

COUNCIL BUDGET -2014/15 MONTH 5 REVENUE AND CAPITAL BUDGET MONITORING

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

HEADLINE INFORMATION

Purpose of report	<p>This report provides the Council's forecast financial position and performance against the 2014/15 revenue budget and capital programme.</p> <p>A net in-year underspend of £2,004k is projected against 2014/15 General Fund revenue budgets as of August 2014 (Month 5). This represents an improvement of £189k on the position previously reported to Cabinet.</p> <p>The latest positions on other funds and the capital programme are detailed within the body of this report.</p>
Contribution to our plans and strategies	<p>Putting our Residents First: <i>Financial Management</i></p> <p>Achieving value for money is an important element of the Council's medium term financial plan.</p>
Financial Cost	N/A
Relevant Policy Overview Committee	Corporate Services and Partnerships
Ward(s) affected	All

RECOMMENDATIONS

That the Cabinet:

1. Note the forecast budget position for revenue and capital as at August 2014 (Month 5).
2. Note the treasury management update as at August 2014 (Month 5) at Appendix E.
3. Continue the delegated authority up until the 20 November 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 25 September and 23 October 2014 Cabinet meetings, detailed at Appendix F.
4. Agrees to the virement of £2,905k from the additional secondary schools contingency budget to fund works at Abbotsfield Secondary School.

5. **Note the purchase of 28,725 Carbon Reduction Commitment (CRC) allowances at £344,700, thereby settling the Council's obligations under Phase 1 of the scheme.**
6. **Approves the block booking of the second floor of Point West, 1040 Uxbridge Road, Hayes for a further period of three months at a cost of £31k. The accommodation is used as interim accommodation for bed & breakfast and avoids booking expensive alternatives such as Travelodges.**
7. **That Cabinet note the need for added flexibility for officers to increase temporary housing supply and to effect this, delegate full authority to the Deputy Chief Executive and Corporate Director of Residents Service, in consultation with the Leader of the Council and Cabinet Member for Social Services, Health and Housing, to determine the level and/or banding of such incentives as and when required.**
8. **Approves the acceptance of gift funding totalling £41,500 from Persimmon Homes and Segro / Airport Property Gp (No2) to fund additional resource and expedite planning work on major developments within the borough in accordance with the provisions of Section 93 of the Local Government Act 2003.**
9. **That Cabinet ratify an external grant of £6k to the Stop Heathrow Expansion group (S.H.E.) to assist them in their work within Hillingdon supporting the Council's policy against Heathrow Airport expansion and, following sign-off by the Leader of the Council, delegate authority to the Deputy Chief Executive and Corporate Director of Residents Services to award any further grants from the Heathrow Expansion Challenge Contingency budget.**
10. **That Cabinet agrees to a further one-off voluntary sector core grant to Hillingdon Autistic Care and Support of £31k from the 2014/15 grants budget.**

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 at outturn against budgets approved by Council on 20 February 2014.
2. Appendix E provides an update to Cabinet on Treasury Management performance during this financial year.
3. Recommendation 4 seeks authority to vire monies from the secondary schools capital contingency to the Abbotsfield replacement capital budget to fund works at the vocational centre and the Special Resource Provision. The vocational centre known as Innovat8 sited at the school is in very poor condition and needs to be re-provided. In discussions with the Education Funding Agency costings have been provided based on the current footprint of the centre and are estimated at £2,507k. In addition SRP provision for 12 children is required at a cost of £398k. The budget is financed by Prudential Borrowing and the phasing is in 2015/16.
4. Recommendation 5 - In July 2014 Cabinet authorised Officers to purchase CRC allowances following submission of the 2013-14 CRC Annual Report. Officers were required to report back to Cabinet on the final cost of allowances. London Borough of Hillingdon submitted its CRC Annual Report to the Environment Agency on 30th July 2014. The purchase of 28,725 allowances at £344,700 was £7,525 less than the provision in the accounts, estimated as part of the closing process of £352,225. Phase 1 ran from April 2010 until the end of March 2014, and the surrender completed phase 1. Phase 2 runs from 1 April 2014 to 31 March 2019. The purchase of CRC allowances ensures that the Council complies with UK Legislation.
5. Recommendation 6 seeks approval to continue the block book of the second floor of Point West, 1040 Uxbridge Road, Hayes for a further period of three months at a cost of £31k. The accommodation is used as interim accommodation for bed & breakfast and avoids booking

expensive alternatives such as Travelodges. Members will note Cabinet made a similar decision at its last meeting for an initial three month period.

6. Recommendation 7 - Members will be aware of a number of housing schemes and incentives the Council offers in order to increase available supply and reduce the pressure on Bed & Breakfast temporary accommodation. The current maximum incentive level of £3500 needs to be reviewed and made more flexible to capture the changing marketplace at any one time.

It is proposed to delegate authority to the Deputy Chief Executive and Corporate Director of Residents Service, in consultation with the Leader of the Council and Cabinet Member for Social Services, Health and Housing, to determine the level and/or banding of such incentives.

7. Recommendation 8 seeks authority to accept gift funding from two developers, which will be utilised to employ dedicated planning staff to process complex applications in relation to two major developments. In order to prioritise and facilitate growth and development within the borough, it is considered appropriate that the Council engage additional staff to provide the discretionary services to the developers in exchange for gift funding which has been offered to cover the reasonable and justifiable costs of carrying out such discretionary services.
8. Recommendation 9 - There is a £200k budget available to prevent expansion at Heathrow Airport, Stop Hillingdon Expansion (S.H.E) is a new resident-led campaign organisation in the Borough opposing any expansion of Heathrow Airport, including the proposed third runway. A £6k grant has recently been given to the organisation by the Council to assist in their start-up and local based activities.
9. Recommendation 10 - In December 2013 Cabinet agreed an increase to the core grant to HACS of £45K bringing the 2014/15 core grant to £70k to support delivery of a development plan following conclusion of funding from the National Lottery and Hillingdon Community Trust and to meet a shortfall in commitments. HACS has subsequently needed to draw heavily on its reserves to develop a new fundraising strategy and to maintain services and a shortfall of £31K was experienced at the end of 2013/14. The Council supports the role HACS plays in supporting families and it is recommended a further one-off core grant of £31K be provided this year to help HACS reserves.

