due to an increase in the cost of placements, where there has been a recent increase in the numbers. The main reason for the overspend is due to a difference in the actual number of placements when compared to the MTFF projections, where it was assumed that children would be moved from Independent Fostering Agencies to In House foster care placements.

63. Evidence indicates that there has been some success in converting foster carers (a net conversion rate of 13 children over the last two years), however, the MTFF did not take into account that a number of foster care placements are “Long Term Matched” and cannot be moved, leaving a smaller cohort to consider than the MTFF projections were based on. This has resulted in a projected overspend of £266k on the placements budget. This is netted down by an underspend on staffing budgets.

### **Other Care Services: £377k underspend (£42k adverse)**

64. This service is projecting an underspend of £377k, an adverse movement of £42k on the month 9 projections, due to an increase in legal costs. The underspend is due primarily to the alignment of the Public Health responsibilities, where £468k has been identified and minor reductions in client costs, netted down by an overspend on staffing due to high levels of agency staff being employed and a £106k overspend on legal costs.

### **Social Workers: £329k underspend (£83k improvement)**

65. This service is projecting an underspend of £329k, an improvement of £83k on the month 9 projections, due to a decrease in staffing costs, where a further review of the costs of agency staff has identified a lower cost than previously assumed. The reason for the underspend is due to the transfer back in house of the Social Work Practice Ltd (SWP) contract, where it was anticipated that the service would need to create a new support structure, which has resulted in an underspend in the salary budgets, as the funds have not been realigned. This has been resolved as part of the Children’s Pathway, where the resources available have been taken into account. It is also anticipated that the service will receive additional grant funding of £127k for Social Worker Development training, which has resulted in a planned increase in the expenditure on the delivery of training to the relevant staff.

### **Youth Offending Service: £33k underspend (£12k improvement)**

66. The Youth Offending Service is projecting an underspend of £33k, an improvement of £12k on the month 9 projections, due to a decrease in staffing costs. The underspend relates to the carry forward of unspent balances from 2012/13, which are allowed as part of the conditions of grant, netted down by a similar increase in non staffing costs.

### **Analysis of Placements**

67. The following table sets out the number of current placements as at 1 February 2014, and compares the total with the data presented in month 7 based on the October data. The costs identified are based on the current placements and have been annualised based on the weekly rate. For completeness, a further table includes data on Adoption and Special Guardianship Orders Allowances, as well as other provision:

February 2014 Projections	Projected 13/14 Numbers	%	Annualised Cost £000	Cost %	2013/14 Projected £000	2013/14 Budget £000
Secure/Remand Accommodation	3		204	2%	210	111
Residential – Out of Borough	17	7%	2,592	28%	1,854	1,142
Residential – Joint Funded						479
Residential – Children with Disabilities					705	355
Semi Independent Living	31	13%	685	8%	782	537
Fostering Private – Long Term Matched Panel	23	10%	953	10%		
Fostering Private – Long Term Matched Court Order	3	1%	107	1%		
Fostering Private – Children with Disabilities					91	68
Fostering Private	66	28%	2,619	29%	3,522	2,827
In House – Long Term Matched	11	5%	235	3%		
In House	84	35%	1,715	19%	1,900	1,950
<b>Total February 2014</b>	<b>238</b>	<b>100%</b>	<b>9,110</b>	<b>100%</b>	<b>9,064</b>	<b>7,469</b>
<b>October 2013 Reported Position</b>	<b>216</b>		<b>8,497</b>		<b>8,910</b>	
<b>Movement Between October and February</b>	<b>22</b>		<b>613</b>		<b>154</b>	

68. To complete the picture the following table provides the age profile of the current placements, based primarily on the school age range definition. The table also includes the figures reported in month 7 as a comparison (it should be noted that the secure accommodation numbers are not included in this table as the placements are very short term in nature):

Placement	Age Range					Total
	0-2	2-5	5-11	11-16	16+	
Private Residential - Out Borough	0	0	1	12	4	17
Semi Independent	0	0	0	0	31	31
IFA Matched LT-Matched	0	0	2	14	7	23
IFA Not Matched	4	2	23	28	12	69
In House	14	16	34	19	12	95
<b>Total</b>	<b>18</b>	<b>18</b>	<b>60</b>	<b>73</b>	<b>66</b>	<b>235</b>
<b>Percentage Distribution</b>	<b>8%</b>	<b>8%</b>	<b>26%</b>	<b>31%</b>	<b>28%</b>	<b>100%</b>
<b>October 2013 Reported Position</b>	<b>13</b>	<b>18</b>	<b>57</b>	<b>64</b>	<b>62</b>	
<b>Movement Between October and February</b>	<b>5</b>	<b>0</b>	<b>3</b>	<b>9</b>	<b>4</b>	<b>235</b>

69. The analysis of the Adoption Allowances is set out below:

	Projected 13/14 Numbers	2013/14 Projected £000	2013/14 Budget £000
Adoption Allowances		244	239
Post Adoption Support		168	153
Residence Order Allowances	53	237	270
Special Guardianship Orders Allowances	60	521	289
Other Payments		30	21
<b>Total</b>		<b>1,200</b>	<b>972</b>

#### Asylum Service: £1,436k overspend (£23k adverse)

70. The Asylum Service is projecting an overspend of £1,436k, an adverse movement of £23k on the month 9 projections, due to a number of clients being removed from the grant income calculations as they are being age assessed, and funding is not generated until their age is known, netted down by a reduction in planned placement costs, where officers are ensuring that new Asylum Seekers are found the most adequate placement at the best price.

71. The overspend of £1,436k reflects the true running costs of the service in providing support for asylum seeking children, for which the Home Office will provide grant funding of £5,400k to cover the direct costs based on a unit rate for different age children. The following table sets out the position as at month 10:

Original Budget £'000	Budget Changes £'000	Service	Month 10			Variance (+ adv / - fav)			
			Revised Budget £'000	Forecast Outturn £'000	% Var	Variance (As at Month 10) £'000	Variance (As at Month 9) £'000	Change from Month 8 £'000	
2,965	(332)	Asylum	Salaries	3,297	3,053	-7%	(244)	(211)	(33)
2,443	(364)		Non-Sal Exp	2,807	4,140	47%	1,333	1,399	(66)
(5,210)	894		Income	(6,104)	(5,757)	-6%	347	225	122
<b>198</b>	<b>198</b>		<b>Sub-Total</b>	<b>0</b>	<b>1,436</b>	<b>0</b>	<b>1,436</b>	<b>1,413</b>	<b>23</b>

72. The majority of the costs incurred which are not covered by the Home Office grant relate to support that is provided to children over 18 years of age. Additionally the grant does not pay for the first 25 eligible children. The cost of supporting these children net of any grant, results in the overspend of £1,436k being reported, for which a sum of £1,995k has been set aside in the Corporate Risk Contingency.

73. The following tables provide an analysis of the cost of placements for Asylum Seekers and the age profile:

## Cost of Placements – Asylum Seekers

Placement Type	Budget	Projected Actual	Variance	Age Profile - Actual			
				Under 16	16 - 18	18 - 21	Over 21
				£	£	£	£
<b>Placement</b>							
Accommodation Rent	922,200	1,517,385	595,185	4,211	374,428	914,567	224,178
In House Fostering	256,300	480,707	224,407	264,313	206,073	10,321	0
Independent Fostering	526,900	789,258	262,358	219,098	523,548	46,612	0
In House Provisions	0	109,200	109,200	0	109,200	0	0
Clients with no placement							
<b>Total Placement Costs</b>	<b>1,705,400</b>	<b>2,896,550</b>	<b>1,191,150</b>	<b>487,622</b>	<b>1,213,249</b>	<b>971,500</b>	<b>224,178</b>
<b>Other Related Costs</b>							
Subsistence and Travel		192,356	192,356		28,590	110,629	53,137
Other		24,203	24,203	1,394	1,646	5,199	15,964
<b>Total Other Related Costs</b>	<b>0</b>	<b>216,559</b>	<b>216,559</b>	<b>1,394</b>	<b>30,236</b>	<b>115,828</b>	<b>69,101</b>

74. The table above indicates that the cost of placements is projected to be £2,897k, which funds 311 clients as noted in the following table, of these, 81 are non grant claimable clients. Additionally the Council has to provide subsistence and travel allowances to 130 clients.

