

# COUNCIL BUDGET - MONTH 11 2013/14 REVENUE AND CAPITAL MONITORING

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<b>Cabinet Portfolio</b>	Finance, Property and Business Services
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<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 February 2014 (Month 11).</p> <p>A net in-year underspend of £5,060k is forecast against 2013/14 General Fund revenue budgets, an improvement of £408k on the position reported at Month 10. In addition, a £327k exceptional item has been reported relating to late award of funding from central Government.</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 11.
2. Note the treasury management update for Month 11 at Appendix E.
3. Agree that during the period of 25 April 2014 and 19 June 2014, where there is no Cabinet meeting scheduled, to delegate authority to the Leader of the Council, in conjunction with the Chief Executive or relevant Corporate Director(s) as appropriate, to make any decision that would ordinarily be reserved constitutionally to the Cabinet if any delay would prejudice the Council's interests or service delivery to residents. Such decisions to be reported to the June Cabinet meeting for ratification.

4. Continue the delegated authority up until the 19 June 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 20 March and 24 April 2014 Cabinet meetings, detailed at Appendix F.
5. Ratify a decision taken by the Leader of the Council and the Deputy Chief Executive and Corporate Director of Residents Services and Corporate Director of Finance to accept a grant of £2,976k from the DECC Green Deal Communities Fund for energy efficiency works to properties in the Borough, the Council's sign-up to the scheme and allocation of £2,876k funds to the capital programme and £100k to the Energy Conservation budget in Housing Services for the 2014/15 financial year(s).
6. Accepts an increase of £221k grant funding in support the Transport for London Borough Principal Roads programme within the 2014/15 capital programme.
7. Cabinet note the progress being made on a variety of environmental projects as detailed in Appendix G, following delegated project approval from Cabinet on 23 January 2014.
8. Approves grant funding of £433,494 from the Department for Education to support the implementation of the Special Educational Needs Reforms and release £257k to the Adult Social Care (All Age Disabilities) budget in 2014/15.
9. Agree that during the period of 25 April 2014 to 19 June 2014, where there is no Cabinet meeting scheduled, to delegate authority to the Corporate Director of Finance, in full consultation with the Leader of the Council, to make any necessary revenue or capital budget virements that may be required for service or project delivery and within the overall budget framework approved by Council on 20 February 2014. Furthermore, that decisions on such virements made, be reported to the June Cabinet meeting for ratification.

## **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. Recommendation 3 provides for continuity of top-level decision-making during a period where there is no Cabinet meeting scheduled, enabling such decisions to still be taken, if required, and reported to the next scheduled Cabinet meeting for ratification.
4. With respect to Recommendation 5, the Council was notified on 28 March that it was successful in its bid to the Green Deal Communities (GDC) fund, which has resulted in £3m of funds for energy efficiency works. Given the tight deadlines in early April to accept the funding and sign-up to the scheme, the Leader of the Council, the Deputy Chief Executive and Corporate Director of Residents Services and the Corporate Director of Finance made the necessary decisions in this regard. Cabinet is asked to endorse this and ratify the acceptance of the external grant.

5. Recommendation 6 is intended to enable the Council to access an additional £221k of Transport for London funding in 2014/15 to supplement the planned principal roads programme in the TfL Local Implementation Plan. The funding has been distributed from the Department for Transport and must be used by 31 March 2015. The funding is to be added to the Principal Roads renewal programme and will be allocated between capital and revenue on the same basis as the existing funding.
6. With respect to Recommendation 7, Cabinet in January 2014 agreed to delegate approvals for a number of environmental projects in the popular Chrysalis Programme, the Environmental Improvements Fund and by utilising some Housing Revenue Account monies where proposed within the Council's housing estate or s106 monies. Cabinet requested that officers report back to a subsequent meeting on progress. Details of the projects approved are shown in Appendix G.
7. The Children and Families Act 2014 duties are due for implementation from September 2014. The Act brings about the most significant reforms to the statutory framework for special educational needs and disability (SEND) for 30 years. The DfE has made available a one-off grant of £433,492 to support implementation of the reforms and it is proposed to use this grant to address the key requirements of the new Act. Recommendation 8 requests Cabinet approval to accept this grant and release an initial sum of £257k to the Adult Social Care (All Age Disabilities) budget to commence work in 2014/15. All expenditure commitments against this grant funding will be subject to the council's normal approval processes.
8. Recommendation 9 is intended to enable the Council to effectively re-direct resources during a period where there is no Cabinet meeting scheduled, enabling such decisions to be taken, if required, and reported the next scheduled Cabinet meeting for ratification.

### **Alternative options considered**

9. There are no other options proposed for consideration.

## **SUMMARY**

### **REVENUE**

10. As at Month 11, the forecast outturn position on in-year activities is a net underspend of £5,060k, representing an improvement of £408k on the position reported at Month 10. This position consists of a net underspend of £1,967k on directorate budgets, an underspend on capital financing costs of £2,500k and a net underspend of £593k on development and risk contingency.
11. 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% banked. Further information on the savings position, and reported pressures, are contained throughout this report.
12. Unallocated General Fund balances are forecast to reach £36,987k by 31 March 2014, before taking account of any sums remaining uncommitted from the residual £230k priority growth funds, £221k unallocated Environmental & Recreational Initiatives funds and £116k unallocated HIP budgets.
13. There are no significant movements to report on other funds from Month 10 which impact upon the General Fund or the Housing Revenue Account.

### **CAPITAL**

14. As at Month 11 an under spend of £23,722k is reported on the 2013/14 capital programme budget from a revised budget of £107,652k, a downward movement of £189k on forecast expenditure at Month 10. Forecast outturn on the General Fund Programme for 2013/14 to 2015/16 is now an under spend of £19,808k, a reduction of £106k from Month 10. This movement is the net impact of an increased pressure on the Hillingdon Sport & Leisure Centre project, off-set by a range of minor improvements.
15. General Fund capital receipts of £9,582k are forecast for 2013/14, £558k in excess of revised budget, with forecast receipts over the period to 2017/18 expected to reach £25,919k.

## **FURTHER INFORMATION**

### **General Fund Revenue Budget**

16. The headline position at Month 11 on normal General Fund activities is an underspend of £5,060k, consisting of a £1,967k net underspend on Directorate Operating Budgets, a £2,500k underspend of capital financing costs and a £593k underspend on Development and Risk Contingency. There has been no material movement on the previously noted significant pressures in relation to Homelessness, Social Care Placements and SEN Transport.
17. The above position includes scope to support a further £230k new initiatives funded from Priority Growth will be required during 2013/14. In addition £221k of as yet committed Environmental & Recreational Initiatives funding and £116k HIP monies will be retained to support future projects in these areas.
18. An improvement of £408k has been reported on normal activities, with minor improvements across the Council, a £108k reduction in forecast expenditure on Asylum services and release of £194k of surplus General Contingency. In addition, additional revenue of £327k has been recognised as an exceptional item due to the late return of top sliced grant monies to the Council, which brings the overall movement in forecast balances to £735k.
19. Assuming that the remaining Priority Growth monies are required in full balances will reach £36,987k at outturn; however, this figure would increase to £37,217k if no new commitments are made against these unallocated budgets. The latest Medium Term Financial Forecast assumes drawdown of £6,138k balances over the period to 2018/19, reducing uncommitted balances to approximately £31,000k.

**Table 1: General Fund Overview**

Original Budget	Budget Changes		Month 11		% Var	Variance (+ adv / - fav)		
			Revised Budget	Forecast Outturn		Variance (As at Month 11)	Variance (As at Month 10)	Movement from Month 10
£'000	£'000		£'000	£'000		£'000	£'000	£'000
165,738	4,378	Directorate Operating Budgets	170,116	168,149	-1%	(1,967)	(1,881)	(86)
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	18,576	-3%	(593)	(271)	(322)
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>206,588</b>	<b>-2%</b>	<b>(5,060)</b>	<b>(4,652)</b>	<b>(408)</b>
		<u>Exceptional items:</u>						
		Reversal of Icelandic Impairment		(1,350)		(1,350)	(1,350)	0
		Return of top-sliced RSG		(327)		(327)	0	(327)
<b>211,159</b>	<b>489</b>	<b>Total Net Expenditure</b>	<b>211,648</b>	<b>204,911</b>	<b>-3%</b>	<b>(6,737)</b>	<b>(6,002)</b>	<b>(735)</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>(6,737)</b>		<b>(6,737)</b>	<b>(6,002)</b>	<b>(735)</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>(36,987)</b>		<b>(6,737)</b>	<b>(6,002)</b>	<b>(735)</b>

20. On 31 March 2014, the Council was notified that £327k of funding top-sliced from the 2013/14 Revenue Support Grant to meet the notional costs of government capitalisation policies would be returned. Given the limited scope to effectively utilise this funding during 2013/14, it has been treated as an exceptional item and will contribute to unallocated balances.

#### **Directorate Operating Budgets (£1,967k underspend / £86k 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	Budget Changes	Directorate		Month 11		% Var	Variance (+ adv / - fav)		
				Revised Budget	Forecast Outturn		Variance (As at Month 11)	Variance (As at Month 10)	Movement from Month 10
£'000	£'000			£'000	£'000		£'000	£'000	£'000
197,599	(21,414)	Admin. & Finance	Expenditure	176,185	175,273	-1%	(912)	(910)	(2)
(174,924)	22,179		Income	(152,745)	(152,836)	0%	(91)	(86)	(5)
<b>22,675</b>	<b>765</b>		<b>Sub-Total</b>	<b>23,440</b>	<b>22,437</b>	<b>-4%</b>	<b>(1,003)</b>	<b>(996)</b>	<b>(7)</b>
136,349	(2,532)	Residents Services	Expenditure	133,817	137,038	2%	3,221	3,194	27
(72,023)	3,355		Income	(68,668)	(72,596)	6%	(3,928)	(3,890)	(38)
<b>64,326</b>	<b>823</b>		<b>Sub-Total</b>	<b>65,149</b>	<b>64,442</b>	<b>-1%</b>	<b>(707)</b>	<b>(696)</b>	<b>(11)</b>
25,890	127	Children's Social Care	Expenditure	26,017	26,323	1%	306	273	33
(2,646)	1		Income	(2,645)	(2,995)	13%	(350)	(317)	(33)
<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	73,702	0%	315	558	(243)
(16,900)	1,668		Income	(15,232)	(15,760)	3%	(528)	(703)	175
<b>55,493</b>	<b>2,662</b>		<b>Sub-Total</b>	<b>58,155</b>	<b>57,942</b>	<b>0%</b>	<b>(213)</b>	<b>(145)</b>	<b>(68)</b>
<b>165,738</b>	<b>4,378</b>	<b>Total Directorate Operating Budgets</b>		<b>170,116</b>	<b>168,149</b>	<b>-1%</b>	<b>(1,967)</b>	<b>(1,881)</b>	<b>(86)</b>

22. Administration and Finance are reporting a combined underspend of £1,003k, which results from a significant number of posts being held vacant across the directorates and the impact of integrating existing Council services with new Public Health responsibilities. A minor improvement of £7k has been reported on this position from Month 9.

23. Limited movement of £11k is reported on the Residents Services position, leading to a forecast underspend of £707k across the group. As previously reported, early delivery of 2014/15 savings and rental streams from recently appropriated commercial properties are off-setting the £1,964k pressure on housing needs. Both in-year savings and pressures are fully reflected in the Council's 2014/15 budgets.

24. No overall 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 10. Within this position, there has been an increase of £76k on care placement costs, off-set by improvements on staffing and income projections.

25. Further reductions in forecast staffing expenditure have led to an improvement of £68k being reported on Adult Social Care operating budgets, resulting in a forecast underspend of £213k for 2013/14. This net position contains £1,946k pressures on non-staffing expenditure, primarily in relation to care placements, being off-set by significant establishment underspends due to vacancies across the Group.

### 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)	(6,047)	(1,499)	(4,719)	(648)	(13,964)	82%
On track for delivery	0	0	0	0	0	0	0%
Potential significant savings shortfall or a significant or risky project which is at an early stage;	0	0	0	0	0	0	0%
Serious problems in the delivery of the saving	0	(55)	(445)	(295)	(2,352)	(3,147)	18%
<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. At the end of month 11, the percentage of banked savings has increased to 82%. Apart from the cross cutting BID savings, there is a slight increase in those savings classed as red, as the full benefit of the FM review will not now be achieved in 2013/14. Solutions are already in place to manage the majority of red items within the group position, with Children & Young People's items replaced by other savings in the 2014/15 budget and Adult Social Care items are due to delays in the opening of the Queenswalk Resource Centre which is now expected to take place in August 2014.