Alternative options considered

10. There are no other options proposed for consideration.

SUMMARY

REVENUE

11. An underspend of £2,004k is projected at Month 5 for General Fund revenue budgets, consisting of £1,100k of deferred capital financing costs, a £162k reduction in the call on contingency budgets and a net underspend of £742k across Directorate Operating Budgets. This represents an improvement of £189k due to increased staffing underspends within service budgets and a small improvement in homelessness and waste disposals contingencies.
12. The 2014/15 revenue budget includes £16,491k of savings, including sums brought forward from 2013/14. £12,686k of this sum is reported as either on track for delivery in full or already banked with the remaining £3,809k classed as amber due to being at an early stage of implementation. No savings are reported as being at risk of non-delivery.
13. General Fund balances are projected to reach £37,919k at 31 March 2015, assuming that the remaining £2,440k of unallocated General Contingency and £1,452k of unallocated Priority Growth are committed in full during 2014/15. Taking account of the £5,000k drawdown from balances planned for 2015/16, uncommitted General Fund balances are £32,919k.
14. In relation to other funds, there are no material adverse variances affecting the 2014/15 General Fund outturn, with actions being taken to review the £202k income pressure reported within the Parking Revenue Account. Within the Collection Fund, strong performance on Council Tax collection is currently mitigating a pressure of £500k on Business Rates due to higher than anticipated numbers of empty properties.

CAPITAL

15. As at Month 5 an under spend of £10,962k is reported on the 2014/15 capital programme budget from a revised budget of £111,088k. This is comprised of cost under spends of £2,881k and net phasing variances of £8,081k. Forecast outturn over the life of the General Fund programme for 2014/15 to 2018/19 is an under spend of £1,748k, representing an improvement of £706k from Month 4.
16. General Fund capital receipts of £15,890k are forecast for 2014/15 with receipts over the period to 2018/19 expected to reach £34,591k, representing a favourable variance of £2,872k over the revised budget. Over the same period a pressure of £2,800k on Community Infrastructure Levy income is projected, resulting in an overall favourable variance on borrowing of £1,820k over the capital programme.

FURTHER INFORMATION

General Fund Revenue Budget

17. An underspend of £2,004k is projected on normal operating activities at Month 5, representing an improvement of £189k from Month 4. The Month 5 position incorporates a £742k net underspend across Directorate Operating Budgets, a £1,100k underspend on capital financing costs and a favourable variance of £162k on Development and Risk Contingency. Further detail on each of these items is included below.
18. Movements from Month 4 on Directorate Operating budgets result in a net improvement of £107k as a result of a reduction in staffing costs, with a further improvement of £82k reported on Development and Risk Contingency in relation to waste disposal and homelessness.
19. As previously reported, the position on Directorate Operating Budgets consists of a number of compensatory variances which will continue to be closely monitored and factored in to the Council's Medium Term Financial Forecast as appropriate. Within the reported position there remains significant scope to manage emergent pressures or support new initiatives, with £2,440k of uncommitted General Contingency and £1,452k Priority Growth uncommitted at this stage.
20. The Council's General Fund revenue budget contains £16,491k savings, including the £12,802k approved by Cabinet and Council in February 2014, of which 44% are already banked and further 30% on track for delivery in full. An element of risk associated with those savings in the early stages of delivery, totalling £4,314k, however no items are reported at significant risk of non-delivery.

Table 1: General Fund Overview

Original Budget £'000	Budget Changes £'000	Service	Month 5		Variance (+ adv / - fav)		
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 5) £'000	Variance (As at Month 4) £'000	Movement from Month 4 £'000
168,045	1,626	Directorate Operating Budgets	169,671	168,929	(742)	(635)	(107)
17,153	(1,626)	Corporate Operating Budgets	15,527	14,427	(1,100)	(1,100)	0
24,738	0	Development & Risk Contingency	24,738	24,576	(162)	(80)	(82)
2,252	0	Priority Growth	2,252	2,252	0	0	0
212,188	0	Sub-total Normal Activities	212,188	210,184	(2,004)	(1,815)	(189)
		<u>Exceptional Items</u> N/A	N/A	N/A	N/A	N/A	N/A
212,188	0	Total Net Expenditure	212,188	210,184	(2,004)	(1,815)	(189)
(212,188)	0	Budget Requirement	(212,188)	(212,188)	0	0	0
0	0	Net Total	0	(2,004)	(2,004)	(1,815)	(189)
(35,915)	0	Balances b/fwd	(35,915)	(35,915)			
(35,915)	0	Balances c/fwd 31 March 2015	(35,915)	(37,919)			

21. At 31 March 2014 General Fund Balances totalled £35,915k, with the projected underspend expected to reach £37,919k by 31 March 2015. Disregarding the £5,000k expected to be

drawn down during 2015/16 to smooth the frontloaded impact of Government-imposed funding cuts, uncommitted general balances would total £32,919k.

Directorate Operating Budgets (£742k underspend, £107k improvement on Month 4)

22. An overview of the forecast outturn on directorate operating budgets is contained in Table 2, with further detail for each directorate contained within Appendix A to this report. Variances relating to those more volatile areas of activity being managed through Development and Risk Contingency are expanded upon below.

Table 2: Directorate Operating Budgets

Original Budget £'000	Budget Changes £'000	Service		Month 5		Variance (+ adv / - fav)		
				Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 5) £'000	Variance (As at Month 4) £'000	Movement from Month 4 £'000
14,218	75	Admin.	Expenditure	14,293	14,172	(121)	(110)	(11)
(3,187)	905		Income	(2,282)	(2,338)	(56)	(50)	(6)
11,031	980		Sub-Total	12,011	11,834	(177)	(160)	(17)
169,101	273	Finance	Expenditure	169,374	169,493	119	125	(6)
(155,788)	(151)		Income	(155,939)	(156,331)	(392)	(392)	0
13,313	122		Sub-Total	13,435	13,162	(273)	(267)	(6)
139,103	1,288	Residents Services	Expenditure	140,391	140,008	(383)	(516)	133
(73,138)	(292)		Income	(73,430)	(73,568)	(138)	60	(198)
65,965	996		Sub-Total	66,961	66,440	(521)	(456)	(65)
31,163	(3,385)	Children & Young People's Service	Expenditure	27,778	28,092	314	193	121
(8,961)	282		Income	(8,679)	(8,921)	(242)	(136)	(106)
22,202	(3,103)		Sub-Total	19,099	19,171	72	57	15
68,691	13,086	Adult Social Care	Expenditure	81,777	81,930	153	843	(690)
(13,157)	(10,455)		Income	(23,612)	(23,608)	4	(652)	656
55,534	2,631		Sub-Total	58,165	58,322	157	191	(34)
168,045	1,626	Total Directorate Operating Budgets		169,671	168,929	(742)	(635)	(107)

23. A minor improvement of £17k is reported on Administration budgets bringing the projected underspend to £177k. This position takes into account a number of posts being held vacant across the group and additional income being secured within Legal Services. This underspend primarily represents early delivery of savings proposals to be included in the Council's 2015/16 budget.