Placement Type	Age Profile - Numbers					Total	Number of Claimable Clients				
	Under 16	16 - 18	18 - 21	Over 21	Total		Under 16	16 - 18	18 - 21	Over 21	Total
<b>Placement</b>											
Accommodation Rent	0	22	107	29	158		19	84	16	119	
In House Fostering	9	11	1	0	21		8	11	1	20	
Independent Fostering	5	10	1		16		3	9	1	13	
In House Provisions	3	35			38		3	30		33	
Clients with no placement	4	13	25	36	78		2	2	17	21	
<b>Total Placement Costs</b>	<b>21</b>	<b>91</b>	<b>134</b>	<b>65</b>	<b>311</b>		<b>16</b>	<b>71</b>	<b>103</b>	<b>230</b>	
<b>Other Related Costs</b>											
Subsistence and Travel	0	15	68	21	104						
Other	3	5	8	10	26						
<b>Total Other Related Costs</b>	<b>3</b>	<b>20</b>	<b>76</b>	<b>31</b>	<b>130</b>						

75. The table below provides an analysis of the non grant claimable clients and the current cost incurred in providing support to them:

	Under 16	Costs £	16 - 18	Costs £	18 - 21	Costs £	Over 21	Costs £	Total Clients	Total Cost £
Naturalised	1	30,788	0		4	24,186	7	28,424	12	83,398
EAA					14	128,875	7	59,446	21	188,321
EAA/Other					1	10,272			1	10,272
Other			7	63,889	10	40,948	5	30,356	22	135,193
Heathrow Child	4	44,682	1	906					5	45,588
Any Other Reason			12	7,565	2	0	6	144	20	7,709
<b>Non Claimable</b>	<b>5</b>	<b>75,470</b>	<b>20</b>	<b>72,360</b>	<b>31</b>	<b>204,281</b>	<b>25</b>	<b>118,370</b>	<b>81</b>	<b>470,481</b>

76. The definition for each category is set out below:

- Naturalised - this relates to children that have become British Citizens and no longer are treated or funded as Asylum Seekers. For all intents and purposes they would be treated as any other Looked After Child.
- Exhausted All Appeals - These are not Asylum Seekers, but in order to be able to return them to their place of origin, the Council will need to undertake a Human Rights Assessment.
- Heathrow Child - This relates to children that on entry to the UK are accompanied by an adult, but soon after the adult is no longer traceable or able to support the child.
- Any Other Reason - This relates to a range of circumstances; Age Assessed Children where on entry to the UK, it is unclear what age they are and children that are placed with a relative soon after entry to the UK.

## Risk Contingency

77. The Corporate Risk Contingency holds two budgets; one relating to growth in Looked After Children placement numbers (£781,000) and the other relating to a provision for the shortfall in grant funding for the Asylum service (£1,995,000). The following table sets out the estimated draw down of these:

Original Budget £'000	Budget Changes £'000	Current Commitments	Month 10		% Var	Variance (+ adv / - fav)		
			Revised Budget £'000	Forecas t Outturn £'000		Variance (As at Month 10) £'000	Varianc e (As at Month 9) £'000	Change from Month 9 £'000
781	0	Social Care Demographic Growth Pressure	781	781	0%	0	0	0
1,995	0	Asylum Funding Shortfall	1,995	1,436	28%	(559)	(582)	23
<b>2,776</b>	<b>0</b>	<b>Sub-Total</b>	<b>2,776</b>	<b>2,217</b>	<b>20%</b>	<b>(559)</b>	<b>(582)</b>	<b>23</b>

## Adult Social Care (£145k underspend, £35k favourable variance)

The Month 10 revenue budget forecast for 2013/14 shows a projected underspend of £145k against budget, representing a £32k favourable movement from the Month 9 position and reflecting some winter placement pressures being offset by further vacancy savings arising from slippage in recruiting to posts. The salaries position is after the contribution of £102k to the BID savings at Month 9. Within this position is a pressure of £328k is due to slippage in the day centre reconfiguration as a result of the judicial review.

**Table 1: Adult Social Care Operating Budgets**

Original Budget	Budget Changes	Service	Month 10		% Var	Variance (+ adv / - fav)			
			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	
6,431	(14)	Older People	Salaries	6,417	5,809	-9.5%	(608)	(492)	(116)
23,572	453		Non-Sal Exp	24,025	25,689	6.9%	1,664	1,498	166
(8,977)	0		Income	(8,977)	(10,227)	13.9%	(1,250)	(1,223)	(27)
<b>21,026</b>	<b>439</b>		<b>Sub-Total</b>	<b>21,465</b>	<b>21,271</b>	<b>-0.9%</b>	<b>(194)</b>	<b>(217)</b>	<b>23</b>
1,612	42	Physical & Sensory Disability	Salaries	1,654	1,464	-11.5%	(190)	(185)	(5)
6,726	190		Non-Sal Exp	6,916	7,010	1.4%	94	118	(23)
(592)	(0)		Income	(592)	(598)	1.0%	(6)	(14)	8
<b>7,746</b>	<b>232</b>		<b>Sub-Total</b>	<b>7,978</b>	<b>7,876</b>	<b>-1.3%</b>	<b>(102)</b>	<b>(81)</b>	<b>(21)</b>
5,882	(358)	Learning Disability	Salaries	5,524	5,135	-7.0%	(389)	(384)	(5)
21,157	1,753		Non-Sal Exp	22,910	23,869	4.2%	960	926	33
(6,281)	1,018		Income	(5,263)	(4,667)	-11.3%	596	583	13
<b>20,758</b>	<b>2,413</b>		<b>Sub-Total</b>	<b>23,171</b>	<b>24,338</b>	<b>5.0%</b>	<b>1,167</b>	<b>1,125</b>	<b>42</b>
1,526	31	Mental Health	Salaries	1,557	1,368	-12.2%	(189)	(148)	(41)
4,889	0		Non-Sal Exp	4,889	5,116	4.6%	227	243	(16)
(400)	0		Income	(400)	(434)	8.6%	(34)	(42)	7
<b>6,015</b>	<b>32</b>		<b>Sub-Total</b>	<b>6,047</b>	<b>6,050</b>	<b>0.1%</b>	<b>3</b>	<b>54</b>	<b>(51)</b>
2,322	(516)	Social Care Directorate	Salaries	1,806	1,626	-10.0%	(180)	(167)	(13)
(1,724)	(588)		Non-Sal Exp	(2,312)	(3,142)	35.9%	(830)	(815)	(15)
(650)	650		Income	0	(9)		(9)	(9)	0
<b>(52)</b>	<b>(454)</b>		<b>Sub-Total</b>	<b>(506)</b>	<b>(1,525)</b>	<b>201.4%</b>	<b>(1,019)</b>	<b>(991)</b>	<b>(28)</b>
17,773	(814)	Adult Social Care	Salaries	16,959	15,403	-9.2%	(1,556)	(1,376)	(180)
54,620	1,808		Non-Sal Exp	56,428	58,542	3.7%	2,114	1,970	144
(16,900)	1,668		Income	(15,232)	(15,935)	4.6%	(703)	(704)	1
<b>55,493</b>	<b>2,662</b>		<b>Total</b>	<b>58,155</b>	<b>58,010</b>	<b>-0.2%</b>	<b>(145)</b>	<b>(110)</b>	<b>(35)</b>

78. The disaggregation of the contingency for Adult Social Care clients this year provides a more transparent view of the demographic pressures on different client groups. The Month 10 forecast for each client group shows a number of variances from the budgeted contingency, however the net effect is that the forecast assumes the full use of contingency available to the department as shown in table 2 below.

79. The drawdown of £2,589k in respect of transitional children contingency for clients that have transferred prior to April 2013, approved at December Cabinet, is reflected in the table 2 below. As explained at Month 9 the budget has been allocated £233k to Physical Disabilities and £2,356k to Learning Disabilities.

**Table 2: Adult Social Care Contingency**

Original Budget	Budget Changes	Current Commitments	Revised Budget	Forecast as Needed	Variance (+ adv / - fav)		
					Variance (As at Month 10)	Variance (As at Month 9)	Movement from Month 9
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
3,814	(2,589)	Transitional Children (Demographic)	1,225	1,225	0	0	0
1,500	0	BID Staffing Structure Review	1,500	1,500	0	0	0
3,997	0	Older People's Services (Demographic)	3,997	4,492	495	495	0
1,226	0	Physical Disability (Demographic)	1,226	1,059	(167)	(167)	0
896	0	Learning Disability Service (Demographic)	896	692	(204)	(204)	0
1,558	0	Mental Health Service (Demographic)	1,558	1,434	(124)	(124)	0
<b>12,991</b>	<b>(2,589)</b>		<b>10,402</b>	<b>10,402</b>	<b>0</b>	<b>0</b>	<b>0</b>

80. There has been some increased pressure to support older people living in the community in Month 10 which is the impact of winter pressures flowing through the care system. This will continue to be kept under close review through the remainder of this financial year.

81. For the Physical and Sensory Disability Service there has been a small improvement (£23k) in forecast in respect of non-staffing budgets due to reduced demand for community services.

82. For Learning Disability Services there has been an adverse change of £33k on non-staffing budgets. This adverse variance relates to additional respite and transport charges that have not been anticipated, partially offset by a correction to forecast placement costs for the remainder of the year. The adverse variance of income has arisen as a consequence of reviewing the forecast income based on the trend for the year to date.