28. To date savings of £1,009k have been identified against the £3,000k BID savings, the part year impact of which is £648k in 2013/14. This leaves a residual sum of £2,352k to be managed - £1,500k of which is off-set by the contingency held against a potential shortfall in savings and £852k has been covered through short term savings in staffing budgets in services subject to BID reviews. There remains significant work to be completed in order to deliver a permanent solution for the residual £1,991k for 2014/15 onwards.

29. In relation to the savings brought forward from 2012/13, 83% are classed as banked with 17% now undeliverable within 2013/14. Of the remaining 17%, 15% is within Adult Social Care, caused by the Day Centre Judicial review and so savings will not now be deliverable until 2014/15. The other 2% relates to an undeliverable advertising income target.

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

	Admin. & Finance £'000	Residents Services £'000	Children & Families £'000	Social Care £'000	Total B/fwd Savings	
					£'000	%
Banked	(300)	(357)	(255)	(728)	(1,640)	83%
On track for delivery	0	0	0	0	0	0
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	(50)	0	(289)	(339)	17%
<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 11. 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		% Var	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
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 (£593k underspend / £322k improvement)

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 11)	Variance (As at Month 10)	Movement from Month 10	
£'000	£'000		£'000	£'000	£'000	£'000	£'000	
1,000	(71)	Corporate	General Contingency	929	0	(929)	(735)	(194)
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		Uninsured Claims	400	400	0	0	0
402	0	Residents Services	Carbon Reduction Commitment	402	367	(35)	(27)	(8)
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	1,389	629	579	50
2,010	0		Waste Disposal Levy	2,010	2,382	372	434	(62)
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	1,328	(667)	(559)
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>18,576</b>	<b>(593)</b>	<b>(271)</b>	<b>(322)</b>

35. A headline improvement of 322k from Month 10 is reported on Development and Risk Contingency items, primarily due to reduced expenditure projections on Asylum budgets and release of the remaining surplus of £194k on General Contingency.
36. An adverse movement of £50k is reported on SEN Transport, bringing the pressure to £629k for 2013/14, due to an increase in the daily cost of providing transport. The medium-term outlook on this item remains consistent with position outlined in February's budget report to Cabinet.
37. An improvement of £62k has been forecast on the Waste Disposal Levy due to tonnage levels settling down after higher than anticipated fluctuations over recent months. This movement brings the remaining pressure on this item to £372k.
38. A review of the latest position on Asylum has identified a £108k improvement in staffing expenditure forecasts, resulting in a reduction of the net cost to residents of providing this service to £1,328k for 2013/14.

### Priority Growth

39. 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 £'000	Approved Allocations £'000	Unallocated Growth £'000
<b><u>Specific Budgets</u></b>			
HIP Initiatives Budgets	800	684	116
Environmental & Recreational Initiatives	500	279	221
<b>Sub-Total Specific Budgets</b>	<b>1,300</b>	<b>963</b>	<b>337</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>963</b>	<b>567</b>

40. HIP Steering Group has approved release of £684k from the HIP Initiatives Budget to fund a range of projects during 2013/14, leaving £116k unallocated. The reported position assumes that this sum will be retained to support future HIP Steering Group priorities.
41. Within the new Environmental & Recreational Initiatives Fund a sum of £279k has been allocated for sign cleaning and improvements to local green spaces, leaving a balance of £221k to support further new initiatives.

42. Following release of funds to support a number of initiatives, £230k remains within the unallocated Priority Growth fund to support new initiatives. While the current reported position assumes that these sums will be committed in the current financial year, there is an additional £1,452k unallocated priority growth set aside for 2014/15.

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

43. 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.

44. There has been no movement on the Schools Budget from Month 10, with a significant element of the £3,094k underspend attributable to lower than anticipated take up of the new two-year old free entitlement offer in its first year. This sum will be carried forward and available to support activity in 2014/15.

45. Parking Revenue Account forecasts remain consistent with the position reported at Month 10, with the net pressure in 2013/14 totalling £246k. This pressure relates to the continuing shortfall in Penalty Charge Notice income, which may limit resources available to support future Parking Management Schemes.

46. There has been no movement in Collection Fund forecasts from Month 10, with the forecasts surplus of £3,610k on Council Tax to be released to the General Fund in 2014/15. The previously reported risk of a deficit on the Business Rate element of the Collection Fund has now reduced with the significant movement in Rateable Value being off-set by an improved outlook on likely future appeal losses.

### **Housing Revenue Account Budget**

47. The headline outturn on the Housing Revenue Account has improved by £263k from Month 10, with the movement attributable to an improvement of £115k on management overheads and £200k contingency provision now unlikely to be required in 2013/14. In addition, a £2,000k underspend has now been reported on Repairs & Maintenance expenditure, which will be utilised to repay an element of the £191,571k settlement debt transferred to the Council in 2012/13.

48. As previously reported, there remains a pressure on rental income of approximately £1,329k due to increasing sales of property under Right to Buy arrangements which is off-set by underspends on expenditure to reach a net underspend of £5,085k for 2013/14.

### **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 £23,722k is reported on the General Fund Programme assuming full drawdown on contingency and £1,158k pressure on HRA Projects. These variances have been reflected in the Medium Term Financial Forecast and from 1 April 2014 both capital and revenue budgets will be refreshed in line with the budget approved by Cabinet and Council in February 2014.

50. The most significant factors contributing to the General Fund underspend are the previously noted £10,378k underspend on tendered costs within the Primary School Expansion programme and £3,706k underspend on the South Ruislip Development. In both cases there are no direct implications of this reduction in capital expenditure, as the schools underspend is to be reinvested in Secondary school expansions while the South Ruislip Development results in a corresponding reduction in capital receipts.

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

### Administration & Finance (£1,003k underspend, £7k improvement)

1. The combined position for the Administration and Finance Groups at Month 11 is an underspend of £1,003k. This is as a result of holding vacant posts in both Groups and the impact of integrating existing Council services with Public Health responsibilities.

**Table 1: Administration & Finance Summary**

Original Budget £'000	Budget Changes £'000			Month 11		% Var	Variance (+ adv / - fav)		
				Revised Budget £'000	Forecast Outturn £'000		Variance (As at Month 11) £'000	Variance (As at Month 10) £'000	Movement from Month 10 £'000
8,749	417	Admin. Directorate	Salaries	9,166	8,818	-4%	(348)	(346)	(2)
5,052	132		Non-Sal Exp	5,184	4,774	-8%	(410)	(398)	(12)
(2,744)	(187)		Income	(2,931)	(3,051)	4%	(120)	(132)	12
<b>11,057</b>	<b>362</b>		<b>Sub-Total</b>	<b>11,419</b>	<b>10,541</b>	<b>-8%</b>	<b>(878)</b>	<b>(876)</b>	<b>(2)</b>
11,558	70	Finance Directorate	Salaries	11,628	11,517	-1%	(111)	(115)	4
172,239	(22,032)		Non-Sal Exp	150,207	150,164	0%	(43)	(51)	8
(172,180)	22,366		Income	(149,814)	(149,785)	0%	29	46	(17)
<b>11,618</b>	<b>404</b>		<b>Sub-Total</b>	<b>12,021</b>	<b>11,896</b>	<b>-1%</b>	<b>(125)</b>	<b>(120)</b>	<b>(5)</b>
20,307	487		Salaries	20,794	20,335	-2%	(459)	(461)	2
177,291	(21,900)		Non-Sal Exp	155,391	154,938	0%	(453)	(449)	(4)
(174,923)	22,179		Income	(152,745)	(152,836)	0%	(91)	(86)	(5)
<b>22,675</b>	<b>766</b>		<b>Total</b>	<b>23,440</b>	<b>22,437</b>	<b>-4%</b>	<b>(1,003)</b>	<b>(996)</b>	<b>(7)</b>

2. As a result of holding open vacant posts longer across the Administration Group, particularly in Performance, Occupational Health and Legal Services teams, as well as not providing cover for maternity leave and employees reducing hours following maternity leave, the Group is showing a £348k salaries underspend in Month 11.
3. Revisions of non salary forecasts continue to be undertaken at month 11 and decreased expenses forecasts within Human Resources and Democratic Services have net down decreases in the income forecasts for First Aid and Nationality Checking.

**Table 2: Administration Operating Budgets**

Original Budget	Budget Changes	Service	Month 11		% Var	Variance (+ adv / - fav)			
			Revised Budget	Forecast Outturn		Variance (As at Month 11)	Variance (As at Month 10)	Movement from Month 10	
£'000	£'000		£'000	£'000		£'000	£'000	£'000	
442	26	Directorate	Salaries	468	459	-2%	(9)	(9)	0
6	0		Non-Sal Exp	6	2	-67%	(4)	(4)	0
(56)	0		Income	(56)	(56)	0%	0	0	0
<b>392</b>	<b>26</b>		<b>Sub-Total</b>	<b>418</b>	<b>405</b>	<b>-3%</b>	<b>(13)</b>	<b>(13)</b>	<b>0</b>
676	15	Corporate Comms	Salaries	691	739	7%	48	47	1
187	0		Non-Sal Exp	187	156	-17%	(31)	(31)	0
(103)	0		Income	(103)	(100)	-3%	3	3	0
<b>760</b>	<b>15</b>		<b>Sub-Total</b>	<b>775</b>	<b>795</b>	<b>3%</b>	<b>20</b>	<b>19</b>	<b>1</b>
1,425	18	Democr. Services	Salaries	1,443	1,459	1%	16	16	0
1,895	70		Non-Sal Exp	1,965	1,909	-3%	(56)	(51)	(5)
(849)	0		Income	(849)	(886)	4%	(37)	(43)	6
<b>2,471</b>	<b>88</b>		<b>Sub-Total</b>	<b>2,559</b>	<b>2,482</b>	<b>-3%</b>	<b>(77)</b>	<b>(78)</b>	<b>1</b>
2,347	40	Human Resources	Salaries	2,387	2,312	-3%	(75)	(75)	0
467	(15)		Non-Sal Exp	452	546	21%	94	105	(11)
(591)	15		Income	(576)	(598)	4%	(22)	(26)	4
<b>2,223</b>	<b>40</b>		<b>Sub-Total</b>	<b>2,263</b>	<b>2,260</b>	<b>0%</b>	<b>(3)</b>	<b>4</b>	<b>(7)</b>
1,924	8	Legal Services	Salaries	1,932	1,870	-3%	(62)	(62)	0
98	0		Non-Sal Exp	98	118	20%	20	16	4
(575)	0		Income	(575)	(628)	9%	(53)	(54)	1
<b>1,447</b>	<b>8</b>		<b>Sub-Total</b>	<b>1,455</b>	<b>1,360</b>	<b>-7%</b>	<b>(95)</b>	<b>(100)</b>	<b>5</b>
1,935	310	Policy & Perf.	Salaries	2,245	1,979	-12%	(266)	(263)	(3)
2,399	77		Non-Sal Exp	2,476	2,043	-17%	(433)	(433)	0
(570)	(202)		Income	(772)	(783)	1%	(11)	(12)	1
<b>3,764</b>	<b>185</b>		<b>Sub-Total</b>	<b>3,949</b>	<b>3,239</b>	<b>-18%</b>	<b>(710)</b>	<b>(708)</b>	<b>(2)</b>
8,749	417	Admin. Directorate	Salaries	9,166	8,818	-4%	(348)	(346)	(2)
5,052	132		Non-Sal Exp	5,184	4,774	-8%	(410)	(398)	(12)
(2,744)	(187)		Income	(2,931)	(3,051)	4%	(120)	(132)	12
<b>11,057</b>	<b>362</b>		<b>Total</b>	<b>11,419</b>	<b>10,541</b>	<b>-8%</b>	<b>(878)</b>	<b>(876)</b>	<b>(2)</b>

- The Finance Group is showing an underspend of £125k in Month 11. 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. The £4k improvement this month is largely as a result of increased levels of income from schools.
- 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 and the increase in non salaries forecasts due to subscriptions in Procurement has been mitigated after reviewing charges to other funds, as well as an increase in income from schools in Operational Finance and the continued improvement in the Housing Benefit subsidy projection.