24. An underspend of £273k is reported within Finance, primarily due to continuing strong performance in the recovery of overpaid Housing Benefit and court costs income is partially off-set by use of agency staff as new structures are implemented across the group. A marginal improvement of £6k is reported from the position at Month 4.

25. Further improvement of £65k is reported on Residents Services from Month 4, principally due to staffing underspends within Technical Administration. As previously reported, the overall £521k underspend is the result of staffing underspends across the group being off-set by pressures on off-street parking income and facilities management.
26. An adverse movement of £15k is reported on Children and Young People's services as a £93k increase in the cost of Adoption and Special Guardianship awards is off-set by an improved outlook on funding from partner organisations. A net pressure of £72k at outturn is projected across the group, with additional income off-setting pressures in relation to staffing and the cost of Special Guardianship awards.
27. Adult Social Care operating budgets are reporting a pressure of £157k at Month 5, principally attributable to the difficulties in reducing costs within the in-house transport function to reflect reduced demand being partially off-set by vacancies across the group. This represents an improvement of £34k on the position at Month 4 as a result of further improvements in the outlook for staffing costs.

Progress on Savings

28. The Council's 2014/15 General Fund Revenue Budget contains £16,491k savings, with £12,802k new items approved by Cabinet and Council in February 2014 and a further £3,689k of items in progress brought forward from prior years. Delivery against these targets is closely monitored through the Council's Business Improvement Delivery Programme and regular updates presented to the Hillingdon Improvement Programme Steering Group.
29. As at Month 5, £12,686k (£11,878k at Month 4) is either on track for delivery or already banked, with the remaining £3,809k classed as amber due to being at an early stage of delivery but are expected to continue being steadily upgraded to green over the coming months.

Table 3: Savings Tracker

2014/15 General Fund Savings Programme	Cross-cutting BID	Admin. & Finance	Residents Services	Adult Social Care	Children & Young People's Services	Total Savings	
	£'000	£'000	£'000	£'000	£'000	£'000	%
B Banked	(433)	(1,448)	(2,892)	(1,884)	(551)	(7,208)	43.7%
G On track for delivery	(930)	(91)	(2,195)	(1,612)	(646)	(5,474)	33.2%
A Potential significant savings shortfall or a significant or risky project which is at an early stage;	(1,637)	0	(417)	(1,505)	(250)	(3,809)	23.1%
R Serious problems in the delivery of the saving	0	0	0	0	0	0	0.0%
Total 2014/15 Savings	(3,000)	(1,539)	(5,504)	(5,001)	(1,447)	(16,491)	100%

Corporate Operating Budgets (£1,100k underspend, no movement)

30. Corporately managed expenditure include revenue costs of the Council's capital programme, externally set levies and income arising from provision of support services to other funds and ring-fenced budgets. These budgets are relatively non-volatile and therefore limited movement in forecast outturn is expected.

Table 4: Corporate Operating Budgets

Original Budget	Budget Changes	Service	Month 5		Variance (+ adv / - fav)			
			Revised Budget	Forecast Outturn	Variance (As at Month 5)	Variance (As at Month 4)	Movement from Month 4	
£'000	£'000		£'000	£'000	£'000	£'000	£'000	
0	0	Interest and Investment Income	Salaries	0	0	0	0	0
9,927	292		Non-Sal Exp	10,219	9,119	(1,100)	(1,100)	0
(39)	(376)		Income	(415)	(415)	0	0	0
9,888	(84)		Sub-Total	9,804	8,704	(1,100)	(1,100)	0
0	0	Levies and Other Corporate Budgets	Salaries	0	0	0	0	0
11,077	789		Non-Sal Exp	11,866	11,866	0	0	0
(3,812)	(2,331)		Income	(6,143)	(6,143)	0	0	0
7,265	(1,542)		Sub-Total	5,723	5,723	0	0	0
17,153	(1,626)	Total Corporate Operating Budgets		15,527	14,427	(1,100)	(1,100)	0

31. In line with the position at Month 4, an underspend of £1,100k is reported on capital financing costs as a result of prioritisation of government grants within the programme. This remains a temporary position with the on-going investment in school expansions continuing to require substantial support from Council-funded Prudential Borrowing.

Development & Risk Contingency (£162k underspend, £82k improvement)

32. The Council set aside £24,738k to manage volatile and uncertain budgets within the Development & Risk Contingency, which included £22,238k in relation to specific risk items and £2,500k as General Contingency to manage unforeseen risk items. The overall level of contingency requirement remains broadly consistent with this budgeted provision, however in line with the volatile nature of such activity variances are reported on a number of items.

Table 5: Development & Risk Contingency

Original Budget	Budget Changes		Service	Month 5		Variance (+ adv / - fav)		
				Revised Budget	Forecast Outturn	Variance (As at Month 5)	Variance (As at Month 4)	Movement from Month 4
£'000	£'000			£'000	£'000	£'000	£'000	£'000
400	0	Fin.	Uninsured Claims	400	400	0	0	0
240	0	Residents Services	Carbon Reduction Commitment	240	240	0	0	0
200	0		HS2 Challenge contingency	200	200	0	0	0
200	0		Heathrow Expansion Challenge Contingency	200	200	0	0	0
2,144	0		Impact of welfare reform on homelessness	2,144	1,966	(178)	(129)	(49)
229	0		SEN transport	229	337	108	108	0
811	0		Waste Disposal Levy (Demand-led Tonnage Increases)	811	852	41	74	(33)
0	60		Powerday Public Enquiry	60	60	0	0	0
1,458	0	Children and Young People	Asylum Funding Shortfall	1,458	1,325	(133)	(133)	0
(200)	0		Potential Extension of Asylum Gateway Agreement	(200)	(200)	0	0	0
1,860	0		Social Care Pressures (Children's)	1,860	1,860	0	0	0
2,406	0	Adult Social Care	Increase in Transitional Children due to Demographic Changes	2,406	2,406	0	0	0
11,990	0		Social Care Pressures (Adult)	11,990	11,990	0	0	0
500	0	Corp. Items	Pump Priming for BID Savings	500	500	0	0	0
2,500	(60)		General Contingency	2,440	2,440	0	0	0
24,738	0	Total Development & Risk Contingency		24,738	24,576	(162)	(80)	(82)

33. An improved outlook is reported on the homelessness contingency, with a reduction of £49k resulting in a call on contingency of £1,966k. While overall numbers of households presenting as homeless remains steady, supply side measures including the use of short-life Housing Revenue Account properties expected to reduce usage of Bed and Breakfast accommodation.