83. In Mental Health services there has been an overall improvement of £50k attributable mainly to an increase in the projected staffing under spend as vacancies have not been successfully filled at the level anticipated.

84. Social Care Directorate shows a small increase in the forecast underspend on staffing as a consequence of delayed recruitment and a small favourable variance on non-salaries budget as a result of reviewing outstanding commitments.



85. For all services the pressure on services to clients continues to be partially offset by increased client contributions, although the income expectation has been slightly moderated at Month 10 and underspends on staffing costs.
86. As previously reported, the delay that resulted from the Judicial Review challenge to the council's decision to close Day Centres at Parkview and Woodside has impacted on the delivery of £328k savings from both the closure and associated client transport costs. The new resource centre at Queenswalk is now expected to become available from August 2014.
87. Efficiency savings from aligning Public health responsibilities and objectives with all aspects of Council services and activities that benefit health produce in year savings of £776k within Adult Social Care, as previously reported.

## Appendix B – Other Funds

### Schools Budget

1. The Schools Budget is ringfenced and funded from the Dedicated Schools Grant (DSG), and covers a range of services directly linked to schools. The majority of the DSG is delegated to maintained schools (£115.8 million), with the remainder (£30.0 million) being retained by the Council. The rules applying to the DSG allow for any surplus and deficit balances to be carried forward into the next financial year, for both schools delegated budgets and the centrally retained DSG element (decisions on how this is used lie with the Schools Forum). It should be noted that the Schools Budget is completely separate to the General Fund and no interaction between these two funds is allowable.
2. The forecast movement on the DSG central reserve carried forward for 2013/14 is summarised in the following table:

Original Budget	Budget Changes		Month 10		% Var	Variance (+ adv / - fav)		
			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
(171,267)	25,415	DSG Income	(145,852)	(145,852)	0%	0	0	0
171,283	(55,463)	Delegated to Schools	115,820	114,666	-1%	(1,154)	(1,154)	0
(16)	2,455	Early Years	2,439	1,452	-40%	(987)	(987)	0
	5,032	Schools (Retained)	5,032	4,544	-10%	(488)	(488)	0
	22,561	SEN	22,561	22,096	-2%	(465)	(465)	0
<b>0</b>	<b>0</b>	<b>Total Schools Budget</b>	<b>0</b>	<b>(3,094)</b>		<b>(3,094)</b>	<b>(3,094)</b>	<b>0</b>
(709)	0	Balances b/fwd 01/04/13	(709)	(709)		0	0	0
<b>(709)</b>	<b>0</b>	<b>Balances c/fwd 31/03/14</b>	<b>(709)</b>	<b>(3,803)</b>		<b>(3,094)</b>	<b>(3,094)</b>	<b>0</b>

3. The underspend of £3,094k is due primarily to an underspend of £2,091k on the two year old free entitlement offer, where the take up is less than the number of places on offer, no change compared to Month 9. This is considered to represent a reasonable projection for the year-end position on these budgets given the expected level of take-up.
4. There is an underspend on joint funded placements of £555k, no change compared to Month 9, where action taken by the local authority to place children nearer to home has resulted in a significant decrease in the numbers placed in residential placements, where to date, there are only 8 pupils being funded. There is a further underspend of £237k on staffing, no change compared to Month 9.
5. The other major variances across the budget are net underspends of £187k on fees at independent schools, no change compared to Month 9 and an overspend of £69k on Education Other Than at School, no change compared to Month 9.

6. In year over or underspends are allowed to be carried forward within the DSG central reserve. At the end of the 2012/13 financial year, the DSG central reserve had a surplus balance of £709k. This is forecast to be increased by the in-year underspend of £3,094k, to a projected reserve level of £3,803k as at 31 March 2014, no change compared to Month 9.

### Parking Revenue Account

7. The Parking Revenue Account is established to govern the use of income from Penalty Charges Notices (PCNs), together with other on-street parking income streams, in accordance with Section 55 of the Road Traffic Regulation Act 1984.

Original Budget	Budget Changes		Month 10		% Var	Variance (+ adv / - fav)		
			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
(4,387)	0	Income	(4,387)	(3,795)	-13%	592	572	20
4,295	0	Expenditure	4,295	3,947	-8%	(348)	(320)	(28)
<b>(92)</b>	<b>0</b>	<b>In year Surplus / Deficit</b>	<b>(92)</b>	<b>152</b>	<b>-265%</b>	<b>244</b>	<b>252</b>	<b>(8)</b>
(76)	0	Unallocated Balances b/fwd 01/04/13	(76)	(76)		0	0	0
<b>(168)</b>	<b>0</b>	<b>Unallocated Balances c/fwd 31/03/14</b>	<b>(168)</b>	<b>76</b>		<b>244</b>	<b>252</b>	<b>(8)</b>

8. An in-year deficit of £152k is forecast for the 2013/14 financial year, an improvement of £8k compared to Month 9. There is a total forecast shortfall of income of £592k, mainly reflecting the continued lower level of Penalty Charge Notice (PCN) income relative to the historic income target. This includes a one-off shortfall of £233k as the new parking enforcement contractor in place from August 2013 has not been able to immediately maintain PCN income at the levels achieved by the previous contractor, an adverse movement of £20k compared to Month 9 due to continued lower performance. The income pressure is offset by compensating savings totalling £440k, from the enforcement contract (£220k), an improvement of £10k compared to Month 9, and various staffing and non-pay budgets (£128k), an improvement of £18k compared to Month 9, as well as the budgeted surplus of £92k.

## Collection Fund

9. The collection of local taxes is managed through the Council's Collection Fund, in order to avoid short-term volatility in income impacting on provision of services. The latest forecast surplus has been factored into budget setting for 2014/15, with £3,610k to be released to the General Fund in 2014/15. Any further movement in the Collection Fund position will impact upon the 2015/16 revenue budget.

Original Budget	Budget Changes		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	£'000	£'000
(112,926)	0	Gross Council Tax Income	(112,926)	(114,126)	(1,200)	(1,200)	0
15,605	0	Council Tax Reduction Scheme	15,605	15,605	0	0	0
(480)	0	Balance b/fwd	(480)	(2,890)	(2,410)	(2,410)	0
<b>(97,801)</b>	<b>0</b>	<b>Net Council Tax Income</b>	<b>(97,801)</b>	<b>(101,211)</b>	<b>(3,610)</b>	<b>(3,610)</b>	<b>0</b>
(99,398)	0	Gross NNDR Income	(99,398)	(99,398)	0	0	0
58,027	0	Less: Tariff	58,027	58,027	0	0	0
(60)	0	Less: Levy	(60)	(60)	0	0	0
<b>(41,431)</b>	<b>0</b>	<b>Net NNDR Income</b>	<b>(41,431)</b>	<b>(41,431)</b>	<b>0</b>	<b>0</b>	<b>0</b>

10. Taking account of new developments coming on stream within the Borough, the year end reported surplus on gross Council Tax income is expected to reach £1,200k, with no movement declared from the position at Month 9. The cost of reliefs being awarded under the Council Tax Reduction Scheme remains consistent with budget assumptions, and there has been no adverse movement on collection rates from Month 9.

11. In addition to this in-year surplus, a surplus of £2,410k was reported for 2012/13 due to limited volatility around exemptions during the fourth quarter of the year and lower than anticipated requirement for bad debt provision. This sum can be added to the in-year position to release £3,610k to the General Fund in 2014/15.

12. While a breakeven position continues to be reported on NNDR income for 2013/14, a number of properties have been removed from the ratings list resulting in a backdated loss of income which could result in a deficit of up to £900k being reported at outturn. The majority of these movements relate to Heathrow Airport and it is expected that compensatory movements will be actioned by the Valuation Office Agency in the short-term, thus off-setting the pressure.

## Appendix C – Housing Revenue Account

1. The Housing Revenue Account (HRA) is forecast to generate an in-year operating surplus (before capital contributions which will be determined at the end of the financial year) of £4,870k, no change compared to Month 9. The surplus is mainly due to a reduction in the major works programme (£4,660k), lower management costs (£934k) and a reduced forecast call on contingency (£557k), offset by a reduction in rent income (£1,329k).