6. 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 11		% Var	Variance (+ adv / - fav)			
			Revised Budget £'000	Forecast Outturn £'000		Variance (As at Month 11) £'000	Variance (As at Month 10) £'000	Movement from Month 10 £'000	
547	3	Internal Audit	Salaries	550	544	-1%	(6)	(7)	1
50	0		Non-Sal Exp	50	49	-2%	(1)	(6)	5
0	0		Income	0	0	N/A	0	0	0
<b>597</b>	<b>3</b>		<b>Sub-Total</b>	<b>600</b>	<b>593</b>	<b>-1%</b>	<b>(7)</b>	<b>(13)</b>	<b>6</b>
3,353	65	Operational Finance	Salaries	3,418	3,484	2%	66	64	2
687	351		Non-Sal Exp	1,038	1,057	2%	19	18	1
(963)	0		Income	(963)	(1,002)	4%	(39)	(28)	(11)
<b>3,077</b>	<b>416</b>		<b>Sub-Total</b>	<b>3,493</b>	<b>3,539</b>	<b>1%</b>	<b>46</b>	<b>54</b>	<b>(8)</b>
2,115	382	Procurement	Salaries	2,497	2,521	1%	24	25	(1)
188	(38)		Non-Sal Exp	150	124	-17%	(26)	(33)	7
(344)	(275)		Income	(619)	(581)	-6%	38	38	0
<b>1,959</b>	<b>69</b>		<b>Sub-Total</b>	<b>2,028</b>	<b>2,064</b>	<b>2%</b>	<b>36</b>	<b>30</b>	<b>6</b>
4,350	(469)	Revenues & Benefits	Salaries	3,881	3,733	-4%	(148)	(149)	1
170,659	(22,276)		Non-Sal Exp	148,383	148,314	0%	(69)	(67)	(2)
(170,727)	22,641		Income	(148,086)	(148,056)	0%	30	36	(6)
<b>4,282</b>	<b>(104)</b>		<b>Sub-Total</b>	<b>4,178</b>	<b>3,991</b>	<b>-4%</b>	<b>(187)</b>	<b>(180)</b>	<b>(7)</b>
1,193	89	Strategic Finance	Salaries	1,282	1,235	-4%	(47)	(48)	1
655	(69)		Non-Sal Exp	586	620	6%	34	37	(3)
(146)	0		Income	(146)	(146)	0%	0	0	0
<b>1,703</b>	<b>20</b>		<b>Sub-Total</b>	<b>1,722</b>	<b>1,709</b>	<b>-1%</b>	<b>(13)</b>	<b>(11)</b>	<b>(2)</b>
11,558	70	Finance Directorate	Salaries	11,628	11,517	-1%	(111)	(115)	4
172,239	(22,032)		Non-Sal Exp	150,207	150,164	0%	(43)	(51)	8
(172,180)	22,366		Income	(149,814)	(149,785)	0%	29	46	(17)
<b>11,618</b>	<b>404</b>		<b>Total</b>	<b>12,021</b>	<b>11,896</b>	<b>-1%</b>	<b>(125)</b>	<b>(120)</b>	<b>(5)</b>



## Residents Services (£707k underspend; £11k improvement)

7. Residents Services has a projected outturn position of a £707k 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	Budget Changes	Service	Month 11		% Var	Variance (+ adv / - fav)			
			Revised Budget	Forecast Outturn		Variance (As at Month 11)	Variance (As at Month 10)	Change from Month 10	
			£'000	£'000		£'000	£'000	£'000	
1,940	111	Asset Management	Salaries	2,051	2,055	0%	4	4	0
7,803	200		Non-Sal Exp	8,003	8,462	6%	459	404	55
(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>6,255</b>	<b>-5%</b>	<b>(303)</b>	<b>(358)</b>	<b>55</b>
9,849	(1,313)	Education (GF)	Salaries	8,536	7,996	-6%	(540)	(545)	5
12,133	(457)		Non-Sal Exp	11,676	11,106	-5%	(570)	(560)	(10)
(10,421)	1,315		Income	(9,106)	(9,219)	1%	(113)	(81)	(32)
<b>11,561</b>	<b>(455)</b>		<b>Sub-Total</b>	<b>11,106</b>	<b>9,883</b>	<b>-11%</b>	<b>(1,223)</b>	<b>(1,186)</b>	<b>(37)</b>
1,544	(6)	Environmental Policy & Community	Salaries	1,538	1,508	-2%	(30)	(23)	(7)
997	3		Non-Sal Exp	1,000	1,000	0%	0	0	0
(7,000)	686		Income	(6,314)	(6,383)	1%	(69)	(53)	(16)
<b>(4,459)</b>	<b>683</b>		<b>Sub-Total</b>	<b>(3,776)</b>	<b>(3,875)</b>	<b>3%</b>	<b>(99)</b>	<b>(76)</b>	<b>(23)</b>
3,852	(366)	Housing (GF)	Salaries	3,486	3,486	0%	0	0	0
11,098	(4,404)		Non-Sal Exp	6,694	10,800	61%	4,106	4,127	(21)
(11,123)	5,333		Income	(5,790)	(7,932)	37%	(2,142)	(2,142)	0
<b>3,827</b>	<b>563</b>		<b>Sub-Total</b>	<b>4,390</b>	<b>6,354</b>	<b>45%</b>	<b>1,964</b>	<b>1,985</b>	<b>(21)</b>
15,351	1,060	ICT Highways & Bus. Serv.	Salaries	16,411	16,233	-1%	(178)	(169)	(9)
15,200	(4,872)		Non-Sal Exp	10,328	10,262	-1%	(66)	(58)	(8)
(10,118)	3,972		Income	(6,146)	(6,312)	3%	(166)	(199)	33
<b>20,433</b>	<b>160</b>		<b>Sub-Total</b>	<b>20,593</b>	<b>20,183</b>	<b>-2%</b>	<b>(410)</b>	<b>(426)</b>	<b>16</b>
4,154	3,461	Planning Green Spaces & Culture	Salaries	7,615	7,574	-1%	(41)	(48)	7
4,569	1,520		Non-Sal Exp	6,089	6,256	3%	167	149	18
(4,957)	(4,516)		Income	(9,473)	(10,151)	7%	(678)	(642)	(36)
<b>3,766</b>	<b>465</b>		<b>Sub-Total</b>	<b>4,231</b>	<b>3,679</b>	<b>-13%</b>	<b>(552)</b>	<b>(541)</b>	<b>(11)</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)	(34)		Income	(15,341)	(15,341)	0%	0	0	0
<b>0</b>	<b>(34)</b>		<b>Sub-Total</b>	<b>(34)</b>	<b>(34)</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>0</b>
14,918	(1,692)	Public Safety	Salaries	13,226	13,226	0%	0	0	0
17,634	4,223		Non-Sal Exp	21,857	21,767	0%	(90)	(87)	(3)
(9,753)	(3,249)		Income	(13,002)	(12,996)	0%	6	(7)	13
<b>22,799</b>	<b>(718)</b>		<b>Sub-Total</b>	<b>22,081</b>	<b>21,997</b>	<b>0%</b>	<b>(84)</b>	<b>(94)</b>	<b>10</b>
51,608	1,255	Residents Services	Salaries	53,302	52,403	-2%	(899)	(895)	(4)
69,434	(3,787)		Non-Sal Exp	80,515	84,635	5%	4,120	4,089	31
(56,716)	3,355		Income	(68,668)	(72,596)	6%	(3,928)	(3,890)	(38)
<b>64,326</b>	<b>823</b>		<b>Total</b>	<b>65,149</b>	<b>64,442</b>	<b>-1%</b>	<b>(707)</b>	<b>(696)</b>	<b>(11)</b>

8. 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**

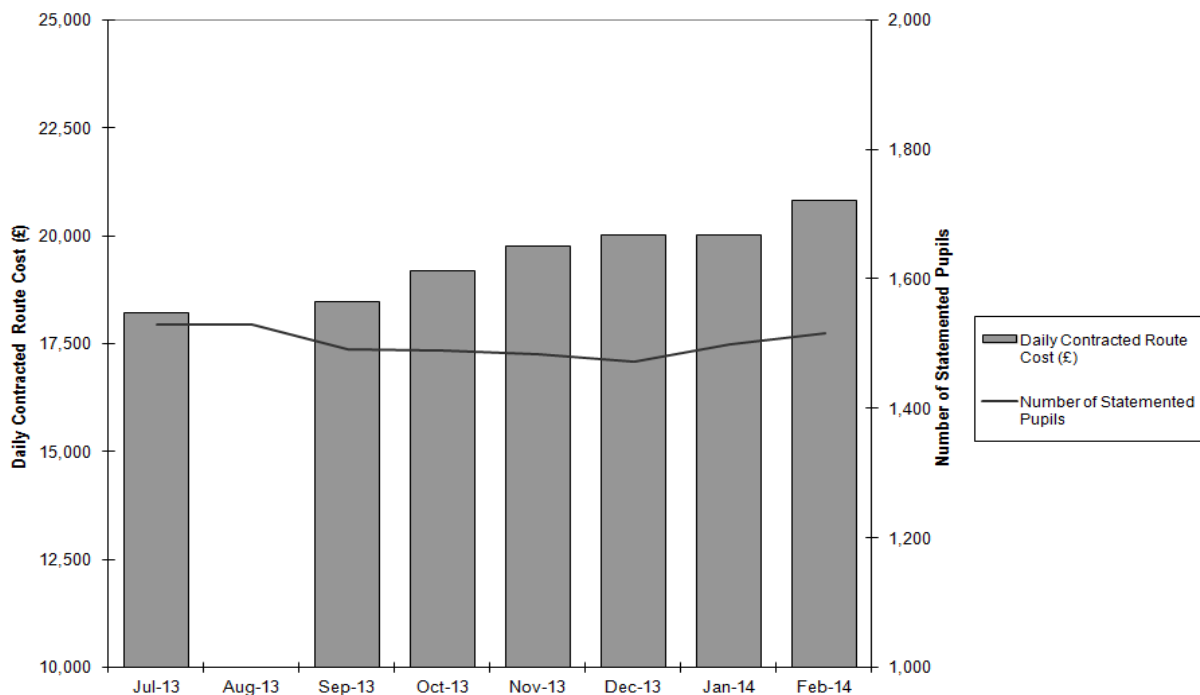
Original Budget	Budget Changes	Current Commitments	Revised Budget	Forecast as Needed	Variance (+ adv / - fav)		
					Variance (As at Month 11)	Variance (As at Month 10)	Change from Month 10
£'000	£'000	£'000	£'000	£'000	£'000	£'000	
2,010	0	Waste Disposal Levy (Demand-led Tonnage Increases)	2,010	2,382	372	434	(62)
760	0	SEN Transport	760	1,389	629	579	50
737	(737)	Impact of Welfare Reform on Homelessness	0	0	0	0	0
402	0	Carbon Reduction Commitment	402	367	(35)	(27)	(8)
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>4,665</b>	<b>1,003</b>	<b>1,023</b>	<b>(20)</b>

9. 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 have been changes to both collection and disposal operations in-year which has introduced further variables, but tonnages look to now be settling down in line with earlier projections. There is a projected underspend against the full contingency of £83k, an improvement of £62k compared to Month 10. 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.

10. 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 £1,389k, which exceeds the budgeted contingency allocation of £760k by £629k, an adverse movement of £50k compared to Month 10. 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 8 routes (3%) compared to February 2013. However, the cost of delivering the current route requirements has increased by 6% 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.

11. The pressure beyond the budgeted contingency allocation of £629k 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 £389k, an adverse movement of £43k compared to Month 10 due to the additional cost of escorts to support new routes. However, there is a one-off underspend on inter-authority recoupment of £10k, an adverse movement of £7k compared to Month 10 following recent changes in recoupment activity.

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



13. 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.

14. 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 £35k is expected mainly due to the exemption for un-metered supplies continuing in 2013/14, an improvement of £8k compared to Month 10 based on an updated review of current year requirements. The contingency requirement also includes the £250k budget for allowances for schools that has been provided for in the schools budget.