34. As the new academic year commences, the SEN Transport contingency will continue to be closely monitored and any movement in the overall cost of the service reported to Cabinet at the earliest opportunity.

35. A marginal improvement is reported on the Waste Disposal levy from Month 4, reflecting the inherent volatility in both commercial and residential waste tonnages, however overall projections remain broadly consistent with budget assumptions.
36. No movement is reported on the remaining contingency items, with movements on care placements costs in both Children and Young People's Services and Adult Social Care being managed within the respective operating budgets.
37. As at Month 4, there have been no calls on the remaining £2,440k uncommitted General Contingency balance which is available to manage emergent risks and cost pressures.

Priority Growth

38. The 2014/15 General Fund revenue budget approved by Cabinet and Council in February 2014 set aside £1,452k of unallocated Priority Growth, in addition to £800k of specific growth monies to support Hillingdon Improvement Programme Initiatives. To date no allocations have been made from unallocated Priority Growth.
39. The original HIP Initiatives Budget has been supplemented by £138k of uncommitted funds brought forward from 2013/14, providing a balance of £938k for investment in the current year. To date approved projects total £379k, leaving £559k available for new initiatives.

Table 6: Priority Growth

Original Budget £'000	Budget Changes £'000	Priority Growth	Revised Budget £'000	Month 5 Approved Allocations £'000	Unallocated Balance £'000
800	138	HIP Initiatives Budgets	938	(379)	(559)
0	(138)	B/fwd Funds	(138)	138	0
1,452	0	Unallocated Priority Growth	1,452	0	(1,452)
2,252	0	Total Priority Growth	2,252	(241)	(2,011)

Schools Budget, Parking Revenue Account and Collection Fund

40. 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. The planned approach to managing any pressure on the Parking Revenue Account is set out below.
41. An in year pressure is reported within the Schools Budget at Month 5, reflecting the release of significant retained balances to individual schools within the Borough and resulting in projected year end balances of £1,675k. There has been no material movement on this position from Month 4, with the remaining balance remaining available to support future investment in borough's schools.
42. A further improvement of £79k is reported on the Parking Revenue Account at Month 5, with an improved outlook for bailiffs' income reducing the reported pressure to £202k. As previously noted this pressure is wholly attributable to the shortfall in Penalty Charge Notice income against historic budgets. Work to zero-base budgets with the PRA is underway and intended to bring the account back into balance.
43. An overall improvement of £110k in the headline Collection Fund position is reported at Month 5, with improved collection rates on Council Tax off-setting an adverse movement on Business Rates revenues due to higher than anticipated numbers of empty properties. A net

surplus of £2,197k is projected for 31 March 2015, which will be released to the General Fund in 2015/16.

44. As previously noted, the Valuation Office Agency are still to confirm the rateable value of the new Heathrow Terminal 2 and as such a significant element of Business Rate income remains at risk and will continue to be closely monitored.

Housing Revenue Account Budget

45. As at Month 5 an in year surplus of £3,592k is projected on Housing Revenue Account operations, an increase of £587k from the position at Month 4 due to efficiencies within housing management and rephasing of planned maintenance works into 2015/16. As previously noted, the majority of the overall variance is due to the rephasing of such works. Uncommitted balances are projected to reach £26,412k by 31 March 2015, with further monies earmarked to support on-going investment in housing stock.

Future Revenue Implications of Capital Programme

46. A comprehensive update on the current capital programme is included at Appendix D. This shows a headline underspend of £1,748k on the revised programme budget of £397,131k for 2014/15 to 2018/19. Within this net position, underspends on Disabled Facilities Grants and the School Expansions Programme are sufficient to off-set reported pressures on Yiewsley Health Centre and the legacy Hillingdon Sports & Leisure Centre. There remains £7,430k committed contingency funding within this budget to support new investment without impacting upon the reported underspend.
47. Projected capital receipts over the same period are projected to exceed budget assumptions by £2,872k as a result of increased valuations on sites scheduled for disposal. Over the same period a shortfall of £2,800k in Community Infrastructure Levy income is forecast as a result of delays in implementing the scheme. The net result being a marginal reduction in the Council's Borrowing Requirement of £1,820k which remains broadly consistent with the Council's Medium Term Financial Forecast.
48. While no material movement in financing costs is projected over the medium term, continued application of external resources ahead of Council Resources and further rephasing of expenditure into future years is likely to result in reduced revenue costs during 2015/16. This will be monitored closely and any resulting revenue implications factored into the Council's Medium Term Financial Forecast.

Appendix A – Detailed Group Forecasts (General Fund)

ADMINISTRATION (£177k underspend, £17k improvement)

49. The Administration Group is showing an underspend of £177k at Month 5, a £17k improvement on Month 4. The minor movements across the group are due to a vacancy in Democratic Services and delayed recruitment to a post in Human Resources. The remaining underspend is primarily due to a number of vacant posts across Performance; however the remainder of the group is fully staffed. There is a surplus of income in Legal Services and a MTFP proposal for 2015/16 has been put forward relating to this. The underspent budgets in Partnership and Policy are also to be realigned as part of the 2015/16 MTFP process.