**Table 1: HRA Overview 2013/14**

Original Budget	Budget Changes		Month 10		% Var	Variance (+ adv / - fav)		
			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
10,537	1,260	Housing Management	11,797	10,915	-7%	(882)	(882)	0
12,341	(1,033)	Repairs & Maintenance	11,308	11,308	0%	0	0	0
17,838	(162)	Major Works	17,676	13,016	-26%	(4,660)	(4,660)	0
1,357	0	Development & Risk Contingency	1,357	800	-41%	(557)	(557)	0
15,307	(65)	Interest & Investment Income	15,242	15,190	0%	(52)	(52)	0
<b>57,380</b>	<b>0</b>	<b>Sub-total Normal Activities</b>	<b>57,380</b>	<b>51,229</b>	<b>-11%</b>	<b>(6,151)</b>	<b>(6,151)</b>	<b>0</b>
	0	<u>Exceptional items:</u>	0	0		0	0	0
<b>57,380</b>	<b>0</b>	<b>Total Net Expenditure</b>	<b>57,380</b>	<b>51,229</b>	<b>-11%</b>	<b>(6,151)</b>	<b>(6,151)</b>	<b>0</b>
(57,428)	0	Rental Income	(57,428)	(56,099)		1,329	1,329	0
<b>(48)</b>	<b>0</b>	<b>Net Total</b>	<b>(48)</b>	<b>(4,870)</b>		<b>(4,822)</b>	<b>(4,822)</b>	<b>0</b>
(20,213)	0	Balances b/fwd 01/04/13	(20,213)	(20,213)		0	0	0
<b>(20,261)</b>	<b>0</b>	<b>Balances c/fwd 31/03/14</b>	<b>(20,261)</b>	<b>(25,083)</b>		<b>(4,822)</b>	<b>(4,822)</b>	<b>0</b>

2. The Housing Management budget is showing an underspend of £882k, no change compared to Month 9. There are underspends of £231k due to staffing savings from vacant posts pending restructuring proposals, £275k from savings on the costs of the Hayes Area Office, additional income on chargeable items totalling £323k and other minor savings of £53k.
3. The Repairs and Maintenance budget is projected to break even, no change compared to Month 9. An overspend of £146k has been identified within day-to-day and voids repairs budgets following a review of activity, together with a £99k increase in compensation awards to tenants, which will be offset by utilising an earmarked reserve for void repairs of £245k. A management contract has been agreed with Mears Limited in respect of this service and discussions on the use of various systems to manage the finances of the overall process are in progress with ICT and Mears.

4. The Major Works budget is projected to underspend by £4,660k, no change compared to Month 9. The current estimate reflects the cost of the overall Works to Stock programme for 2013/14 and includes cost reductions identified in a review of the programme. Slippage is likely to occur this year with a balance to be carried forward in the Major Repairs Reserve to finance the position which will be agreed at year end. Additional revenue contributions are likely this financial year in respect of the planned affordable housing programme contained in the 2014/15 budget. The effects of a reduced programme of major works are currently being evaluated but initial estimates show an under recovery of capital recharge fees for asset management of approximately £611k due to the lower levels of activity in the revised programme.
5. The HRA contingency was set to include provision against the transformation savings target of £480k and an increased provision for doubtful debts of £877k. The transformation target savings will be over delivered in 2013/14 and the contingency is no longer deemed necessary. However, there remains only limited information on the effects of welfare reform and the contingency forecast includes £200k for under-occupancy tenants where pressure is being experienced. The existing rent system controls continue to be examined and the provision for doubtful debts policy is also being revised to bring it into line with the policy in use elsewhere in the Council.
6. Rental income is showing an overspend of £1,329k against a target of £57.4 million, no change compared to Month 9. The shortfall is mainly due to the loss of income of £826k from commercial shop properties and garages that have transferred to community assets, £295k from lost dwelling rents due to increased right-to-buy (RTB) sales, from 45 dwellings assumed in the budget to a latest forecast of 100 dwellings, and £208k from void properties due to a backlog in repairs. Void properties are being released from repairs under an agreed plan and total Void charges for the year continue to be re-assessed to ensure any processing backlog has been correctly reported.
7. Short life properties are being examined and target dwellings identified in long term and standard voids which have been either earmarked for development or are hard to let. In addition flats above shops are being attached to the scheme when they become available and the Home Release incentive programme for under-occupancy is being targeted towards Temporary Accommodation needs wherever possible. There are currently 47 units in the scheme and approximately 40 additional units to date have been approved for future use.

## Appendix D – Capital Programme

### General Fund Capital Programme

- Table 1 sets out the latest forecast outturn on the current General Fund capital programme. Forecasts for future years include live capital projects and programmes of works as included in the draft programmes for 2013/14 to 2015/16 reported to Cabinet and Council in February 2013.
- Year to date General Fund Capital Expenditure has reached £59,465k, representing 71% of forecast outturn. A significant proportion of the capital programme is for school expansions, in particular Phase 2 which is now in the construction stage and hence is increasing its monthly expenditure profile. The forecast spend on School Expansions and New Builds is £47,402k for 2013/14 which represents 56% of the total spend.

**Table 1 – General Fund Capital Programme**

	2013/14 £'000	2014/15 £'000	2015/16 £'000	Total Month (10) £'000	Total Month (09) £'000
Original Budget Total GF capital programme	130,779	63,141	17,803	211,723	211,723
Revised Budget excluding contingency (main prog.)	107,433	102,355	22,372	232,159	232,097
Actual Expenditure Year to Date	59,465	0	0	59,465	53,032
Forecast Outturn	83,900	105,900	22,446	212,245	210,041
	-23,533	3,545	74	-19,914	-22,057
<i>Variance By Service:</i>					
Asset Management (Table 2)	-3,972	-2,157	0	-6,129	-5,886
Education (Schools Expansions – Table 3)	-11,746	1,294	74	-10,378	-12,878
Education (Other – Table 4)	-579	469	0	-110	-110
Environmental Policy & Community Engagement (Table 5)	-969	954	0	-15	-16
Housing General Fund (Table 6)	-1,859	818	0	-1,041	-1,251
ICT Highways and Business Services (Table 7)	-3,728	1,406	0	-2,322	-2,040
Planning, Green Spaces & Culture (Table 8)	-342	222	0	-119	-119
Public Safety (Table 9)	-338	539	0	201	243
Adult Social Care Services	0	0	0	0	0
<b>Total Main Programme Variance</b>	<b>-23,533</b>	<b>3,545</b>	<b>74</b>	<b>-19,914</b>	<b>-22,057</b>
Analysis of Main Programme Variance:					
Cost Variance	-17,759	-2,229	74	-19,914	-22,057
Projected Re-phasing	-5,774	5,774	0	0	0
	<b>-23,533</b>	<b>3,545</b>	<b>74</b>	<b>-19,914</b>	<b>-22,057</b>
Financing Variance:					
Council Resourced Variance	-21,654	467	1,273	-19,914	-22,057
External Grants & Contributions Variance	-1,879	3,078	-1,199	0	0
<b>Total Main Programme Variance</b>	<b>-23,533</b>	<b>3,545</b>	<b>74</b>	<b>-19,914</b>	<b>-22,057</b>
Contingency Variance (Council Resourced):	-937	-1,500	-1,500	-3,937	-3,937
<b>Total Capital Programme Variance</b>	<b>-24,470</b>	<b>2,045</b>	<b>-1,426</b>	<b>-23,851</b>	<b>-25,992</b>
<b>Total Month 9</b>	<b>-24,278</b>	<b>-288</b>	<b>-1,426</b>	<b>-25,992</b>	

- The revised budget for 2013/14 has increased by £62k from Month 9 due mainly to an adjustment to the capital / revenue split of the overall Transport for London programme reflecting re-allocations of funding between individual schemes within the programme.

4. The main internally funded programme shows a net favourable variance of £19,914k. Details of cost variances by scheme for each service are shown below. In addition there is £3,937k remaining in unallocated contingency funds over three years.
5. The forecast outturn for 2013/14 has reduced by £123k from Month 9. There is no further slippage reported on the Schools Expansions Programme which remains on target to deliver new school places within planned timescales.
6. There is an identified need to increase the number of roads covered by the Highways Structural Works programme which requires a further £1,500k capital investment. Works are in progress to resurface an increased number of roads throughout the borough on schedule however it is likely that an estimated £1,300k of this additional expenditure will be reflected early in the following financial year.
7. Funding has been transferred to Highways from the Schools Expansions Programme under spend and has no impact on delivery of the Schools Programme. There is an identified need of £1,000k for special resources provision in 2014/15. These factors reduce the forecast under spend on Schools to £10,378k.
8. Details of the capital programme performance by service are provided in the following paragraphs.