15. 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.

16. 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 expected that these resources will be fully utilised.
17. 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.
18. 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.
19. The Council has appealed against a challenge to a licensing decision incurring costs of £37k.

#### **Asset Management (£303k underspend; £55k adverse)**

20. 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 10.
21. There is a forecast pressure of £325k on maintenance budgets for day to day repairs for both the Civic Centre and outstations around the Borough, an adverse movement of £55k compared to Month 10 largely reflecting the impact of increased repairs required due to water damage following the wet winter. 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 10.
22. 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. It is expected that these risks can be contained within existing budgets.

#### **Education (£1,223k underspend; £37k improvement)**

23. 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.
24. The service continues to experience high staff turnover and vacancies resulting in forecast staffing underspends in the youth service (£95k), the school improvement service (£135k), education welfare (£50k), parent support (£55k), educational psychology (£100k) and the early years' team (£55k), an overall adverse movement of £5k compared to Month 10. Many of these posts have been held vacant pending the full implementation of the children's pathway.
25. There is a forecast underspend of £230k on Children's Centres due to the combined impact a more corporate approach to commissioning services from the centres, and continued underspends on staffing and running costs identified in the previous financial year, an improvement of £60k compared to Month 10.
26. There is also a forecast underspend of £70k on training for early years providers, continuing the position identified last year, an adverse movement of £30k compared to Month 10. 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 10.

27. In addition, there is a forecast underspend on schools redundancy costs of £40k, 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, an adverse movement of £20k compared to Month 10.

28. There is an over-achievement of £113k on income mainly due to additional buy back from schools, an improvement of £32k compared to Month 10.

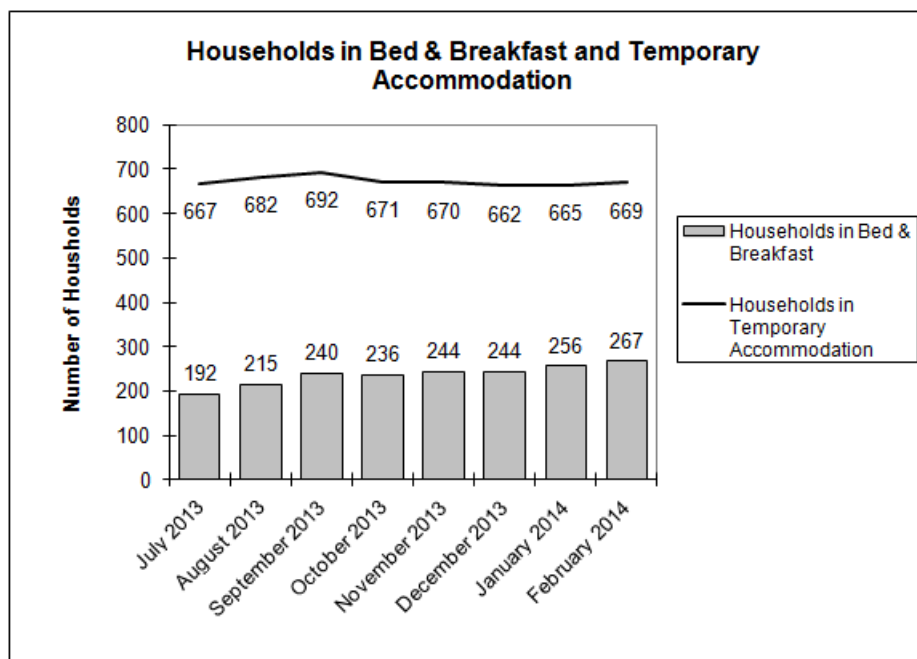
### **Environmental Policy & Community Engagement (£99k underspend; £23k improvement)**

29. The forecast underspend results from the impact of vacant posts within the planning specialists team (£30k), an improvement of £7k compared to Month 10, the matching of external grant to budgeted expenditure on town centres (£57k), an improvement of £16k compared to Month 10, 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 (£1,964k pressure; £21k improvement)**

30. The Housing Needs budget is projecting an overspend of £1,964k, an improvement of £21k compared to Month 10. The improvement is due to a slight downward revision to the forecast for Bed & breakfast (B&B) costs following the introduction of short life properties from the HRA for use as temporary accommodation.

31. Increased use of B&B accommodation accounts for £1,709k of the forecast overspend, an improvement of £21k compared to Month 10. The number of households in B&B was 267 at the end of February, an increase of 11 households compared to January 2014. However due to the impact of the short life properties and a slowdown in the reduction in private sector leased properties it has been possible to reduce the year-end forecast for B&B. The trend in B&B households and total households in temporary accommodation over the year is shown in Chart 2 below:



32. There are 669 homeless households in temporary accommodation which is an increase of 4 households compared to January and an increase of 38 households compared to March 2013. This reflects that approaches to the Council and demand for housing remains a significant and ongoing issue. Following the November 2013 Cabinet approval 50 Short life properties have been assigned to temporary accommodation from the HRA, 40 of which are estimated to be occupied at the end of March 2014.

33. 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 10. All arrears are being examined to ensure Housing Benefit is awarded and paid for all appropriate claimants. Projects in progress including additional analysis of arrears and changes in collection methods may improve this position by the end of the financial year.

34. There is a landlord incentive estimated spend of £522k included in the year end forecast of which £200k is likely to 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.

35. 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 10.

#### **ICT Highways & Business Services (£410k underspend; £16k adverse)**

36. 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.

37. 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 10.

38. Income from the London Common Permit Scheme is forecast to exceed the target set by £216k, an improvement of £16k compared to Month 10. This surplus is considerably less than the outturn variance for 2012/13 of £369k, reflecting a maturing approach by utilities firms to their management of the scheme.
39. Due to the absence of adverse winter weather there is also a forecast underspend on winter maintenance of £64k due to reduced standby pay (£38k) and salt usage (£26k), an improvement of £17k compared to Month 9.
40. The outdoor advertising income target was reduced from £100k to £50k in the 2013/14 budget, however despite continued investigation by officers no suitable sites for this initiative have been identified, leading to a pressure of £50k, an adverse movement of £50k compared to Month 10.

### **Planning Green Spaces & Culture (£552k underspend; £11k improvement)**

41. The overall deficit on Golf courses is forecast at £330k, of which £117k was released from contingency following the approval of Cabinet in December 2013, leaving a residual pressure of £213k, an improvement of £5k compared to Month 10. In overall terms this represents an improvement of £129k compared to last year's outturn. There are forecast shortfalls on membership income of £73k and on pay and play and associated income of £81k, an improvement of £5k compared to Month 10 due to good playing conditions over the early spring period, 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.
42. 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 10.
43. The forecast pressure on building control is £90k, no change compared to Month 10, 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.
44. 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 10.
45. 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 £25k due to a vacant post in the Events team, an improvement of £2k compared to Month 10.
46. 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 10.
47. Development control income is running ahead of the profiled income target, and a net underspend of £160k is now forecast, an improvement of £4k compared to Month 10. This includes a pressure on the costs of the external contract for processing planning applications of £58k due to increased numbers of applications, no change compared to Month 10, and a pressure on staffing budgets of £54k due to additional consultancy

support and agency staff recruited to meet the increase in major applications, an increase of £27k compared to Month 10.

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

48. 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 10, and increasing the grant available for allocation by the same amount.

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

49. There is a projected shortfall of £150k on off-street parking income, no change compared to Month 10, which is attributable to Cedars and Grainges multi-storey car parks in Uxbridge town centre, reflecting the continuation of pressures reported last financial year.

50. There is a forecast overspend of £69k on the imported food service, an adverse movement of £43k compared to Month 10. Income targets for this service are on track to be exceeded by £39k, an adverse movement of £37k compared to Month 10 as the winter seasonal peak in imported fruit and vegetables has been lower than in the previous two years. 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 £108k, an adverse movement of £6k compared to Month 10.

51. 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 10.

52. The fleet management service has been in a transitional position as the vehicle replacement programme takes effect, and the benefits of this programme are feeding through. A net underspend of £106k is reported, as the service is managing down maintenance costs as older vehicles are replaced, producing an underspend of £231k, no change compared to Month 10. 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 10. The service is also closely monitoring insurance claims, where there is a greater risk around accidental damage under self-insurance arrangements.

53. Waste Services is currently forecast at a £134k underspend, an improvement of £28k compared to Month 10. This is due to a forecast underspend on graffiti removal of £47k, an improvement of £4k compared to Month 10, and additional recycling income of £67k, an improvement of £4k compared to Month 10. In addition, income from special collections is also forecast to exceed the target set by £20k, an improvement of £20k compared to Month 10.

54. 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 £45k due to vacancies within the Police service, an improvement of £5k compared to Month 10.



## Children's and Young People's Services

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

55. The Children's and Young People's Service is projecting an underspend of £44k as at Month 11, no change on the month 10 projections. This consists of an underspend of £398k on Salaries, an improvement of £43k on the month 10 projections, an overspend of £705k on non-staffing budgets, an adverse movement of £76k on the month 10 projections, due to a further increase in the cost of placements and a projected surplus of £350k on income streams, an improvement of £33k on the month 10 projections. The projected variances at Month 11 are summarised in the following table, with more detail provided in the paragraphs below:

Original Budget £'000	Budget Changes £'000	Service		Month 11		% Var	Variance (+ adv / - fav)		
				Revised Budget £'000	Forecast Outturn £'000		Variance (As at Month 11) £'000	Variance (As at Month 10) £'000	Change from Month 10 £'000
521	0	Adoption	Salaries	521	669	28%	148	123	25
1,064	0		Non-Sal Exp	1,064	1,307	23%	243	248	(5)
(20)	0		Income	(20)	(427)	2035%	(407)	(406)	(1)
<b>1,565</b>	<b>0</b>		<b>Sub-Total</b>	<b>1,565</b>	<b>1,549</b>	<b>2086%</b>	<b>(16)</b>	<b>(35)</b>	<b>19</b>
1,296	0	Children's Homes	Salaries	1,296	1,522	17%	227	211	16
2,599	(0)		Non-Sal Exp	2,599	2,850	10%	251	218	33
(912)	(0)		Income	(912)	(652)	-29%	260	260	0
<b>2,983</b>	<b>(0)</b>		<b>Sub-Total</b>	<b>2,983</b>	<b>3,720</b>	<b>23%</b>	<b>737</b>	<b>688</b>	<b>49</b>
1,149	67	Family Support	Salaries	1,216	1,050	-14%	(166)	(168)	2
1,269	22		Non-Sal Exp	1,291	1,328	3%	37	11	26
(127)	(56)		Income	(183)	(234)	28%	(51)	(21)	(30)
<b>2,291</b>	<b>33</b>		<b>Sub-Total</b>	<b>2,324</b>	<b>2,144</b>	<b>-7%</b>	<b>(180)</b>	<b>(178)</b>	<b>(2)</b>
1,420	1	Fostering	Salaries	1,421	1,248	-12%	(173)	(181)	8
5,200	197		Non-Sal Exp	5,397	5,682	5%	285	329	(44)
(271)	0		Income	(271)	(199)	-27%	72	72	0
<b>6,349</b>	<b>198</b>		<b>Sub-Total</b>	<b>6,547</b>	<b>6,731</b>	<b>20%</b>	<b>184</b>	<b>220</b>	<b>(36)</b>
1,347	(61)	Other Care	Salaries	1,286	1,373	7%	87	96	(9)
2,216	59		Non-Sal Exp	2,275	1,876	-18%	(399)	(449)	50
(518)	57		Income	(461)	(486)	5%	(25)	(24)	(1)
<b>3,045</b>	<b>55</b>		<b>Sub-Total</b>	<b>3,100</b>	<b>2,763</b>	<b>14%</b>	<b>(337)</b>	<b>(377)</b>	<b>40</b>
5,755	49	Social Workers	Salaries	5,804	5,338	-8%	(466)	(402)	(64)
471	(4)		Non-Sal Exp	467	694	49%	227	224	3
(304)	0		Income	(304)	(455)	50%	(151)	(151)	0
<b>5,922</b>	<b>45</b>		<b>Sub-Total</b>	<b>5,967</b>	<b>5,577</b>	<b>98%</b>	<b>(390)</b>	<b>(329)</b>	<b>(61)</b>
1,342	(2)	Youth Offending	Salaries	1,340	1,285	-4%	(55)	(34)	(21)
43	(3)		Non-Sal Exp	40	101	153%	61	48	13
(494)	1		Income	(493)	(541)	10%	(48)	(47)	(1)
<b>891</b>	<b>(4)</b>		<b>Sub-Total</b>	<b>886</b>	<b>845</b>	<b>-4%</b>	<b>(42)</b>	<b>(33)</b>	<b>(9)</b>
12,830	54	Children's And Families	Salaries	12,883	12,485	-3%	(398)	(355)	(43)
12,862	271		Non-Sal Exp	13,134	13,838	24%	705	629	76
(2,646)	2		Income	(2,644)	(2,994)	1%	(350)	(317)	(33)
<b>23,046</b>	<b>327</b>		<b>Sub-Total</b>	<b>23,373</b>	<b>23,329</b>	<b>0%</b>	<b>(44)</b>	<b>(44)</b>	<b>(0)</b>

### Adoption Service: £16k underspend (£19k adverse)

56. The Adoption service is projecting an underspend of £16k, an adverse movement of £19k on the month 10 projections, due to a further 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 £243k, additionally there is an overspend of £148k on staffing costs. This is netted down by the receipt of additional income of £407k, 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): £737k overspend (£49k adverse)**

57. This service is projecting an overspend of £737k, an adverse movement of £49k on the month 10 projections, due to an increase in the number of high cost placements.