Table 7: Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 5		Variance (+ adv / - fav)			
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 5) £'000	Variance (As at Month 4) £'000	Movement from Month 4 £'000	
485	0	Directorate	Salaries	485	486	1	1	0
6	0		Non-Sal Exp	6	4	(2)	(2)	0
(58)	58		Income	0		0	0	0
433	58		Sub-Total	491	490	(1)	(1)	0
707	0	Corporate Comms	Salaries	707	721	14	13	1
159	0		Non-Sal Exp	159	148	(11)	(10)	(1)
(27)	0		Income	(27)	(19)	8	5	3
839	0		Sub-Total	839	850	11	8	3
1,449	0	Democr. Services	Salaries	1,449	1,461	12	24	(12)
1,882	0		Non-Sal Exp	1,882	1,896	14	11	3
(957)	339		Income	(618)	(583)	35	35	0
2,374	339		Sub-Total	2,713	2,774	61	70	(9)
2,273	51	Democr. Services	Salaries	2,324	2,315	(9)	2	(11)
639	12		Non-Sal Exp	651	647	(4)	(13)	9
(303)	0		Income	(303)	(294)	9	14	(5)
2,609	63		Sub-Total	2,672	2,668	(4)	3	(7)
1,871	0	Legal Services	Salaries	1,871	1,916	45	45	0
111	0		Non-Sal Exp	111	106	(5)	(5)	0
(575)	0		Income	(575)	(668)	(93)	(93)	0
1,407	0		Sub-Total	1,407	1,354	(53)	(53)	0
2,173	(1,593)	Policy & Partnerships	Salaries	580	597	17	17	0
2,463	(166)		Non-Sal Exp	2,297	2,265	(32)	(32)	0
(1,267)	1,222		Income	(45)	(56)	(11)	(11)	0
3,369	(537)		Sub-Total	2,832	2,806	(26)	(26)	0
0	1,603	Performance	Salaries	1,603	1,447	(156)	(156)	0
0	168		Non-Sal Exp	168	163	(5)	(5)	0
0	(714)		Income	(714)	(718)	(4)	0	(4)
0	1,057		Sub-Total	1,057	892	(165)	(161)	(4)
8,958	61	Admin. Directorate	Salaries	9,019	8,943	(76)	(54)	(22)
5,260	14		Non-Sal Exp	5,274	5,229	(45)	(56)	11
(3,187)	905		Income	(2,282)	(2,338)	(56)	(50)	(6)
11,031	980		Total	12,011	11,834	(177)	(160)	(17)

FINANCE (£273k underspend, £6k improvement)

50. The Finance Group is showing an under spend of £273k at Month 5, an improvement of £5k on Month 4. The improvement is due to small reductions in staffing and non staffing expenditure across the group. The majority of the under spend is due to improved rent allowance subsidy position. The expenditure and income budgets across Revenues and Benefits are to be realigned as part of the 2015/16 MTFF process and have also been realigned in the current year. There are small overspends across the group on non-salary expenditure including recruitment costs in Procurement.

Table 8: Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 5		Variance (+ adv / - fav)			
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 5) £'000	Variance (As at Month 4) £'000	Movement from Month 4 £'000	
537	0	Internal Audit	Salaries	537	541	4	0	4
56	0		Non-Sal Exp	56	57	1	1	0
0	0		Income	0	(10)	(10)	(10)	0
593	0		Sub-Total	593	588	(5)	(9)	4
2,050	0	Procurement	Salaries	2,050	2,073	23	13	10
150	0		Non-Sal Exp	150	168	18	18	0
(557)	13		Income	(544)	(555)	(11)	(11)	0
1,643	13		Sub-Total	1,656	1,686	30	20	10
3,299	0	Operational Finance	Salaries	3,299	3,358	59	62	(3)
705	(26)		Non-Sal Exp	679	685	6	3	3
(963)	0		Income	(963)	(963)	0	0	0
3,041	(26)		Sub-Total	3,015	3,080	65	65	0
3,729	107	Revenues & Benefits	Salaries	3,836	3,826	(10)	9	(19)
154,439	112		Non-Sal Exp	154,551	154,551	0	0	0
(154,102)	(330)		Income	(154,432)	(154,803)	(371)	(371)	0
4,066	(111)		Sub-Total	3,955	3,574	(381)	(362)	(19)
1,445	(51)	Strategic Finance	Salaries	1,394	1,412	18	14	4
2,691	131		Non-Sal Exp	2,822	2,822	0	5	(5)
(166)	166		Income	0	0	0	0	0
3,970	246		Sub-Total	4,216	4,234	18	19	(1)
11,060	56	Finance Directorate	Salaries	11,116	11,210	94	98	(4)
158,041	217		Non-Sal Exp	158,258	158,283	25	27	(2)
(155,788)	(151)		Income	(155,939)	(156,331)	(392)	(392)	0
13,313	122		Total	13,435	13,162	(273)	(267)	(6)

51. A breakeven position is projected on the contingency for uninsured claims at Month 5.

Table 9: Development & Risk Contingency

Original Budget £'000	Budget Changes £'000	Development & Risk Contingency	Month 5		Variance (+ adv / - fav)		
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 5) £'000	Variance (As at Month 4) £'000	Movement from Month 4 £'000
400	0	Uninsured Claims	400	400	0	0	0
400	0	Current Commitments	400	400	0	0	0

RESIDENTS SERVICES GENERAL FUND (£521k underspend, £65k favourable)

52. Residents Services directorate is showing a projected outturn underspend of £521k at Month 5, excluding pressure areas that have identified contingency provisions. The majority of this underspend relates to staffing variances across the group.

Table 10: Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 5		Variance (+ adv / - fav)			
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 5) £'000	Variance (As at Month 4) £'000	Movement from Month 4 £'000	
2,240	(39)	Asset Management	Salaries	2,201	2,278	77	0	77
8,681	260		Non-Sal Exp	8,941	9,212	271	271	0
(5,494)	(141)		Income	(5,635)	(5,775)	(140)	(53)	(87)
5,427	80		Sub-Total	5,507	5,715	208	218	(10)
8,451	(513)	Education (GF)	Salaries	7,938	7,855	(83)	(208)	125
11,182	(1,074)		Non-Sal Exp	10,108	10,115	7	(12)	19
(9,681)	(18)		Income	(9,699)	(9,699)	0	144	(144)
9,952	(1,605)		Sub-Total	8,347	8,271	(76)	(76)	0
1,641	(1)	Environ. Policy & Commun. Engage.	Salaries	1,640	1,612	(28)	(28)	0
1,013	(423)		Non-Sal Exp	590	590	0	0	0
(7,491)	0		Income	(7,491)	(7,501)	(10)	(10)	0
(4,837)	(424)		Sub-Total	(5,261)	(5,299)	(38)	(38)	0
3,099	0	Housing (GF)	Salaries	3,099	3,099	0	0	0
9,048	0		Non-Sal Exp	9,048	9,006	(42)	(42)	0
(7,489)	0		Income	(7,489)	(7,489)	0	0	0
4,658	0		Sub-Total	4,658	4,616	(42)	(42)	0
17,347	(3,086)	ICT, Highways & Business Serv.	Salaries	14,261	14,142	(119)	(130)	11
9,805	278		Non-Sal Exp	10,083	10,093	10	10	0
(5,416)	(407)		Income	(5,823)	(5,819)	4	4	0
21,736	(3,215)		Sub-Total	18,521	18,416	(105)	(116)	11
7,674	(117)	Planning, Green Spaces & Culture	Salaries	7,557	7,556	(1)	12	(13)
6,389	(345)		Non-Sal Exp	6,044	6,207	163	150	13
(9,404)	336		Income	(9,068)	(9,196)	(128)	(117)	(11)
4,659	(126)		Sub-Total	4,533	4,567	34	45	(11)
13,800	19	Public Safety (GF)	Salaries	13,819	13,785	(34)	(18)	(16)
24,237	(181)		Non-Sal Exp	24,056	23,693	(363)	(363)	0
(11,965)	0		Income	(11,965)	(11,829)	136	92	44
26,072	(162)		Sub-Total	25,910	25,649	(261)	(289)	28
1,773	(457)	Public Health (PHA)	Salaries	1,316	1,316	0	0	0
14,401	(8)		Non-Sal Exp	14,393	14,393	0	0	0
(16,208)	499		Income	(15,709)	(15,709)	0	0	0
(34)	34		Sub-Total	0	6,047	0	0	0
172	6,116	Residents Services Directorate	Salaries	6,288	6,047	(241)	(158)	(83)
(1,850)	859		Non-Sal Exp	(991)	(991)	0	0	0
10	(561)		Income	(551)	(551)	0	0	0
(1,668)	6,414		Sub-Total	4,746	4,505	(241)	(158)	(83)
56,197	1,922	Residents Services	Salaries	58,119	57,690	(429)	(530)	101
82,906	(634)		Non-Sal Exp	82,272	82,318	46	14	32
(73,138)	(292)		Income	(73,430)	(73,568)	(138)	60	(198)
65,965	996		Total	66,961	66,440	(521)	(456)	(65)