### Asset Management

9. Table 2 below sets out the current position of the capital programme for Asset Management:

**Table 2**

<b>Service Area Cost Variance Analysis</b>	<b>2013/14 £'000</b>	<b>2014/15 £'000</b>	<b>2015/16 £'000</b>	<b>Total Month (10) £'000</b>	<b>Total Month (09) £'000</b>
<b>Asset Management:</b>					
Revised Budget	5,740	4,085	600	<b>10,426</b>	<b>10,426</b>
Actual Expenditure Year to Date	400	0	0	<b>400</b>	<b>281</b>
Forecast Outturn	1,768	1,929	600	<b>4,297</b>	<b>4,540</b>
Forecast Variance	-3,972	-2,157	0	<b>-6,129</b>	<b>-5,886</b>
<b>Analysis of Variance by Scheme</b>					
South Ruislip Development - Plot B	-1,206	-2,500	0	<b>-3,706</b>	<b>-3,706</b>
Civic Centre CHP & Energy Savings Projects	-1,621	0	0	<b>-1,621</b>	<b>-1,621</b>
Property Works Programme	-536	0	0	<b>-536</b>	<b>-343</b>
South Ruislip Development - Plot A	-225	0	0	<b>-225</b>	<b>-175</b>
HRD Health & Safety Works	-40	0	0	<b>-40</b>	<b>-40</b>
<b>Total Cost Variances</b>	<b>-3,629</b>	<b>-2,500</b>	<b>0</b>	<b>-6,129</b>	<b>-5,886</b>
Projected Re-phasing	-344	344	0	<b>0</b>	<b>0</b>
<b>Total Variance</b>	<b>-3,972</b>	<b>-2,157</b>	<b>0</b>	<b>-6,129</b>	<b>-5,886</b>
Month 9 Variance	-3,386	-2,500	0	<b>-5,886</b>	

10. Property Works Programme – an under spend of £536k is forecast which is a movement of £193k from Month 9 as two schemes in development are not expected to



be on site until the new financial year. The funding will require to be met from the 2014/15 Property Works Programme budget.

11. South Ruislip Development Plot A – the forecast under spend has increased by £50k after agreement of the final accounts.
12. Queenswalk Development - there is a further forecast slippage of £315k into next financial year as the contractor is behind the initial planned cash flow profile. The site was expected to be transferred to the service in July 2014 and become operational shortly thereafter, however there is now a risk that completion will be delayed by another two weeks. This has an adverse impact on revenue savings to be achieved in 2014/15.

### Education (Schools Expansions Programme)

13. Table 3 below sets out the current position of the capital programme for the Schools Expansions & New Build programme:

**Table 3**

Service Area Cost Variance Analysis	2013/14 £'000	2014/15 £'000	2015/16 £'000	Total Month (10) £'000	Total Month (09) £'000
<b>Education (Schools Expansions Programme):</b>					
Revised Budget	59,148	60,893	6,069	<b>126,110</b>	<b>127,610</b>
Actual Expenditure Year to Date	35,916	0	0	<b>35,916</b>	<b>31,966</b>
Forecast Outturn	47,402	62,187	6,143	<b>115,732</b>	<b>114,732</b>
Forecast Variance	-11,746	1,294	74	<b>-10,378</b>	<b>-12,878</b>
<u>Analysis of Variance by Scheme</u>					
Primary Schools Expansions Phase 1	10	1,000	0	<b>1,010</b>	<b>1,010</b>
Primary Schools Expansions Phase 1A Temporary	-493	0	0	<b>-493</b>	<b>-493</b>
Primary Schools Expansions Phase 2	-6,963	-1,314	0	<b>-8,277</b>	<b>-9,777</b>
Primary Schools Expansions Phase 2A Temporary	44	0	0	<b>44</b>	<b>44</b>
Primary Schools Expansions Phase 3	0	-74	74	<b>0</b>	<b>0</b>
Primary Schools Expansions New Build	-2,224	-437	0	<b>-2,661</b>	<b>-3,661</b>
Primary Schools - Special Resources Provision	0	0	0	<b>0</b>	<b>0</b>
<b>Total Cost Variances</b>	<b>-9,627</b>	<b>-825</b>	<b>74</b>	<b>-10,378</b>	<b>-12,878</b>
Projected Re-phasing	-2,119	2,119	0	<b>0</b>	<b>0</b>
<b>Total Variance</b>	<b>-11,746</b>	<b>1,294</b>	<b>74</b>	<b>-10,378</b>	<b>-12,878</b>
Month 9 Variance	-13,246	294	74	<b>-12,878</b>	

14. Primary Schools Expansions – Phase 1. There is a forecast £1,010k over spend due to increased costs for Whitehall Infants & Junior Schools.
15. The infant school is complete however, the junior school is now expected to be complete by June 2014 this however, will not impact on delivery of school places for September 2014. Officers remain in negotiation with the contractor with the view to bring costs down.

16. Primary Schools Expansions – Phase 2A temporary. Due to the poor performance of the contractor on these projects the contract was terminated and new contractors employed. The likely over spend is estimated to be £44k.
17. Primary Schools Expansions – Phase 1A temporary. The current forecast is an under spend of £493k after final accounts have been agreed. This is largely to do with identified savings on Rosedale school.
18. Primary Schools Expansions – Phase 2. The largest element of the under spend variance is the Expansion programme Phase 2 which could have a potential surplus against budget of up to £8,277k. This is due to the contract awards achieving a lower price than originally anticipated during the feasibility and design stage of the projects. Constructors are now on site and works are progressing, however at this stage there may still be unforeseen issues that could reduce this favourable position moving forward.
19. The most significant risks in terms of delivery are at Pinkwell School where there are concerns that the completion date will slip. However mitigation measures are in place to use mobile classrooms temporarily if the works are not completed in time. Rosedale School has a target completion date towards end of August which is a tight deadline for the September 2014 intake. Temporary classrooms may be required but this will depend on the progress of works over the next two months.
20. Primary Schools Expansions – Phase 3. There is a forecast under spend on the New Build element (Phase 3) of the Schools programme, which is mainly due to a £3,000k budget which was intended to provide capacity to expand the phase by a further Form of Entry. There is now an identified need for special resource provision by September 2014 at Hedgewood and Meadow special schools and Cherry Lane school estimated at £1,000k in 2014/15 which has been funded from this Phase 3 under spend.
21. The tender returns for the RAF Uxbridge site and Lake Farm developments are £661k below budget. Works commenced on site in October and are in progress for completion on schedule by September 2014.
22. Although over the life of the programme the forecast is an overall under spend of £10,378k, this includes £2,119k further re-phasing to reflect the latest cash flow projections on Phase 2 projects.
23. More detailed information on the progress of the Primary Schools Capital Programme can be found in the Schools Update report included in these Cabinet papers.

### **Education (Other)**

24. Table 4 below sets out the current position on Education services excluding the Schools Expansion programme:

**Table 4**

<b>Service Area Cost Variance Analysis</b>	<b>2013/14 £'000</b>	<b>2014/15 £'000</b>	<b>2015/16 £'000</b>	<b>Total Month (10) £'000</b>	<b>Total Month (09) £'000</b>
<b>Education (Other Schemes):</b>					
Revised Budget	4,208	4,460	1,535	<b>10,203</b>	<b>10,203</b>
Actual Expenditure Year to Date	2,620	0	0	<b>2,620</b>	<b>2,582</b>
Forecast Outturn	3,629	4,929	1,535	<b>10,093</b>	<b>10,093</b>
Forecast Variance	-579	469	0	<b>-110</b>	<b>-110</b>
<u>Analysis of Variance by Scheme</u>					
Ruislip High School Expansion	-95	0	0	<b>-95</b>	<b>-95</b>
Children's Centres - Phase 3	-15	0	0	<b>-15</b>	<b>-15</b>
<b>Total Cost Variances</b>	<b>-110</b>	<b>0</b>	<b>0</b>	<b>-110</b>	<b>-110</b>
Projected Re-phasing	-469	469	0	<b>0</b>	<b>0</b>
<b>Total Variance</b>	<b>-579</b>	<b>469</b>	<b>0</b>	<b>-110</b>	<b>-110</b>
Month 9 Variance	-551	441	0	<b>-110</b>	

25. There is no movement from the previous month. Final accounts have been agreed for Ruislip High School Expansion resulting in a forecast under spend of £95k and under spend of £15k has arisen on completion of sites under Phase 3 Children Centre sites.
26. Urgent Building Condition Projects – there has been further slippage of £28k on the Building Conditions programme. Officers are reviewing projected costs of this programme which will be reflected in future forecasts for 2014/15.

### **Environmental Policy & Community Engagement**

27. Table 5 sets out the current position on the Environmental Policy & Community Engagement programme:

**Table 5**

<b>Service Area Cost Variance Analysis</b>	<b>2013/14 £'000</b>	<b>2014/15 £'000</b>	<b>2015/16 £'000</b>	<b>Total Month (10) £'000</b>	<b>Total Month (09) £'000</b>
<b>Environmental Policy &amp; Community Engagement:</b>					
Revised Budget	9,655	7,353	4,573	<b>21,581</b>	<b>21,513</b>
Actual Expenditure Year to Date	5,556	0	0	<b>5,556</b>	<b>4,829</b>
Forecast Outturn	8,685	8,307	4,573	<b>21,565</b>	<b>21,497</b>
Forecast Variance	-969	954	0	<b>-15</b>	<b>-15</b>
<u>Analysis of Variance by Scheme</u>					
Chrysalis Programme	-500	500	0	<b>0</b>	<b>0</b>
Road Safety	-15	0	0	<b>-15</b>	<b>-15</b>
<b>Total Cost Variances</b>	<b>-515</b>	<b>500</b>	<b>0</b>	<b>-15</b>	<b>-15</b>
Projected Re-phasing	-454	454	0	<b>-0</b>	<b>0</b>
<b>Total Variance</b>	<b>-969</b>	<b>954</b>	<b>0</b>	<b>-15</b>	<b>-15</b>
Month 9 Variance	-969	954	0	<b>-15</b>	

28. Road Safety - an under spend of £15k is forecast from savings on several small schemes.
29. The Transport for London Local Implementation Plan for 2013/14 is in progress, however, a an amount of £414k is forecast to slip into next year as the annual programme will not be complete by financial year end. This is in addition to £800k previously re-phased to next year. It is expected that the TfL grant will be fully utilised because works will be completed by the claim deadline in 2014/15.
30. The other £40k projected re-phasing relates to the Hayes town centre initiatives project which is in early stages.