58. 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 MTFP 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 would have been 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.

59. 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: £180k underspend (£2k improvement)**

60. The Family Support service is projecting an underspend of £180k, an improvement of £2k on the month 10 projections. The underspend is due primarily to the high level of staff vacancies across this service.

### **Fostering: £184k overspend (£36k improvement)**

61. The Fostering service is projecting an overspend of £184k, an improvement of £36k on the month 10 projections, due to a decrease in the cost of placements. The main reason for the overspend is due to a difference in the actual number of placements when compared to the MTFP projections, where it was assumed that children would be moved from Independent Fostering Agencies to In House foster care placements.

62. 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 MTFP 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 MTFP projections were based on. This has resulted in a projected overspend of £253k on the placements budget. This is netted down by an underspend on staffing budgets.

### **Other Care Services: £337k underspend (£40k adverse)**

63. This service is projecting an underspend of £337k, an adverse movement of £40k on the month 10 projections, due to an increase in the subsistence and allowance payments to clients. The underspend is due primarily to the alignment of the Public Health responsibilities, where £468k has been identified, 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: £390k underspend (£61k improvement)**

64. This service is projecting an underspend of £390k, an improvement of £61k on the month 10 projections, due to a further decrease in staffing costs, where a 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: £42k underspend (£9k improvement)**

65. The Youth Offending Service is projecting an underspend of £42k, an improvement of £9k on the month 10 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**

66. The following table sets out the number of current placements as at 1 March 2014, and compares the total with the data presented in month 7 based on the October 2013 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:

<b>March 2014 Projections</b>	<b>Projecte d 13/14  Number s</b>	<b>%</b>	<b>Annualise d Cost  £000</b>	<b>Cost  %</b>	<b>2013/14  Projecte d £000</b>	<b>2013/1 4 Budge t £000</b>
Secure/Remand Accommodation	3	1%	204	2%	210	111
Residential – Out of Borough	18	7%	2,710	30%	1,854	1,142
Residential – Joint Funded						479
Residential – Children with Disabilities					705	355
Semi Independent Living	34	13%	762	8%	782	537
Fostering Private – Long Term Matched Panel	23	9%	953	10%		
Fostering Private – Long Term Matched Court Order	3	1%	107	1%		
Fostering Private – Children with Disabilities					91	68
Fostering Private	63	25%	2516	27%	3,522	2,827
In House – Long Term Matched	11	4%	235	3%		
In House	98	39%	1665	18%	1,900	1,950
<b>Total March 2014</b>	<b>253</b>	<b>100 %</b>	<b>9,152</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 March</b>	<b>+37</b>		<b>+655</b>		<b>+154</b>	

67. 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):

<b>Placement</b>	<b>Age Range</b>					<b>Total</b>
	<b>0-2</b>	<b>2-5</b>	<b>5-11</b>	<b>11-16</b>	<b>16+</b>	
Private Residential - Out Borough	0	0	1	11	6	18
Semi Independent	0	0	0	0	34	34
IFA Matched LT-Matched	0	0	2	14	7	23
IFA Not Matched	4	2	22	26	12	66
In House	15	17	32	25	20	109
<b>Total</b>	<b>19</b>	<b>19</b>	<b>57</b>	<b>76</b>	<b>79</b>	<b>250</b>
<b>Percentage Distribution</b>	<b>8%</b>	<b>8%</b>	<b>23%</b>	<b>30%</b>	<b>32%</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 March</b>	<b>6</b>	<b>1</b>	<b>0</b>	<b>12</b>	<b>17</b>	<b>250</b>

68. 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: £1,328k overspend (£108k improvement)

69. The Asylum Service is projecting an overspend of £1,328k, an improvement of £108k on the month 10 projections, due to a reduction in the projected staffing costs.

70. The overspend of £1,328k 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 11:

Original Budget £'000	Budget Changes £'000	Service	Month 11		% Var	Variance (+ adv / - fav)			
			Revised Budget £'000	Forecast Outturn £'000		Variance (As at Month 11 £'000)	Variance (As at Month 10 £'000)	Change from Month 10 £'000	
2,768	529	Asylum	Salaries	3,297	2,949	-11%	(348)	(244)	(104)
2,442	365		Non-Sal Exp	2,807	4,136	47%	1,329	1,333	(4)
(5,210)	(894)		Income	(6,104)	(5,757)	-6%	(981)	(1089)	108
<b>0</b>	<b>0</b>		<b>Sub-Total</b>	<b>0</b>	<b>1,328</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

71. 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 £1,328k being reported, for which a sum of £1,995k has been set aside in the Corporate Risk Contingency.

72. 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	1,524,279	602,079	4,211	374,838	921,052	224,178
In House Fostering	256,300	483,425	227,125	267,031	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>2,906,163</b>	<b>1,200,763</b>	<b>490,340</b>	<b>1,213,659</b>	<b>977,985</b>	<b>224,178</b>
<b>Other Related Costs</b>							
Subsistence and Travel		193,324	193,324		28,590	110,629	53,137
Other		24,378	24,378	1,494	1,646	5,199	15,964
<b>Total Other Related Costs</b>	<b>0</b>	<b>217,703</b>	<b>217,703</b>	<b>1,494</b>	<b>30,236</b>	<b>115,828</b>	<b>69,101</b>

73. The table above indicates that the cost of placements is projected to be £2,906k, an increase of £9k on last month's projections, which funds 318 clients (an increase of 7 on last month's figures) as noted in the following table, of these, 82 are non grant claimable clients. Additionally the Council has to provide subsistence and travel allowances to 128 clients.

Placement Type	Age Profile - Numbers				Total	Number of Claimable Clients				
	Under 16	16 - 18	18 - 21	Over 21		Under 16	16 - 18	18 - 21	Over 21	Total
<b>Placement</b>										
Accommodation Rent	0	22	105	34	161		16	83	19	118
In House Fostering	10	11	1	0	22	9	11	1		21
Independent Fostering	5	10	1		16	3	9	1		13
In House Provisions	4	34			38	4	34			38
Clients with no placement	5	12	28	36	81	3	5	20	18	46
<b>Total Placement Costs</b>	<b>24</b>	<b>89</b>	<b>135</b>	<b>70</b>	<b>318</b>	<b>19</b>	<b>75</b>	<b>105</b>	<b>37</b>	<b>236</b>
<b>Other Related Costs</b>										
Subsistence and Travel	0	14	65	23	102					
Other	4	5	6	11	26					
<b>Total Other Related Costs</b>	<b>4</b>	<b>19</b>	<b>71</b>	<b>34</b>	<b>128</b>					

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

	Under 16	£	16 - 18	£	18 - 21	£	Over 21	£	Total Clients	Total £
Naturalised	1	30,788	0		4	37,948	8	51,931	13	120,667
EAA					12	142,433	10	40,578	22	183,011
Other		1,890	7	63,038	12	46,769	5	39,352	24	151,049
Heathrow Child	4	62,098	1	906	1	0			6	63,004
Any Other Reason		0	6	7,565	1	0	10	144	17	7,709
<b>Total Non Claimable</b>	<b>5</b>	<b>94,776</b>	<b>14</b>	<b>71,509</b>	<b>30</b>	<b>227,150</b>	<b>33</b>	<b>132,005</b>	<b>82</b>	<b>525,440</b>

75. 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

### Risk Contingency

76. 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 11		% Var	Variance (+ adv / - fav)		
			Revised Budget £'000	Forecast Outturn £'000		Variance (As at Month 11) £'000	Variance (As at Month 10) £'000	Change from Month 10 £'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>2,109</b>	<b>20%</b>	<b>(559)</b>	<b>(582)</b>	<b>23</b>

## Adult Social Care (£213k underspend, £68k favourable movement)

The Month 11 revenue budget forecast for 2013/14 shows a projected underspend of £213k against budget, representing a £68k favourable movement from the Month 10 position and reflecting further forecast underspends on salaries, arising from vacancy savings and an improvement on placement forecasts. This is partially offset by a reduction in the client income. 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 11		% Var	Variance (+ adv / - fav)			
			Revised Budget	Forecast Outturn		Variance (As at Month 11)	Variance (As at Month 10)	Change from Month 8	
£'000	£'000		£'000	£'000		£'000	£'000	£'000	
6,431	(14)	Older People	Salaries	6,417	5,798	-10%	(619)	(608)	(11)
23,572	454		Non-Sal Exp	24,026	25,664	7%	1,638	1,664	(26)
(8,977)	0		Income	(8,977)	(10,167)	13%	(1,190)	(1,250)	60
<b>21,026</b>	<b>440</b>		<b>Sub-Total</b>	<b>21,466</b>	<b>21,295</b>	<b>-1%</b>	<b>(171)</b>	<b>(194)</b>	<b>23</b>
1,612	42	Physical & Sensory Disability	Salaries	1,654	1,463	-12%	(191)	(190)	(1)
6,726	189		Non-Sal Exp	6,915	7,015	1%	100	94	6
(592)	0		Income	(592)	(523)	-12%	69	(6)	75
<b>7,746</b>	<b>231</b>		<b>Sub-Total</b>	<b>7,977</b>	<b>7,955</b>	<b>0%</b>	<b>(22)</b>	<b>(102)</b>	<b>80</b>
5,882	(359)	Learning Disability	Salaries	5,523	5,112	-7%	(411)	(389)	(22)
21,157	1,753		Non-Sal Exp	22,910	23,763	4%	853	960	(107)
(6,281)	1,018		Income	(5,263)	(4,645)	-12%	618	596	22
<b>20,758</b>	<b>2,412</b>		<b>Sub-Total</b>	<b>23,170</b>	<b>24,230</b>	<b>5%</b>	<b>1,060</b>	<b>1,167</b>	<b>(107)</b>
1,526	31	Mental Health	Salaries	1,557	1,339	-14%	(218)	(189)	(29)
4,889	3		Non-Sal Exp	4,892	5,090	4%	198	226	(28)
(400)	0		Income	(400)	(416)	4%	(16)	(34)	18
<b>6,015</b>	<b>34</b>		<b>Sub-Total</b>	<b>6,049</b>	<b>6,013</b>	<b>-1%</b>	<b>(36)</b>	<b>3</b>	<b>(39)</b>
2,322	(516)	Social Care Directorate	Salaries	1,806	1,614	-11%	(192)	(180)	(12)
(1,724)	(589)		Non-Sal Exp	(2,313)	(3,156)	36%	(843)	(830)	(13)
(650)	650		Income	0	(9)	N/A	(9)	(9)	0
<b>(52)</b>	<b>(455)</b>		<b>Sub-Total</b>	<b>(507)</b>	<b>(1,551)</b>	<b>206%</b>	<b>(1,044)</b>	<b>(1,019)</b>	<b>(25)</b>
17,773	(816)	Adult Social Care	Salaries	16,957	15,326	-10%	(1,631)	(1,556)	(75)
54,620	1,810		Non-Sal Exp	56,430	58,376	3%	1,946	2,114	(168)
(16,900)	1,668		Income	(15,232)	(15,760)	3%	(528)	(703)	175
<b>55,493</b>	<b>2,662</b>		<b>Total</b>	<b>58,155</b>	<b>57,942</b>	<b>0%</b>	<b>(213)</b>	<b>(145)</b>	<b>(68)</b>

77. 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 11 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.