53. The Council's 2014/15 contingency budget contains provision for areas of expenditure or income within Residents Services for which there is a greater degree of uncertainty. The position against these contingency items is shown in Table 2 below. At month 5 projected calls on contingency is £29k below provision, £82k favourable movement from month 4. The table below shows the breakdown for each contingency item.

Table 11: Development and Risk Contingency

Original Budget £'000	Budget Changes £'000	Development & Risk Contingency	Month 5		Variance (+ adv / - fav)		
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 5) £'000	Variance (As at Month 4) £'000	Movement from Month 4 £'000
240	0	Carbon Reduction Commitment	240	240	0	0	0
200	0	HS2 Challenge contingency	200	200	0	0	0
200	0	Heathrow Expansion Challenge Contingency	200	200	0	0	0
2,144	0	Impact of welfare reform on homelessness (Current)	2,144	1,966	(178)	(129)	(49)
229	0	SEN transport	229	337	108	108	0
811	0	Waste Disposal Levy (Demand-led Tonnage Increases)	811	852	41	74	(33)
0	60	Poweday Public Enquiry	60	60	0	0	0
3,824	60	Current Commitments	3,884	3,855	(29)	53	(82)

54. Further to continuing pressures on the Housing Needs budget (£1,753k overspend in 2013/14), contingency of £2,144k has been set aside in 2014/15 to resource the need for Temporary Accommodation in the Borough. The call on contingency relating to homelessness is currently projected to be £1,966k, which gives a projected underspend of £178k against the contingency provision (£49k favourable movement).

55. Temporary Accommodation and housing advice data for the period May to August are shown overleaf. Whilst B&B data compares favourably to levels seen in 2013/14, sustained levels of demand is being experienced within the service as shown by the *Homeless Threat, priority need & eligible* indicator below. The data continues to show each month above the 13/14 average of 106.

Table 12: Housing Needs performance data

	May	June	July	August
Homeless Threat, priority need & eligible	111	118	112	113
Presenting As Homeless	42	54	59	46
Duty Accepted	32	26	26	22
Households in Temporary Accommodation	512	511	513	508
Households in B&B	148	158	157	154

56. The Housing Needs service is still experiencing a high level of demand in terms of homelessness presentations. At month 5, the projected call on contingency is £1,966k (£49k

favourable). The figure represents a broad view of the units procured for the new PSL scheme, the control of B&B costs, the successful retention of existing PSLs and the levels of incentives paid out on prevention schemes. The use of an additional 50 hard to let HRA properties as shortlife is in progress with a projected total of 150 in use by October 2014, which will assist in managing the pressure on B&B. The key challenge in containing the pressure will be in retaining existing properties on the Private Managed Accommodation (PMA) and Private Sector leasing (PSL) at economic rates, whilst at the same time managing the demand at the front end of the service.

57. An additional £2,439k was added to the base budget to resource expected increases in the waste disposal levy, leading to a net decrease in contingency to £811k. This has been set aside to fund estimated increases in waste tonnage and the move to a new compliant rubble and hardcore contract.
58. At month 5 the latest modelling forecast is for an overspend on contingency of £41k, owing in part to the increasing demand for rubble and other heavy waste tonnages to private contractors and in addition the increasing tonnages of green waste and refuse tonnages which would appear to be in common with other WLWA boroughs.
59. The contingency for the Carbon Reduction Commitment is for the estimated costs to purchase carbon allowances.
60. Special Educational Needs (SEN) Transport continues to experience significant pressure and as a result corporate contingency of £229k is available to manage risks for the service for 2014/15. The service is currently reassessing the forecast against the assumed growth of 6% in the budget now that the new school year has commenced.
61. The HS2 and Heathrow expansion challenge contingencies provide resources to enable the Council to respond to the continuing threat of these projects to residents.

Asset Management (£208k pressure, £10k adverse)

62. Asset Management is projected to overspend by £250k on maintenance (£200k borough wide, £50k civic centre) and experience shortfalls on civic centre income £57k relating to leases for the multi storey car park (£37k) and hire of committee rooms (£20k).
63. The service is projecting further pressures at month 5 in relation to a shortfall in recharge income from capital schemes (£77k), however these a forecast to be mitigated by recharges from the HRA (£87k) giving a net favourable movement of £10k.
64. The income stream from commercial leases is currently forecast at £840k, £60k higher than the budget. There is also a £50k underspend on the planned maintenance contingency.
65. The service manages risks around the achievement of capital receipts and delivery of the capital programme. It is currently assumed that these risks can be managed within existing base budget given the anticipated levels of disposals. However achievement of buyers' premium income is volatile - slippage of one of the larger disposals in the schedule and lead to a material drop in revenue.

Education GF (£76k underspend, no change)

66. The Education Service is projecting an underspend of £76k as at Month 5, no change on the month 4 projections. This consists of an underspend of £83k on staffing, an adverse movement of £125k on the month 4 position, due to a realignment of the Youth Services budget in line with the Children's pathway as agreed in July 2013, an over spend of £7k on non staffing costs, an adverse movement of £19k on the month 4 position and a projected breakeven position on income streams, an improvement of £144k on the month 4 position,

due to an improvement on the income received from the Skills Funding Agency for Adult Learning courses.