## Housing General Fund

31. Table 6 sets out the current position on the Housing General Fund capital programme:

**Table 6**

<b>Service Area Cost Variance Analysis</b>	<b>2013/14 £'000</b>	<b>2014/15 £'000</b>	<b>2015/16 £'000</b>	<b>Total Month (10) £'000</b>	<b>Total Month (09) £'000</b>
<b>Housing General Fund:</b>					
Revised Budget	3,879	3,584	3,262	<b>10,725</b>	<b>10,730</b>
Actual Expenditure Year to Date	1,203	0	0	<b>1,203</b>	<b>971</b>
Forecast Outturn	2,020	4,402	3,262	<b>9,684</b>	<b>9,990</b>
Forecast Variance	-1,859	818	0	<b>-1,041</b>	<b>-740</b>
<u>Analysis of Variance by Scheme</u>					
GF Supported Housing Programme	-530	0	0	<b>-530</b>	<b>-740</b>
Disabled Facilities Grants	-876	365	0	<b>-511</b>	<b>-511</b>
Private Sector Renewal Grants	-353	353	0	<b>0</b>	<b>0</b>
Property Adaptations for Adopted Children	-100	100	0	<b>0</b>	<b>0</b>
<b>Total Cost Variances</b>	<b>-1,859</b>	<b>818</b>	<b>0</b>	<b>-1,041</b>	<b>-1,251</b>
Projected Re-phasing	0	0	0	<b>0</b>	<b>0</b>
<b>Total Variance</b>	<b>-1,859</b>	<b>818</b>	<b>0</b>	<b>-1,041</b>	<b>-1,251</b>
Month 9 Variance	-2,350	1,099	0	<b>-1,251</b>	

32. General Fund Supported Housing – there is a legal commitment to make a £210k grant payment to a Registered Provider to develop 14 supported housing units at Tasman House which has previously been approved by Cabinet. The housing association is developing the works on site. Further proposals for Registered Provider sites are in development and will require a business case for approval.
33. Disabled Facilities Grants (DFG) and Private Sector Renewal Grants (PSRG) – a number of existing DFG cases totalling £511k are no longer required by clients. New cases continue to be assessed and a total of £281k grants have been approved in Month 10.
34. Property Adaptations for Adopted Children - a budget of £200k has been allocated for this of which £100k has been released for identified jobs.

35. The HCA/GLA Empty Homes Consortium Contract was signed by GLA in November, however the funding (£634k in total) will be claimed on completion of relevant works to individual properties in 2014/15.

## ICT, Highways & Business Services

36. Table 7 sets out the current position on ICT, Highways & Business Services programme:

**Table 7**

<b>Service Area Cost Variance Analysis</b>	<b>2013/14 £'000</b>	<b>2014/15 £'000</b>	<b>2015/16 £'000</b>	<b>Total Month (10) £'000</b>	<b>Total Month (09) £'000</b>
<b>ICT, Highways &amp; Business Services:</b>					
Revised Budget	12,702	4,549	2,888	<b>20,139</b>	<b>18,639</b>
Actual Expenditure Year to Date	6,685	0	0	<b>6,685</b>	<b>5,709</b>
Forecast Outturn	8,974	5,955	2,888	<b>17,817</b>	<b>16,599</b>
Forecast Variance	-3,728	1,406	0	<b>-2,322</b>	<b>-2,040</b>
<u>Analysis of Variance by Scheme</u>					
Civic Centre Works Programme	-1,819	0	0	<b>-1,819</b>	<b>-1,747</b>
ICT Single Development Plan	-379	0	0	<b>-379</b>	<b>-179</b>
Street Lighting	-125	0	0	<b>-125</b>	<b>-115</b>
<b>Total Cost Variances</b>	<b>-2,322</b>	<b>0</b>	<b>0</b>	<b>-2,322</b>	<b>-2,041</b>
Projected Re-phasing	-1,406	1,406	0	<b>0</b>	<b>0</b>
<b>Total Variance</b>	<b>-3,728</b>	<b>1,406</b>	<b>0</b>	<b>-2,322</b>	<b>-2,041</b>
Month 9 Variance	-2,146	106	0	<b>-2,041</b>	

37. Civic Centre Works Programme – it is forecast that there will be a significant under utilisation of the current year budget based on current activity resulting in a further revision downwards of £72k. The level of commitments against this budget will be reviewed at the end of the financial year.
38. ICT Single Development Plan – a number of smaller projects are yet to commence resulting in a current year under spend and will require to be funded from the 2014/15 allocation. There is an increased risk of slippage reflected in a movement of £200k downwards from Month 9.
39. Street Lighting – planned works for the remainder of the financial year will not fully utilise this year's budget resulting in an under spend of £125k.
40. Highways Programme – works are now well underway on numerous roads including micro-surfacing. The original programme is forecast to complete by the end of the financial year within budget. Works are in progress to utilise the additional budget of £1,500k approved last month, however the likely timing of spend is to overlap financial years with £1,300k included in the projected re-phasing.
41. Purchase of Vehicles programme – there is a forecast pressure of £90k on the current year programme based on recent tender prices received on a number of vehicles, however this will be managed from re-prioritising next year's programme to remain within overall budget.

## Planning, Green Spaces & Culture

42. Table 8 below sets out the current position on the Planning, Green Spaces & Culture programme.

**Table 8**

<b>Service Area Cost Variance Analysis</b>	<b>2013/14 £'000</b>	<b>2014/15 £'000</b>	<b>2015/16 £'000</b>	<b>Total Month (10) £'000</b>	<b>Total Month (09) £'000</b>
<b>Planning, Green Spaces &amp; Culture:</b>					
Revised Budget	1,739	13,708	0	<b>15,446</b>	<b>15,446</b>
Actual Expenditure Year to Date	624	0	0	<b>624</b>	<b>600</b>
Forecast Outturn	1,397	13,930	0	<b>15,327</b>	<b>15,327</b>
Forecast Variance	-342	222	0	<b>-119</b>	<b>-119</b>
<u>Analysis of Variance by Scheme</u>					
Hillingdon Sports & Leisure Centre	75	0	0	<b>75</b>	<b>75</b>
Sport & Cultural Projects	-154	0	0	<b>-154</b>	<b>-154</b>
Highgrove Pool Phase II	-20	0	0	<b>-20</b>	<b>-20</b>
Car Park Resurfacing	0	-20	0	<b>-20</b>	<b>-20</b>
<b>Total Cost Variances</b>	<b>-99</b>	<b>-20</b>	<b>0</b>	<b>-119</b>	<b>-119</b>
Projected Re-phasing	-242	242	0	<b>0</b>	<b>0</b>
<b>Total Variance</b>	<b>-342</b>	<b>222</b>	<b>0</b>	<b>-119</b>	<b>-119</b>
Month 9 Variance	-185	66	0	<b>-119</b>	

43. Highgrove Pool Phase II – additional works are required on the lift reducing the under spend.
44. Sport & Cultural Projects – funding of £154k currently remains unallocated, however this may be required to fund potential new projects.
45. Car Park resurfacing – costings for works at Kingsend and Cedars car parks indicate that the works will be completed with a £20k under spend.
46. Hillingdon Sports & Leisure Centre – negotiations are ongoing with the contractor over the completion of remedial works. These issues are resulting in a forecast over spend of £75k. There is an increasing risk that Sport England funding of £75k will be lost because the Making Good Certificate is required in March in order to claim the grant.
47. Yiewsley Pool Development – this scheme is in initial design stages. An amount of £134k from the current year budget of £250k is now forecast to slip into next financial year as the tender process is not yet complete to appoint external consultants.
48. West Drayton Cemetery Expansion - the scheme aims to increase the number of burial plots available at the cemetery. The current year funding of £66k is forecast to slip into next year as the Environment Agency is being consulted and planning permission will be required.