78. 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 11)	Variance (As at Month 10)	Movement from Month 10
£'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>

79. The pressure to support older people living in the community in Month 11 has stabilised. At period 11 an underspend on telecare of £60k has been forecast, with reductions of £57k for supported living and £66k for residential and nursing care, partly offset by an increase of £68k for care at home. Income expectations have been reduced marginally following a review of the projections against actuals at the end of Month 11.

80. For the Physical and Sensory Disability Service there has been an adverse movement (£75k) on income arising from a review of client income projections.

81. For Learning Disability Services there has been an overall improvement of £107k. The improvement relates primarily to the placement forecasts. The further adverse variance of income (£22k) has arisen as a consequence of adjusting the expectation for the full year based on actual for the year to date.

82. In Mental Health services there has been an overall improvement of £39k attributable partly to an increase in the projected staffing under spend as vacancies remain, an improvement in the placements forecast, partially offset by a reduction in the income expectation.

83. Social Care Directorate shows a small increase in the forecast under spend on staffing as a consequence of delayed recruitment and a small favourable variance on non-salaries budget.

84. Being managed within the reported position is £249k relating to clients with no recourse to public funds. Over this financial year the trend has shown a slow increase. The spend relates to 16 clients who are predominantly failed asylum seekers.
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 moderated further at Month 11.
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. This will therefore continue to delay the release of savings into 2014/15.
87. Efficiency savings from aligning Public health responsibilities and objectives with all aspects of Council services and activities that benefit health produced 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 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 £'000	Budget Changes £'000		Month 11		% Var	Variance (+ adv / - fav)		
			Revised Budget £'000	Forecast Outturn £'000		Variance (As at Month 11) £'000	Variance (As at Month 10) £'000	Change from Month 10 £'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 10. 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 10, 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 10.
5. The other major variances across the budget are net underspends of £187k on fees at independent schools, no change compared to Month 10, and an overspend of £69k on Education Other Than at School, no change compared to Month 10.

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 10.

### 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 11		% Var	Variance (+ adv / - fav)		
			Revised Budget	Forecast Outturn		Variance (As at Month 11)	Variance (As at Month 10)	Change from Month 10
£'000	£'000		£'000	£'000		£'000	£'000	£'000
(4,387)	0	Income	(4,387)	(3,767)	-14%	620	592	28
4,295	0	Expenditure	4,295	3,921	-9%	(374)	(348)	(26)
<b>(92)</b>	<b>0</b>	<b>In year Surplus / Deficit</b>	<b>(92)</b>	<b>154</b>	<b>-267%</b>	<b>246</b>	<b>244</b>	<b>2</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>78</b>		<b>246</b>	<b>244</b>	<b>2</b>

8. An in-year deficit of £154k is forecast for the 2013/14 financial year, an adverse movement of £2k compared to Month 10. There is a total forecast shortfall of income of £620k, 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 £261k 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 £28k compared to Month 10 due to external delays in progressing bailiff recovery. The income pressure is offset by compensating savings totalling £466k, from the enforcement contract (£215k), an adverse movement of £5k compared to Month 10, and various staffing and non-pay budgets (£159k), an improvement of £31k compared to Month 10, 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 forecast surplus of £3,610k as at Month 10 has been factored into the 2014/15 General Fund budget, with no change in this position at Month 11. Any further movement in the Collection Fund position will impact upon the 2015/16 revenue budget.

Original Budget	Budget Changes		Month 11		Variance (+ adv / - fav)		
			Revised Budget	Forecast Outturn	Variance (As at Month 11)	Variance (As at Month 10)	Movement from Month 10
£'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 10. Over and above this sum, the brought forward surplus of £2,410k brings the net surplus for the year to £3,610k.

11. While a breakeven position continues to be reported on NNDR income for 2013/14, there has been a decline in income as a result of backdated appeals against the rating list. The impact of these losses would have been expected to result in a loss of up to £900k for the Council, however it is now expected that this risk can be managed within the existing provision for managing backdated appeal losses.

## 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 £5,085k, £263k improvement compared to Month 10. The surplus is mainly due to a reduction in the major works programme (£4,660k), lower planned maintenance costs (£2,000k), lower management costs (£997k) and a reduced forecast call on contingency (£757k), offset by increased debt repayment (£2,000) and a reduction in rent income (£1,329k).

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

Original Budget	Budget Changes		Month 9		% Var	Variance (+ adv / - fav)		
			Revised Budget	Forecast Outturn		Variance (As at Month 11)	Variance (As at Month 10)	Change from Month 10
£'000	£'000		£'000	£'000		£'000	£'000	£'000
10,537	1,260	Housing Management	11,797	10,800	-8%	(997)	(882)	(115)
12,341	(1,033)	Repairs & Maintenance	11,308	9,308	-18%	(2,000)	0	(2,000)
17,838	(162)	Major Works	17,676	13,016	-26%	(4,660)	(4,660)	0
1,357	0	Development & Risk Contingency	1,357	600	-56%	(757)	(557)	(200)
15,307	(65)	Interest & Investment Income	15,242	17,242	13%	2,000	(52)	2,052
<b>57,380</b>	<b>0</b>	<b>Sub-total Normal Activities</b>	<b>57,380</b>	<b>50,966</b>	<b>-11%</b>	<b>(6,414)</b>	<b>(6,151)</b>	<b>(263)</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>50,966</b>	<b>-11%</b>	<b>(6,414)</b>	<b>(6,151)</b>	<b>(263)</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>(5,133)</b>		<b>(5,085)</b>	<b>(4,822)</b>	<b>(263)</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>(25,346)</b>		<b>(5,085)</b>	<b>(4,822)</b>	<b>(263)</b>

2. The Housing Management budget is showing an under spend of £997k, £115k improvement compared to Month 10 due to reduced charges for central services agreed in the period. There are also under spends 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 now projected to under spend by £2,000k. The under spend is due to Planned maintenance activities which have been delayed in-year and programmes being reshaped in line with the 2014/15 budget. Within this position 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 can 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 under spend by £4,660k, no change compared to Month 10. 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.
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 evidence on the effects of welfare reform but the previous contingency forecast of £200k for under-occupancy tenants is no longer required in 2013/14. Pressure is being experienced in this area and it will be regularly monitored in 2014/15. The existing rent system controls continue to be examined and the provision for doubtful debts policy is also being revised to ensure consistency with the policy in use elsewhere in the Council.
6. Additional Debt repayment of £2,000k has been included in the estimate this month and will be reviewed at year end based on overall resources within the HRA.
7. Rental income is showing an over spend of £1,329k against a target of £57.4 million, no change compared to Month 10. Right to buy sales are currently forecast at 100 dwellings but this may be exceeded by 3–5 units by the end of the year based on current conveyancing activity.
8. 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 50 additional units to date have been approved for use. 40 units are forecast to be brought back into use by the end of the year and the remaining 10 will be released when re-let works are complete.

## Appendix D – Capital Programme Monitoring

### 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 £66,997k, representing 80% 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 £50,015k for 2013/14 which represents 60% of the total spend.

**Table 1 – General Fund Capital Programme**

	2013/14 £'000	2014/15 £'000	2015/16 £'000	Total Month (11) £'000	Total Month (10) £'000
Original Budget Total GF capital programme	130,779	63,141	17,803	211,723	211,723
Revised Budget excluding contingency (main prog.)	107,652	105,429	22,372	235,453	232,159
Actual Expenditure Year to Date	66,997	0	0	66,997	59,465
Forecast Outturn	83,930	109,343	22,372	215,645	212,245
	-23,722	3,914	0	-19,808	-19,914
<i>Variance By Service:</i>					
Asset Management (Table 2)	-4,460	-1,669	0	-6,129	-6,129
Education (Schools Expansions – Table 3)	-9,133	-1,245	0	-10,378	-10,378
Education (Other – Table 4)	-931	823	0	-108	-110
Environmental Policy & Community Engagement (Table 5)	-1,655	1,640	0	-15	-15
Housing General Fund (Table 6)	-1,833	663	0	-1,170	-1,041
ICT Highways and Business Services (Table 7)	-4,141	1,518	0	-2,623	-2,322
Planning, Green Spaces & Culture (Table 8)	-776	1,111	0	335	-119
Public Safety (Table 9)	-793	1,073	0	280	201
Adult Social Care Services	0	0	0	0	0
<b>Total Main Programme Variance</b>	<b>-23,722</b>	<b>3,914</b>	<b>0</b>	<b>-19,808</b>	<b>-19,914</b>
Analysis of Main Programme Variance:					
Cost Variance	-18,698	-1,110	0	-19,808	-19,914
Projected Re-phasing	-5,024	5,024	0	0	0
	<b>-23,722</b>	<b>3,914</b>	<b>0</b>	<b>-19,808</b>	<b>-19,914</b>
Financing Variance:					
Council Resourced Variance	-25,828	5,008	1,012	-19,808	-19,914
External Grants & Contributions Variance	2,106	-1,094	-1,012	0	0
<b>Total Main Programme Variance</b>	<b>-23,722</b>	<b>3,914</b>	<b>0</b>	<b>-19,808</b>	<b>-19,914</b>
Contingency Variance (Council Resourced):	-937	-1,500	-1,500	-3,937	-3,937
<b>Total Capital Programme Variance</b>	<b>-24,659</b>	<b>2,414</b>	<b>-1,500</b>	<b>-23,745</b>	<b>-23,851</b>
<b>Total Month 10</b>	<b>-24,470</b>	<b>2,045</b>	<b>-1,426</b>	<b>-23,851</b>	

- The revised budget for 2013/14 has increased by £219k from Month 10 due to additional schools' revenue contributions of £151k to the Devolved Formula Capital programme and allocation of £68k Section 106 monies to supplement the Environmental Assets budget. The budget for 2014/15 has been increased to reflect



the additional DECC Green Communities funding of £2,876k and TfL principal roads renewal capital funding of £199k.

4. The main internally funded programme shows a net favourable variance of £19,808k. 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 not materially changed from Month 10 overall although it does include an increase to the forecast year end outturn on the Schools Expansion Programme of £2,613k based on current progress. However this is offset by movements largely relating to slippage on numerous other schemes.
6. Details of the capital programme performance by service are provided in the following paragraphs.

## Asset Management

7. 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 (11) £'000</b>	<b>Total Month (10) £'000</b>
<b>Asset Management:</b>					
Revised Budget	5,740	4,085	600	<b>10,425</b>	<b>10,426</b>
Actual Expenditure Year to Date	602	0	0	<b>602</b>	<b>400</b>
Forecast Outturn	1,280	2,416	600	<b>4,296</b>	<b>4,297</b>
Forecast Variance	-4,460	-1,669	0	<b>-6,129</b>	<b>-6,129</b>
<u>Analysis of Variance by Scheme</u>					
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>-536</b>
South Ruislip Development - Plot A	-289	63	0	<b>-226</b>	<b>-225</b>
HRD Health & Safety Works	-40	0	0	<b>-40</b>	<b>-40</b>
<b>Total Cost Variances</b>	<b>-3,692</b>	<b>-2,437</b>	<b>0</b>	<b>-6,129</b>	<b>-6,129</b>
Projected Re-phasing	-768	768	0	<b>0</b>	<b>0</b>
<b>Total Variance</b>	<b>-4,460</b>	<b>-1,669</b>	<b>0</b>	<b>-6,129</b>	<b>-6,129</b>
Month 10 Variance	<b>-3,972</b>	<b>-2,157</b>	<b>0</b>	<b>-6,129</b>	

8. The only movements from last month are on the following schemes:
9. South Ruislip Development Plot A – there is forecast slippage of £63k into next financial year. The forecast under spend is £225k after agreement of the final accounts.
10. Queenswalk Development - there is a further forecast slippage of £407k 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, it is likely that completion will be delayed until end of July and become operational in August.