Environmental Policy & Community Engagement (£38k underspend, no change)

67. Environmental Policy and Community Engagement is reporting a £10k favourable variance on New Homes Bonus grant allocation. This follows the adjusted topslice allocation of £142k received on 15 May 2014, bringing the total NHB allocation to £6,928k, £10k above budget.
68. The service is also projecting an underspend on salaries of £28k reflecting part year vacancies across Planning Policy and Road Safety.

Housing GF (£42k underspend, no change)

69. The service is expecting to produce a small underspend relating to non-salaries expenditure. This is currently projected at £38k, relating to a unallocated training budget.
70. There are projected underspends within team budgets of £4k for miscellaneous items including printing and stationary.

ICT Highways & Business Services (£105k underspend, £11k adverse)

71. The continuing shortfall in advertising income of £50k will be managed in year by the service in order to contain the pressure.
72. The contact centre is forecast to underspend by £92k attributable to salary underspends due to maternity leave and vacant posts of £106k (£7k adverse) reduced by a £14k pressure on disabled parking badges (10k increased expenditure, £4k reduced income).
73. The remaining £4k adverse movement relates to staffing pressures in Street Lighting (£2k) and Highways Reactive Maintenance (£2k).

Planning Sport & Green Spaces (£34k overspend, £11k favourable)

74. There is a pressure on the in house management of golf courses of £77k (£11k favourable). The favourable movement relates to income from regular and seasonal memberships.
75. Planning is forecasting an overspend of £12k on increased agency costs in planning enforcement to cover vacant posts.
76. There is a pressure of £18k being forecast in Greenspaces resulting from peak season additional equipment maintenance and hire.
77. Building Control is projected to make a shortfall in income of £81k (no change), offset by £154k underspends including Breakspear Crematorium income £64k (no change) and Stockley Park/leisure rents £90k.

Public Safety (£261k underspend, £28k adverse)

78. The off-street parking income at the Cedars and Grainges multi-storey car parks is experiencing further pressure relating to the loss of season ticket income at both car parks. The most recent forecast shows a £42k adverse movement, resulting in an income pressure of £242k.
79. Public Protection is forecasting the following staffing underspends for month 5: Trading Standards due to retirements and anticipated delays in the recruitment process (£38k, £18k fav); Pollution Control is forecasting an underspend of £10k (£2k adverse) on staffing

subsequent to the restructure and £8k on non-staffing costs. The service is also forecasting scrap metal additional licences income £3k (£2k adverse).

80. In Waste Services, there is a projected underspend of £357k which primarily relates to the impact of the closure of the Victoria Road Civic Amenity (CA) site.
81. The remaining underspends of £87k for Waste Services previously reported at month 4 continue. These relate to New Years Green Lane Civic Amenity site reporting net underspends of £57k and additional underspends of £30k comprised of staffing vacancies in Domestic refuse collection service (£39k) offset by increasing contractor costs at monthly CA sites (£33k). There are also underspends in contractor costs for graffiti removal (£24k).

Public Health (nil variance, no change)

82. There is currently an underspend forecast in relation to staffing costs for both Public Health Administration and the Health Promotion team. For Public Health Administration, an underspend of £55k is anticipated for the year. It is expected that the Director of Public Health post will be filled from September this year.
83. The Health Promotion Team is forecasting a £133k underspend against staffing costs, due to three positions being vacant. As the service model for Public Health is being reviewed as part of the BID transformation process, it is unlikely that the three vacancies within the Health Promotion Team will be filled this year.
84. BID and category reviews of Public Health services are underway, with sexual health contracts and school nursing contracts being finalised. It is anticipated that savings of around £250k over two years could be made in relation to Chlamydia Screening and C-Card combined contract and around £80k of annual savings regarding school nursing, as indicated by recent tender exercises. These will contribute to the existing 2014/15 procurement savings for Public Health.

Residents Services Directorate (£241k underspend, £83k favourable)

85. There are a number of vacant posts across Technical Admin and Business Support teams that have been consolidated into Residents Services. The majority of these posts are not planned to be recruited to until the second half of this year. The current projection at month 5 relating to these vacancies is a £241k underspend, an £83k favourable movement from month 4 relating to the likely phasing of the restructures.

CHILDREN AND YOUNG PEOPLE'S SERVICES (£72k overspend, £15k adverse)

86. The Children and Young People's Service is projecting an overspend of £72k as at Month 5, an adverse movement of £15k on the month 4 projections. The Month 5 budgets now include a further realignment of the salary budgets to reflect a re-costed Children's Pathway blueprint as proposed in July 2013 to a 2014/15 baseline, which has moved resources between the Early Intervention Service, the Asylum Service and the core Children's Service.

87. The month 5 position is now reflecting an overspend of £173k on Salaries, an adverse movement of £28k on the month 4 projections, where the service has a high level of vacant posts, including a number of Senior Manager posts, the majority of which are being covered by agency staff and an increase in sessional staff costs to support children's contact as instructed by the courts. There is an overspend of £141k on non-staffing budgets an adverse movement of £93k on the month 4 projections, the majority of which relates to an increase in the cost of Adoption and Special Guardianship Order allowances and subsistence that are provided to clients and a projected surplus of £242k on income, an improvement of £106k on the month 4 projections, due to a projected increase in the funding received from a number of external partners, including Health, the Youth Justice Board and Education. The projected variances at Month 5 are summarised in the following table, with more detail provided in the paragraphs below:

Table 13: Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 5		Variance (+ adv / - fav)			
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 5) £'000	Variance (As at Month 4) £'000	Movement from Month 4 £'000	
1,033	(116)	Safeguarding Children	Salaries	917	1,095	178	5	173
1,356	25		Non-Sal Exp	1,381	1,532	151	119	32
(146)	(2)		Income	(148)	(195)	(47)	(75)	28
2,243	(93)		Sub-Total	2,150	2,432	282	49	233
1,711	378	Early Intervention Services	Salaries	2,089	1,762	(327)	(369)	42
288	76		Non-Sal Exp	364	351	(13)	(12)	(1)
(657)	(21)		Income	(678)	(749)	(71)	(47)	(24)
1,342	433		Sub-Total	1,775	1,364	(411)	(428)	17
3,355	(951)	Looked After Children	Salaries	2,404	2,338	(66)	148	(214)
1,056	(492)		Non-Sal Exp	564	591	27	(8)	35
(304)	(25)		Income	(329)	(314)	15	15	0
4,107	(1,468)		Sub-Total	2,639	2,615	(24)	155	(179)
9,970	(1,947)	Children's Resources	Salaries	8,023	8,411	388	361	27
12,394	(358)		Non-Sal Exp	12,036	12,012	(24)	(51)	27
(7,854)	330		Income	(7,524)	(7,663)	(139)	(29)	(110)
14,510	(1,975)		Sub-Total	12,535	12,760	225	281	(56)
16,069	(2,636)	Children's and Young Persons Directorate	Salaries	13,433	13,606	173	145	28
15,094	(749)		Non-Sal Exp	14,345	14,486	141	48	93
(8,961)	282		Income	(8,679)	(8,921)	(242)	(136)	(106)
22,202	(3,103)		Total	19,099	19,171	72	57	15