## Public Safety

49. Table 9 sets out the current position on the Public Safety capital programme:

**Table 9**

Service Area Cost Variance Analysis	2013/14 £'000	2014/15 £'000	2015/16 £'000	Total Month (10) £'000	Total Month (09) £'000
<b>Public Safety:</b>					
Revised Budget	10,063	3,522	3,245	<b>16,830</b>	<b>16,830</b>
Actual Expenditure Year to Date	6,375	0	0	<b>6,375</b>	<b>5,889</b>
Forecast Outturn	9,725	4,061	3,245	<b>17,031</b>	<b>17,073</b>
Forecast Variance	-338	539	0	<b>201</b>	<b>243</b>
<u>Analysis of Variance by Scheme</u>					
Hayes End Library Development	158	80	0	<b>238</b>	<b>280</b>
Libraries Refurbishment	22	0	0	<b>22</b>	<b>22</b>
New Years Green Lane Civic Amenity Site	-302	249	0	<b>-53</b>	<b>-53</b>
Manor Farm Stables Development	-6	0	0	<b>-6</b>	<b>-6</b>
<b>Total Cost Variances</b>	<b>-128</b>	<b>329</b>	<b>0</b>	<b>201</b>	<b>243</b>
Projected Rephasing	-210	210	0	<b>-0</b>	<b>0</b>
<b>Total Variance</b>	<b>-338</b>	<b>539</b>	<b>0</b>	<b>201</b>	<b>243</b>
Month 9 Variance	198	20	0	<b>218</b>	

50. Hayes End Library Development – The project is forecasting an increased overspend of £318k due to the extension of time and associated financial claim from the current contractor along with further works that are required to complete the development. However a review of the additional works required indicates that around £80k will require to be treated as revenue costs as these items will not meet capitalisation criteria.
51. Libraries Refurbishment – additional costs of £22k have arisen relating to external fees for asbestos works at Oak Farm library and extra fit out costs at Yeading Library.
52. News Year Green Lane Civic Amenity Site – latest estimates are that there will be an under spend of £53k which will materialise next year on completion.
53. Central Library Refurbishment – the refurbishment of Uxbridge Central Library remains on target for completion by March 2014.
54. Environmental Assets - the current year forecast has been increased by £189k to reflect accelerated progress on existing projects within the programme.

## General Contingency

55. There are £3,937k funds remaining that are reserved to deal with cost pressures arising on projects in the main capital programme over the next three years to 2015/16.

## Capital Financing

56. Table 10 sets out the latest capital receipts forecast.

**Table 10**

<b>Capital Receipts</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17- 2017/18</b>	<b>Total Month (10)</b>	<b>Total Month (09)</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Revised Budget	9,024	17,057	9,173	5,464	<b>40,718</b>	<b>40,718</b>
Forecast Capital Receipts from Disposals	12,023	7,310	5,519	1,050	<b>25,902</b>	<b>25,910</b>
Variance	<b>-2,999</b>	<b>9,747</b>	<b>3,654</b>	<b>4,414</b>	<b>14,816</b>	<b>14,808</b>

57. Forecast General Fund capital receipts are £12,023k for 2013/14 which is an increase of £341k from last month due to a revision upwards on the expected receipt for a major sale that is close to completion. The sale of two of the fifteen flats at Hayes End Library development will not be completed until next financial year after fire glazing works are finished. The forecast overall receipt for the development has been reduced by £116k as the sales price has been lowered to achieve the sales. One site previously valued at £300k has been withdrawn from the programme for 2014/15.

58. Year to date sales total £7,269k including the sale of Hayes Pool site, Tasman House and all of the ten flats at Elizabeth Court. There was no movement in actual General Fund capital receipts received in Month 10 but progress is being made to achieve the remaining four significant completions required to reach the forecast.

59. There is an element of risk around the certainty of these receipts being fully realised which has been reflected in the disposals forecast.

60. The total forecast is £14,816k lower than the budgeted level which will have the effect of increasing borrowing levels. However overall borrowing levels are offset by a reduction of £23,321k from under spends on council resourced schemes. The revised forecast Council resourced requirement split between capital receipts and borrowing is reflected in Table 11 below.

**Table 11**

<b>Prudential Borrowing Forecast</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17- 2017/18</b>	<b>Total Month (10)</b>	<b>Total Month (09)</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Forecast Council Resource Requirement	27,229	48,538	11,958	7,735	<b>95,459</b>	<b>93,321</b>
Forecast Capital Receipts	-12,023	-7,310	-5,519	-1,050	<b>-25,902</b>	<b>-25,910</b>
<b>Forecast Borrowing</b>	<b>15,205</b>	<b>41,228</b>	<b>6,439</b>	<b>6,685</b>	<b>69,557</b>	<b>67,411</b>

61. The movement in forecast borrowing levels from Month 9 has risen due mainly to the increased Highways programme and Specialist Resource Provision within the Schools programme.



## Housing Revenue Account (HRA) Capital Programme

62. The Works to Stock programme consists of capital and revenue and is reported in Appendix C.

63. The current position on the HRA New Build programme is shown in Table 12 below:

**Table 12**

	2013/14 £'000	2014/15 £'000	2015/16 £'000	Total Month (10) £'000	Total Month (09) £'000
<b>HRA New Build Programme:</b>					
Revised Budget	357	0	0	357	357
Actual Expenditure Year to Date	242	0	0	242	213
Forecast Outturn	516	1,209	0	1,725	1,736
Forecast Variance	159	1,209	0	1,368	1,379
<u>Analysis of Variance by Scheme</u>					
New Build – Extra Care Sites Phase 1	-100	1,209	0	1,109	1,109
New Build – HRA Pipeline Sites Phase 1	25	0	0	25	25
New Build – Learning Disability Sites Phase 1	146	0	0	146	124
New Build – HRA Pipeline Sites Phase 2	88	0	0	88	121
<b>Total Cost Variances</b>	<b>159</b>	<b>1,209</b>	<b>0</b>	<b>1,368</b>	<b>1,379</b>
Projected Rephasing	0	0	0	0	0
<b>Total Variance</b>	<b>159</b>	<b>1,209</b>	<b>0</b>	<b>1,368</b>	<b>1,379</b>
Month 9 Variance	270	1,109	0	1,379	

64. New Build HRA Extra Care Sites Phase 1: Triscott House – contractual issues leading to a forecast over spend of £1,109k have yet to be resolved with the main contractor. The over spend has been revised upwards to the latest estimate of the median outcome. The final over spend will depend on the outcome of legal proceedings and is subject to some uncertainty at the moment. The Council has entered into arbitration with the contractor and an arbitrator has been appointed. Due to the lengthy time that this will take to be resolved the forecast over spend is reported in 2014/15 financial year.

65. Additional completion works have been identified which will potentially increase the total over spend further. This will be reflected in future reporting once the final outcome becomes more certain. It is expected that these works will not take place until next financial year which is has been reflected in the phasing of the forecast.

66. The New Build HRA Learning Disability Sites scheme is currently expected to overspend by £146k. The project is now complete, however there are additional costs to be incurred on final account around external landscaping and flooring costs at Horton Road and drainage and utility connection works at Ascott Court.

67. New Build HRA Pipeline Sites Phase 2 is forecasting an overspend of £88k on final account for the Gilbert Road site due to extra demolition costs, pre-construction fees and additional highways works.

## HRA Capital Receipts

68. There have been 78 Right to Buy sales of council dwellings achieved for the year as at end of January 2014 for a value of £7,806k and a total of up to 100 sales are forecast totalling £9,835k in 2013/14. The forecast is based on a prudent view of sales that are likely to be completed by the end of this financial year.
69. The Council has signed an agreement with Department for Communities & Local Government to re-invest the proceeds in housing stock regeneration. This enables the Council to retain a higher level of receipts because of reduced pooling, however the terms of the agreement stipulate that receipts must be spent or committed within three years or otherwise are returned to government. Proposals are being developed by officers to develop an Affordable Housing programme to utilise these receipts within allowed timescales.
70. Table 13 below sets out the time limits for the retention of Right to Buy receipts since the commencement of the agreement. An amount of £3,169k retained receipts generated in the last quarter of 2012/13 require to be spent or committed by March 2016 and a further forecast £7,166k in respect of this year's sales, after pooling and other adjustments, have time limits up to March 2017.