11. Harlington Road Depot - September Cabinet approved £51.5k for feasibility work to develop the refurbishment project which has been included in the capital programme for 2014/15 submitted to February Cabinet. External professional consultants are providing technical services to conduct a detailed condition survey and the preparation of tender documentation for the proposed refurbishment works. An estimated £42k of the feasibility budget is forecast to slip into next financial year.

### Education (Schools Expansions Programme)

12. 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 (11) £'000	Total Month (10) £'000
<b>Education (Schools Expansions Programme):</b>					
Revised Budget	59,148	60,893	6,069	<b>126,110</b>	<b>126,110</b>
Actual Expenditure Year to Date	40,526	0	0	<b>40,526</b>	<b>35,916</b>
Forecast Outturn	50,015	59,648	6,069	<b>115,732</b>	<b>115,732</b>
Forecast Variance	-9,133	-1,245	0	<b>-10,378</b>	<b>-10,378</b>
<u>Analysis of Variance by Scheme</u>					
Primary Schools Expansions Phase 1	-1,070	2,080	0	<b>1,010</b>	<b>1,010</b>
Primary Schools Expansions Phase 1A Temporary	-508	15	0	<b>-493</b>	<b>-493</b>
Primary Schools Expansions Phase 2	-5,161	-3,117	0	<b>-8,278</b>	<b>-8,277</b>
Primary Schools Expansions Phase 2A Temporary	10	34	0	<b>44</b>	<b>44</b>
Primary Schools Expansions Phase 3	0	0	0	<b>0</b>	<b>0</b>
Primary Schools Expansions New Build	-2,224	-437	0	<b>-2,661</b>	<b>-2,661</b>
Primary Schools - Special Resources Provision	0	0	0	<b>0</b>	<b>0</b>
<b>Total Cost Variances</b>	<b>-8,953</b>	<b>-1,425</b>	<b>0</b>	<b>-10,378</b>	<b>-10,378</b>
Projected Re-phasing	-180	180	0	<b>0</b>	<b>0</b>
<b>Total Variance</b>	<b>-9,133</b>	<b>-1,245</b>	<b>0</b>	<b>-10,378</b>	<b>-10,378</b>
Month 10 Variance	-11,746	1,294	74	<b>-10,378</b>	

13. Primary Schools Expansions – Phase 1. There is a forecast £1,010k over spend due to increased costs for Whitehall Infants & Junior Schools. The infant school is complete and the junior school is now expected to be complete by June 2014, however, this 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. The phasing of the over spend has been adjusted to reflect the forecast outturn position in 2014/15.
14. 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.

15. 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.
16. 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 £8,278k. 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 and the forecast profile of spend between financial years has been amended to reflect current progress. There remain potential unforeseen issues that could reduce this favourable position moving forward.
17. 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.
18. Primary Schools Expansions – Phase 3. There is a forecast under spend of £2,661k 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. Funding of £1,000k has been re-allocated from this for special resource provision by September 2014 at Hedgewood and Meadow special schools and Cherry Lane school.
19. 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.
20. There is forecast slippage of £180k on minor works projects.
21. 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)

22. 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 (11) £'000</b>	<b>Total Month (10) £'000</b>
<b>Education (Other Schemes):</b>					
Revised Budget	4,358	4,460	1,535	<b>10,353</b>	<b>10,203</b>
Actual Expenditure Year to Date	2,661	0	0	<b>2,661</b>	<b>2,620</b>
Forecast Outturn	3,427	5,283	1,535	<b>10,245</b>	<b>10,093</b>
Forecast Variance	-931	823	0	<b>-108</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	-13	0	0	<b>-13</b>	<b>-15</b>
<b>Total Cost Variances</b>	<b>-108</b>	<b>0</b>	<b>0</b>	<b>-108</b>	<b>-110</b>
Projected Re-phasing	-823	823	0	<b>0</b>	<b>0</b>
<b>Total Variance</b>	<b>-931</b>	<b>823</b>	<b>0</b>	<b>-108</b>	<b>-110</b>
Month 10 Variance	-579	469	0	<b>-110</b>	

23. Final accounts have been agreed for Ruislip High School Expansion resulting in a forecast under spend of £95k and under spend of £13k is forecast on completion of sites under Phase 3 Children Centre sites.
24. Urgent Building Condition Projects – there has been further slippage of £70k 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

25. 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 (11) £'000</b>	<b>Total Month (10) £'000</b>
<b>Environmental Policy &amp; Community Engagement:</b>					
Revised Budget	9,655	7,552	4,573	<b>21,780</b>	<b>21,581</b>
Actual Expenditure Year to Date	6,003	0	0	<b>6,003</b>	<b>5,556</b>
Forecast Outturn	8,000	9,192	4,573	<b>21,765</b>	<b>21,565</b>
Forecast Variance	-1,655	1,640	0	<b>-15</b>	<b>-15</b>
<u>Analysis of Variance by Scheme</u>					
Chrysalis Programme	-874	874	0	<b>0</b>	<b>0</b>
Road Safety	-15	0	0	<b>-15</b>	<b>-15</b>
<b>Total Cost Variances</b>	<b>-889</b>	<b>874</b>	<b>0</b>	<b>-15</b>	<b>-15</b>
Projected Re-phasing	-766	766	0	<b>0</b>	<b>0</b>
<b>Total Variance</b>	<b>-1,655</b>	<b>1,640</b>	<b>0</b>	<b>-15</b>	<b>-15</b>
Month 10 Variance	-969	954	0	<b>-15</b>	

26. Road Safety - an under spend of £15k is forecast from savings on several small schemes.

27. The Transport for London Local Implementation Plan for 2013/14 is in progress, however there is further slippage of £252k forecast as the annual programme will not be complete by financial year end. Total slippage of £1,496k is now forecast of which £800k budget has previously been re-phased into next financial year. It is expected that the TfL grant will be fully utilised because works will be completed by the claim deadline in 2014/15.

## Housing General Fund

28. 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 (11) £'000</b>	<b>Total Month (10) £'000</b>
<b>Housing General Fund:</b>					
Revised Budget	3,879	6,460	3,262	<b>13,601</b>	<b>10,725</b>
Actual Expenditure Year to Date	1,528	0	0	<b>1,528</b>	<b>1,203</b>
Forecast Outturn	2,046	7,123	3,262	<b>12,431</b>	<b>9,684</b>
Forecast Variance	-1,833	663	0	<b>-1,170</b>	<b>-1,041</b>
<u>Analysis of Variance by Scheme</u>					
GF Supported Housing Programme	-740	210	0	<b>-530</b>	<b>-530</b>
Disabled Facilities Grants	-640	0	0	<b>-640</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>-1,833</b>	<b>663</b>	<b>0</b>	<b>-1,170</b>	<b>-1,041</b>
Projected Re-phasing	0	0	0	<b>0</b>	<b>0</b>
<b>Total Variance</b>	<b>-1,833</b>	<b>663</b>	<b>0</b>	<b>-1,170</b>	<b>-1,041</b>
Month 10 Variance	-1,859	818	0	<b>-1,041</b>	

29. 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. The phasing of this spend has been amended as the payment will not now occur until early in next financial year.
30. Disabled Facilities Grants (DFG) and Private Sector Renewal Grants (PSRG) – a number of existing DFG cases totalling £511k are no longer required by clients and this funding will be reallocated to new cases once approved. The under spend represents the existing uncommitted funding.
31. Property Adaptations for Adopted Children - a budget of £200k has been allocated for this of which £100k has been released for identified jobs.
32. 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

33. 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 (11) £'000</b>	<b>Total Month (10) £'000</b>
<b>ICT, Highways &amp; Business Services:</b>					
Revised Budget	12,702	4,549	2,888	<b>20,139</b>	<b>20,139</b>
Actual Expenditure Year to Date	7,207	0	0	<b>7,207</b>	<b>6,685</b>
Forecast Outturn	8,561	6,067	2,888	<b>17,516</b>	<b>17,817</b>
Forecast Variance	-4,141	1,518	0	<b>-2,623</b>	<b>-2,322</b>
<u>Analysis of Variance by Scheme</u>					
Civic Centre Works Programme	-2,119	0	0	<b>-2,119</b>	<b>-1,819</b>
ICT Single Development Plan	-379	0	0	<b>-379</b>	<b>-379</b>
Street Lighting	-125	0	0	<b>-125</b>	<b>-125</b>
<b>Total Cost Variances</b>	<b>-2,623</b>	<b>0</b>	<b>0</b>	<b>-2,623</b>	<b>-2,322</b>
Projected Re-phasing	-1,518	1,518	0	<b>0</b>	<b>0</b>
<b>Total Variance</b>	<b>-4,141</b>	<b>1,518</b>	<b>0</b>	<b>-2,623</b>	<b>-2,322</b>
Month 10 Variance	-3,728	1,406	0	<b>-2,322</b>	

34. 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 £300k. The level of commitments against this budget will be reviewed at the end of the financial year.
35. ICT Single Development Plan – a number of smaller projects are in early stages resulting in a current year under spend and will require to be funded from the 2014/15 allocation.
36. 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.
37. 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, however the likely timing of spend is to overlap financial years with £1,300k included in the projected re-phasing.
38. Purchase of Vehicles programme – an amount of £200k will be re-phased into next financial year as no further purchases will be completed before financial year end. There is a forecast pressure of £100k 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

39. 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 (11) £'000</b>	<b>Total Month (10) £'000</b>
<b>Planning, Green Spaces &amp; Culture:</b>					
Revised Budget	1,739	13,708	0	<b>15,447</b>	<b>15,446</b>
Actual Expenditure Year to Date	720	0	0	<b>720</b>	<b>624</b>
Forecast Outturn	963	14,819	0	<b>15,782</b>	<b>15,327</b>
Forecast Variance	-776	1,111	0	<b>335</b>	<b>-119</b>
<u>Analysis of Variance by Scheme</u>					
Hillingdon Sports & Leisure Centre	-381	910	0	<b>529</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	12	-32	0	<b>-20</b>	<b>-20</b>
<b>Total Cost Variances</b>	<b>-543</b>	<b>878</b>	<b>0</b>	<b>335</b>	<b>-119</b>
Projected Re-phasing	-233	233	0	<b>0</b>	<b>0</b>
<b>Total Variance</b>	<b>-776</b>	<b>1,111</b>	<b>0</b>	<b>335</b>	<b>-119</b>
Month 10 Variance	-342	222	0	<b>-119</b>	

40. Highgrove Pool Phase II – the forecast under spend is on final account.

41. Sport & Cultural Projects – funding of £154k currently remains unallocated, however this may be required to fund potential new projects.

42. Car Park resurfacing – costings for works at Kingsend and Cedars car parks indicate that the works will be completed with a £20k under spend. Works are progressing slightly earlier than previously forecast which is reflected in the re-phasing of the under spend.

43. Hillingdon Sports & Leisure Centre – negotiations are ongoing with the contractor over the completion of remedial works. Various options are being considered to bring the project to closure and detailed costings of outstanding works indicate an increase to the forecast over spend of £454k.

44. Yiewsley Pool Development – this scheme is in initial design stages. An amount of £130k 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.

45. 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

46. 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 (11) £'000	Total Month (10) £'000
<b>Public Safety:</b>					
Revised Budget	10,131	3,522	3,245	<b>16,898</b>	<b>16,830</b>
Actual Expenditure Year to Date	7,656	0	0	<b>7,656</b>	<b>6,375</b>
Forecast Outturn	9,338	4,595	3,245	<b>17,178</b>	<b>17,031</b>
Forecast Variance	-793	1,073	0	<b>280</b>	<b>201</b>
<u>Analysis of Variance by Scheme</u>					
Hayes End Library Development	157	81	0	<b>238</b>	<b>238</b>
Libraries Refurbishment	22	0	0	<b>22</b>	<b>22</b>
Libraries Refurbishment - Central Library	84	0	0	<b>84</b>	<b>0</b>
New Years Green Lane Civic Amenity Site	-302	257	0	<b>-45</b>	<b>-53</b>
Willow Tree Centre	-13	0	0	<b>-13</b>	<b>0</b>
Manor Farm Stables Development	-6	0	0	<b>-6</b>	<b>-6</b>
<b>Total Cost Variances</b>	<b>-58</b>	<b>338</b>	<b>0</b>	<b>280</b>	<b>201</b>
Projected Rephasing	-735	735	0	<b>0</b>	<b>0</b>
<b>Total Variance</b>	<b>-793</b>	<b>1,073</b>	<b>0</b>	<b>280</b>	<b>201</b>
Month 10 Variance	-338	539	0	<b>201</b>	

47. Hayes End Library Development – The project is forecasting an increased over spend 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.
48. Central Library Refurbishment – the refurbishment of Uxbridge Central Library is complete however there have been additional items to finish the project that have resulted in an over spend of £84k. These include ICT equipment, sprinkler works, roofing and electrical work.
49. Libraries Refurbishment Programme – 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.
50. News Year Green Lane Civic Amenity Site – latest estimates are that there will be an under spend of £45k which will materialise next year on completion.
51. Willow Tree Centre - this project has been finalised resulting in an under spend of £13k.
52. Environmental Assets - Ruislip Lido works are complete and costs are being finalised. Cannons Brook mitigation works are expected to be complete by the end of March. There are other projects in progress and a remaining unallocated budget which will be utilised next financial year, resulting in a forecast £592k to be re-phased.