**Table 13**

Period	Number of Sales	Retained Right to Buy Receipt (£'000)	Deadline for Commitment of Retained Right to Buy Receipt
2012/13 Quarter 4 Actual	33	3,169	March 2016
<b>Total Retained Receipts 2012/13</b>	<b>33</b>	<b>3,169</b>	
2013/14 Quarter 1 Actual	13	833	June 2016
2013/14 Quarter 2 Actual	35	2,666	September 2016
2013/14 Quarter 3 Actual	24	1,730	December 2016
2013/14 Quarter 4 Forecast	28	1,937	March 2017
<b>Total Retained Receipts 2013/14</b>	<b>100</b>	<b>7,166</b>	

## Appendix E – Treasury Management Report as at 31 January 2014

### Outstanding Deposits - Average Rate of Return on Deposits: 0.48%

	Actual £m	Actual %	Bench-mark %
Up to 1 Month	84.1	75	75
1-2 Months	19.2	17	15
2-3 Months	3.0	3	5
3-6 Months	5.0	4	5
6-9 Months	0.0	0.0	0
9-12 Months	0.0	0.0	0
12-18 Months	0.0	0.0	0
<b>Subtotal</b>	<b>111.3</b>	<b>99</b>	<b>100</b>
Unpaid Maturities	0.8	1	0
<b>Total</b>	<b>112.1</b>	<b>100</b>	<b>100</b>

1. Deposits are held with UK institutions, which hold at a minimum, a Fitch or lowest equivalent of A- long-term credit rating. Deposits are currently held with the following institutions; Bank of Scotland, Black Rock MMF, Goldman Sachs MMF, Insight MMF, Ignis MMF, PSDF MMF, Royal Bank of Scotland, HSBC Bank, Nationwide Building Society, Barclays Bank, Kingston-upon-Hull City Council, Lancashire County Council and Blaenau Gwent CC. The Council also currently hold one Certificate of Deposit with Standard Chartered. During January fixed-term deposits continued to mature in line with cashflow requirements. Any surplus funds were either placed in instant access accounts or a short fixed term deposits.

### Outstanding Debt - Average Interest Rate on Debt: 2.99%

	Actual £m	Actual %
<b>General Fund</b>		
PWLB	72.41	21.38
Long-Term Market	15.00	4.43
<b>HRA</b>		
PWLB	218.32	64.45
Long-Term Market	33.00	9.74
<b>Total</b>	<b>338.73</b>	<b>100.00</b>

2. There were no early debt repayment opportunities or rescheduling activities during January and no breaches of the prudential indicators or non-compliance with the treasury management policy and practices.
3. To maintain liquidity for day-to-day business operations, short-term balances will be placed in short term deposits of up to six months, as these are generally yielding a higher rate of interest than those offered in instant access accounts. When cash flow allows, long term deposits will be placed to help increase the average rate of return achieved.
4. On the 30<sup>th</sup> January the Council successfully sold its claim against Landsbanki by auction, reducing the value of outstanding Icelandic deposits from £3.2m to £0.8m. There has been no impact in the management accounts resulting from this sale and the resulting revision to Icelandic recovery assumptions.

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

- 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.

Post Title	Start Date	Proposed End Date	Previously Approved £'000	Approved £'000	Total Spend £'000
<b>Public Health</b>					
Consultant in Public Health	20-Aug-13	23-May-14	38	63	101
<b>Asset Management</b>					
Programme Co-Ordinator, General Construction	12-Nov-12	21-Feb-14	71	7	78
<b>Planning Green Spaces &amp; Culture</b>					
Planning Enforcement Officer	20-May-13	05-Sep-14	35	33	68
<b>Special Projects</b>					
Building Surveying Project Manager	21-Apr-13	02-Jan-15	26	44	70
<b>Technical Administration</b>					
Pod Co-ordinator	01-Apr-10	28-Mar-14	98	2	100
Pod Co-ordinator	01-Apr-10	28-Mar-14	85	2	87
Pod Co-ordinator	01-Apr-10	28-Mar-14	62	2	64
Pod Co-ordinator	01-Apr-10	28-Mar-14	48	2	50
Administration Assistant	01-Apr-10	28-Mar-14	48	2	50
<b>Operational Finance</b>					
Operational Finance Manager	03-Mar-14	23-May-14	75	19	94
Operational Finance Manager	03-Mar-14	23-May-14	35	33	68
<b>Adult Social Care</b>					
Social Worker (Care Manager - Access team)	03-Mar-14	30-Mar-14	91	4	95
Floating Support Worker - Disability Provider Services - Floating Support South	03-Mar-14	30-Mar-14	55	2	57
Residential Care Worker - Disability Providers Services - Hatton Grove	03-Mar-14	30-Mar-14	79	2	81
Residential Care Worker - Disability Providers Services - Hatton Grove	03-Mar-14	30-Mar-14	79	2	81

<b>Post Title</b>	<b>Start Date</b>	<b>Proposed End Date</b>	<b>Previously Approved £'000</b>	<b>Approved £'000</b>	<b>Total Spend £'000</b>
Day Centre Officer - Woodside Day Centre	03-Mar-14	30-Mar-14	75	1	76
Occupational Therapist - Disability Services	03-Mar-14	30-Mar-14	73	4	77
Project Manager ICP Adults Transformation Older Peoples services	03-Mar-14	30-Mar-14	140	4	144
Residential Care Worker - Disability Providers Services - Hatton Grove	03-Mar-14	30-Mar-14	49	2	51
<b>Children &amp; Young People's Services</b>					
Administration Assistant	03-Mar-14	04-Apr-14	48	2	50
Residential Staff (Charville Lane)	03-Mar-14	30-Mar-14	83	2	85
Placements Manager (Children's Resources)	03-Mar-14	30-Mar-14	46	7	53
Social Worker Triage (MASH) (Children's Social Work Team)	03-Mar-14	30-Mar-14	77	4	81
Senior Residential Worker (Merrifield)	03-Mar-14	30-Mar-14	76	2	78
Waking Night Residential Care Worker (Merrifield)	03-Mar-14	30-Mar-14	58	1	59
Waking Night Residential Care Worker (Merrifield)	03-Mar-14	30-Mar-14	78	1	79
Residential Care Worker (Mulberry)	03-Mar-14	30-Mar-14	67	1	68
Waking Night Residential Care Worker (Mulberry)	03-Mar-14	30-Mar-14	74	1	75
MASH Operation Manager	24-Mar-14	29-Jun-14	20	33	53
Service Manager (Children's Social Work Team)	03-Mar-14	01-Jun-14	34	33	67
Senior Social Worker (LAC Service)	03-Mar-14	01-Jun-14	49	16	65

### Adult Social Care: Home Care Backlog Funding Proposal

#### Background

1. As at 5<sup>th</sup> March 2014 there were 1,401 people in receipt of care who required a review and 400 people awaiting an assessment by an occupational therapist (OT).
2. It is essential that these backlogs are addressed in order to:
  - improve outcomes for adult residents by ensuring that people who are eligible for Council funded social care support receive packages of care appropriate to their needs and in so doing help to maximise their independence;
  - ensure that the level of service provision is appropriate to need and thus reduce unnecessary expenditure;
  - enable the service to move to new ways of working that will also improve outcomes for residents. For example, the contact centre picks up 800+ calls per week associated with people awaiting a service response, this reduces the capacity of the contact centre to be more robust in the assessments they undertake.
3. The financial impact of the delays is most significantly seen in the increase of people receiving funded care due to not being reviewed after 6 weeks and 3 months and the corresponding increase in domiciliary care spend.

#### Addressing the Backlogs

4. It has been negotiated with Hillingdon Clinical Commissioning Group (CCG) that section 256 monies can be utilised for clearing outstanding work, in order that the forthcoming integration work will not be compromised by backlogs in the whole system. This has been agreed as achievable with the Corporate Director of Finance.
5. This funding has no impact on the projected outturn position and if these funds were not used then agreement with the CCG is required for its alternative use, in line with the national conditions.
6. It is proposed to engage Sanctuary Personnel Ltd (trading as Skylakes) to complete the backlog work. Based on a cost of £286 per care assessment and £320 per OT assessment, the total cost of clearing the backlogs would be £528.6k. The following approach will be taken:
  - Skylakes' activity will be focussed on the newest cases requiring reviews, which is where the most reductions in care are likely to occur and work back from this point.
  - In parallel 2 or 3 workers in the localities will be identified to focus on reviewing those people who have been waiting the longest for a review and then work forwards.
7. A similar approach will be taken with the OT assessment backlog.
8. Recruitment to some of the vacant posts will assist in preventing re-emergence of the backlogs.

## **Pilot Project**

9. A pilot project of involving 50 reviews earlier in the year identified a saving of approximately £1.1k per week.

## **Corporate Finance Comment**

10. In 2013/14 the impact of the backlog of outstanding care reviews has led to increased financial pressure on the Home Care budgets within Adult Social Care. This has been reported in the regular monthly budget monitoring reports and whilst the budget pressure is being mitigated by underspends elsewhere within the service, clearing the backlog causing the pressure is important to reduce expenditure in 2014/15.
11. The cost of the backlog proposal is up to an estimated value of £529k in 2014/15. Funding of £480k has been identified from underspends and slippage within the section 256 agreement with Hillingdon CCG, who has agreed that this can be used to fund this backlog project.
12. As the pilot project referred to in paragraph 9 produced a reduction in expenditure of £1,136 per week, the full project proposed in this report should produce significant expenditure reductions from the outstanding 1,400 reviews of care costs and this should more than fund the remaining balance of £49k of the total estimated cost of the backlog project.