## General Contingency

53. 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

54. 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 (11)</b>	<b>Total Month (10)</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	9,582	9,966	5,321	1,050	<b>25,919</b>	<b>25,902</b>
Variance	<b>-558</b>	<b>7,091</b>	<b>3,852</b>	<b>4,414</b>	<b>14,799</b>	<b>14,816</b>

55. Forecast General Fund capital receipts are £9,582k for 2013/14 which is a decrease of £2,441k from last month. This is mainly due to the timing of one major sale which is close to completion but the receipt will not now be received until early in the next financial year. There are also delays in the sales of ten of the fifteen flats at Hayes End Library development which will not be completed until next financial year.

56. The total forecast is £14,799k lower than the budgeted level which will have the effect of increasing borrowing levels. However overall borrowing levels are offset by a reduction of £23,745k 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 (11)</b>	<b>Total Month (10)</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Forecast Council Resource Requirement	22,785	53,148	11,698	7,735	<b>95,366</b>	<b>95,459</b>
Forecast Capital Receipts	-9,582	-9,966	-5,321	-1,050	<b>-25,919</b>	<b>-25,902</b>
<b>Forecast Borrowing</b>	<b>13,203</b>	<b>43,182</b>	<b>6,377</b>	<b>6,685</b>	<b>69,447</b>	<b>69,557</b>

57. There is negligible movement in overall forecast borrowing levels from last month.

## Housing Revenue Account (HRA) Capital Programme

58. The Works to Stock programme consists of capital and revenue and is reported in Appendix C. 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 (11) £'000	Total Month (10) £'000
<b>HRA New Build Programme:</b>					
Revised Budget	357	0	0	<b>357</b>	<b>357</b>
Actual Expenditure Year to Date	218	0	0	<b>218</b>	<b>242</b>
Forecast Outturn	466	1,049	0	<b>1,515</b>	<b>1,725</b>
Forecast Variance	109	1,049	0	<b>1,158</b>	<b>1,368</b>
<u>Analysis of Variance by Scheme</u>					
New Build – Extra Care Sites Phase 1	-150	1,049	0	<b>899</b>	<b>1,109</b>
New Build – HRA Pipeline Sites Phase 1	25	0	0	<b>25</b>	<b>25</b>
New Build – Learning Disability Sites Phase 1	146	0	0	<b>146</b>	<b>146</b>
New Build – HRA Pipeline Sites Phase 2	88	0	0	<b>88</b>	<b>88</b>
<b>Total Cost Variances</b>	<b>109</b>	<b>1,049</b>	<b>0</b>	<b>1,158</b>	<b>1,368</b>
Projected Rephasing	0	0	0	<b>0</b>	<b>0</b>
<b>Total Variance</b>	<b>109</b>	<b>1,049</b>	<b>0</b>	<b>1,158</b>	<b>1,368</b>
Month 10 Variance	159	1,209	0	<b>1,368</b>	

59. New Build HRA Extra Care Sites Phase 1: Triscott House – contractual issues leading to a forecast over spend of £899k have yet to be resolved with the main contractor. The capital over spend has been revised downwards by £210k because an element of the outstanding works relate to defects arising from the construction phase and these will be met from the HRA Planned maintenance revenue budget as part of the works to stock programme.
60. The final over spend will depend on the outcome of legal proceedings and is still subject to some uncertainty. The Council has entered into arbitration with the contractor, however due to the lengthy time that this will take to be resolved the forecast over spend is reported in 2014/15 financial year.
61. 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.
62. 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**

63. There have been 91 Right to Buy sales of Council dwellings achieved for the year as at end of February 2014 for a value of £8,904k and a total of 100 sales totalling £10,203k have been achieved in 2013/14. Under the current agreement with DCLG, the Council is required to re-invest these proceeds in housing stock regeneration within three years.

## Appendix E – Treasury Management Report as at 28 February 2014

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

	Actual £m	Actual %	Bench-mark %
Up to 1 Month	91.1	78.26	75.00
1-2 Months	3.0	2.58	10.00
2-3 Months	13.0	11.17	10.00
3-6 Months	8.5	7.30	5.00
6-9 Months	0.0	0.0	0.00
9-12 Months	0.0	0.0	0.00
12-18 Months	0.0	0.0	0.00
<b>Subtotal</b>	<b>115.6</b>	<b>99.31</b>	<b>100.00</b>
Unpaid Maturities	0.8	0.69	0.00
<b>Total</b>	<b>116.4</b>	<b>100.00</b>	<b>100.00</b>

1. With the exception of the unpaid Icelandic investments, London Borough of Hillingdon's 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, Deutsche MMF, Goldman Sachs MMF, Insight MMF, Ignis MMF, PSDF MMF, Royal Bank of Scotland, HSBC Bank, Nationwide Building Society, Barclays Bank, Lancashire County Council, Blaenau Gwent CC, Mid Suffolk Council, Redditch Borough Council and the DMADF. The Council also currently holds two Certificates of Deposit with Standard Chartered.
2. During February fixed-term deposits continued to mature in line with cashflow requirements. Any surplus funds were either placed in instant access accounts or 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>

3. There were no early debt repayment opportunities or rescheduling activities during February. Throughout the month there were no breaches of the prudential indicators or non-compliance with the treasury management policy and practices.
4. In order 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.

## 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>Administration</b>					
Property Lawyer	01-Apr-14	31-Mar-15	214	57	271
<b>Residents Services</b>					
Planning Officer	24-Mar-14	19-Sep-14	71	32	103
Plasterer	27-Jun-14	26-Sep-14	40	10	50
Plasterer	31-Mar-14	27-Jun-14	41	9	50
POD Co-ordinator (Technical Administrator)	01-Apr-14	30-Apr-14	50	2	52
POD Co-ordinator (Technical Administrator)	01-Apr-14	30-Apr-14	64	2	66
POD Co-ordinator (Technical Administrator)	01-Apr-14	30-Apr-14	86	2	88
POD Co-ordinator (Technical Administrator)	01-Apr-14	30-Apr-14	72	2	74
CP Soccer School	01-Apr-14	01-Sep-14	44	9	53
Project Manager	31-Mar-14	26-Sep-14	150	50	200
Senior Environmental Health Officer	21-Mar-14	11-Jul-14	39	17	56
Legal Assistant	19-May-14	14-Nov-14	59	20	79
Building Control Surveyor	24-Mar-14	20-Jun-14	61	9	70
Quantity Surveyor	07-Apr-14	04-Oct-14	168	30	198
Quantity Surveyor	26-Apr-14	24-Oct-14	95	30	125
Project Manager	31-Mar-14	26-Sep-14	131	42	173
Principal Quantity Surveyor	31-Mar-14	26-Sep-14	207	50	257
Schools Building Surveyor	31-Mar-14	26-Sep-14	111	35	146
Development Surveyor	31-Mar-14	27-Jun-14	169	18	187
Schools Building Surveyor	31-Mar-14	26-Sep-14	47	34	81
Project Manager (Schools Conditions)	31-Mar-14	26-Sep-14	57	48	105
Electrical Services Officer	31-Mar-14	20-Jun-14	53	13	66
Electrical Services Engineer	07-Apr-14	15-Aug-14	129	18	147
Architect	31-Mar-14	27-Jun-14	40	13	53
<b>Children &amp; Young People's Services</b>					
C&F Referral & Assessment Team Archiver	01-Apr-10	31-Mar-14	77	4	81
Children's Homes Residential Care Worker	01-Apr-10	31-Mar-14	67	1	68
Children's Homes Residential Care Worker	01-Apr-10	31-Mar-14	74	1	75
C&YP Residential Worker	01-Apr-10	31-Mar-14	78	1	79
C&F Triage Social Worker	01-May-12	31-Mar-14	77	4	81
C&F Residential	01-Apr-10	31-Mar-14	83	2	85
C&F Residential	01-Apr-10	31-Mar-14	58	1	59

Post Title	Start Date	Proposed End Date	Previously Approved £'000	Approved £'000	Total Spend £'000
C&F Residential	01-Apr-10	31-Mar-14	75	3	78
C&YP Social Worker	01-Sep-13	31-Mar-14	46	8	54
Service Improvement Manager	01-Apr-12	31-Mar-14	73	10	83
C&YP Residential Worker	01-Apr-13	31-Mar-14	49	1	50
<b>Adult Social Care</b>					
Social Worker (Care Manager - Access team)	31-Mar-14	04-May-14	91	5	96
Floating Support Worker - Disability Provider Services - Floating Support South	31-Mar-14	04-May-14	57	3	60
Residential Care Worker - Disability Provider Services - Hatton Grove	31-Mar-14	04-May-14	81	2	83
Residential Care Worker - Disability Provider Services - Hatton Grove	31-Mar-14	04-May-14	81	2	83
Day Centre Officer - Woodside Day Centre	31-Mar-14	01-Jun-14	76	2	78
Occupational Therapist - Disability Services	31-Mar-14	04-May-14	77	6	83
Residential Care Worker - Disability Provider Services - Hatton Grove	31-Mar-14	28-Sep-14	51	14	65
Residential Care Worker - Disability Provider Services - Colham Road	31-Mar-14	01-Jun-14	105	5	110
Residential Care Worker - Disability Provider Services - Colham Road	31-Mar-14	01-Jun-14	105	5	110
Team Leader - Disability Provider Services - Chapel Lane	31-Mar-14	01-Jun-14	79	4	83
Day Centre Officer - Woodside Day Centre	31-Mar-14	01-Jun-14	91	4	95
Lead Approved Mental Health Practitioner	31-Mar-14	04-May-14	47	4	51

## Appendix G - Environmental Projects Update

To speed up project delivery, Cabinet in January 2014 agreed to delegate approvals for a number of environmental projects in the popular Chrysalis Programme, the Environmental Improvements Fund and by utilising some Housing Revenue Account monies where proposed within the Council's housing estate or s106 monies. Cabinet requested that officers report back to a subsequent meeting on progress.

These are beneficial local projects, which have already been subject to resident and community consultation. Approval status is set out below:

Environmental Project	Ward	Capital release approved	Status (as of 1 April 2014)
Portland Road, Hayes - Construction of new playground	Charville	100,000	Approved
Harefield Green - Refurbishment of playground	Harefield	57,000	Approved
Lake Farm open space- Construction of new playground	Botwell	50,000	Approved
Berkley Meadows - Environmental improvements	Heathrow Villages		<b>out to tender</b>
Park Road Green - Refurbish Playground	Charville	60,000	Approved
Pinkwell Park phase2 - New playground	Pinkwell	70,000	Approved
Connaught Rec - New outdoor gym	Brunel	40,900	Approved
Colham Green Rec - New outdoor gym	Brunel	39,980	Approved
Park Road Green - New outdoor gym	Charville	28,603	Approved
Ruislip Lido - New outdoor gym	West Ruislip	40,964	Approved
HRA Lundy Drive playground	Pinkwell	65,400	Approved
HRA Closemead Close playground	Northwood	47,300	Approved
HRA Brighton Close playground	Hillingdon East	47,300	Approved
HRA Gurney Drive playground	Pinkwell	16,500	Approved
HRA The Brambles rebuild of playground	West Drayton		<b>in re-design</b>
Taylors Meadow refurbish pavilion	Harefield	60,000	Approved
<b>Totals</b>		<b>723,947</b>	