Safeguarding Children: £282k overspend, £233k adverse

88. The Safeguarding Children's service is projecting an overspend of £282k, an adverse movement of £233k on the month 4 projections, due primarily to an increase in the cost of agency staff covering vacant posts. This relates to an overspend of £178k on staffing, due to a high level of agency staff and an overspend of £151k on non staffing costs, where there are projected pressures in the Local Safeguarding Children's Board budget (which provides amongst other things, training for outside organisations including Health and schools) and the Corporate Parenting budget. This is offset by a surplus of £47k in income streams, due to additional funds being received from external partners.

Early intervention (Youth Offending Service): £411k underspend, £17k adverse

89. This service is projecting an underspend of £411k, an adverse movement of £17k on the month 4 projections, due to a slight increase in the number of agency staff employed. This relates to an underspend of £327k on staffing, where there are a number of staff vacancies relating primarily to Key Worker posts, an underspend of £13k on non staffing budgets and a surplus of £71k on income, which is due to additional funds being received from external partners including the Youth Justice Board.

Looked After Children: £24k underspend, £179k improvement

90. This service is projecting an underspend of £24k an improvement of £179k on the month 4 projections due to an adjustment to the predicted start date of a number of permanent and agency staff. This relates to an underspend on staffing costs of £66k, due to a high level of vacant posts, some of which are not being covered by agency or permanent staff, an overspend of £27k on non staffing costs, due to an increase in client allowances and a slight shortfall of £15k on income relating to Child Workforce Development funding.

Children's Resources: £225k overspend, £56k improvement

91. This service is projecting an overspend of £225k, an improvement of £56k on the month 4 projections due to an increase in external income received from external partners. This relates to an overspend of £388k on staffing costs, which relates to the appointment of agency staff including a number of Senior Manager posts. This is netted down by an underspend of £24k on non staffing costs and a surplus of £139k on income, which is due to additional funding being received from external partners, which more than offsets the 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.
92. In terms of the placements budget, this is projecting a breakeven position, assuming the full draw down of contingency sums. Based on the most recent placement data there are a higher number of Looked After Children in this period than was anticipated when the budget was set (the MTF budget assumed a demographic growth of 9 Looked After Children, the calculated growth over the same period indicates an increase of 11 Looked After Children), which requires the full draw down from the contingency. A number of initiatives have been prototyped, which have identified that this position could be improved through a change in processes and ways of working.
93. There are an additional number of emerging pressures which are having a direct impact on the projected year end position. These relate to the following:
- An increase in activity relating to Looked After Children contact, where the Council is experiencing a high volume of requests and instructions from the Courts, which

requires an officer to accompany the child. The current mechanism has been to employ sessional staff to undertake this duty. This is currently being reviewed to determine whether there is a different, more cost effective, model that could be developed. Based on current projections this is creating a budget pressure of £202k.

- There is an additional staffing cost within the Triage service due to additional resources being required to cover staff absence, resulting in a pressure of £130k.
- This year has seen a high incidence of Looked After Children being placed in secure accommodation, where the cost is projected to be in the region of £210k. The Youth Justice Board provides a grant to the Council to cover this cost, however the grant for 2014/15 is only £102k. Officers are planning to enter into discussions with the Youth Justice Board to ascertain whether additional grant funding can be secured.

Exceptional Items

94. With effect from 22 September 2014, the Council entered into a contract for a Children's Social Care managed service at a cost of £1,149k. It is anticipated that this contract will be funded initially from existing budgets as the expectation is that agency costs will reduce as a result, although it is unlikely that this will be effective in the first three months of the contract. This position will be reassessed as the project develops and other funding will be identified.
95. The Council is also considering a similar temporary arrangement to support the Adoption and Fostering service, which could cost in excess of £400k. Every effort will be made to absorb this cost within the base budget, as it is expected that the benefits of this will have a direct impact on the cost of Looked After Children placements, although these are unlikely to materialise in the first few months of the contract.
96. It should be noted that these two items have not been accounted for within the month 5 monitoring position.

Analysis of Placements

97. The following table sets out the number of current placements as at 1 August 2014, and compares the total with the data used to determine the base budget position for 2014/15 as part of the Medium Term Financial Forecast submission.

Table 14: Children's Care Placements

August 2014 Projections	Projected 14/15 Numbers	%	2014/15 Projected £000	2014/15 Budget £000
Secure/Remand Accommodation	3	1%	210	111
Residential	23	9%	2,266	1,468
Semi Independent Living	39	16%	649	409
Fostering Private	96	39%	3,444	2,395
In House	86	35%	1,463	1,722
Risk Contingency				1,860
Total August 2014	247	100%	8,033	7,965
July 2014 Reported Position	241		8,236	7,965
Movement Between July and August 2014	6		-203	0

98. This indicates that there has been a further increase of 6 in the number of Looked After Children between July 2014 and August 2014. However, the projected costs have reduced,

primarily in the Private Fostering costs. The current split between In House and Independent Fostering stands at 47% to 53% respectively, the aspiration is to move towards a 60% to 40% split.

Development & Risk Contingency (£133k underspend, no change)

99. The Corporate Risk Contingency holds three budgets; one relating to growth in Looked After Children placement numbers (£1,860k) another relating to a provision for the shortfall in grant funding for the Asylum service (£1,458k) with the final one relating to an anticipated additional funding of £200k from the Home Office to reflect the financial burden of Heathrow.

Table 15: Development & Risk Contingency

Original Budget	Budget Changes	Development & Risk Contingency	Month 5		Variance (+ adv / - fav)		
			Revised Budget	Forecast Outturn	Variance (As at Month 5)	Variance (As at Month 4)	Movement from Month 4
£'000	£'000		£'000	£'000	£'000	£'000	£'000
1,458	0	Asylum Funding Shortfall Potential	1,458	1,325	(133)	(133)	0
(200)	0	Extension of Asylum Gateway Agreement	(200)	(200)	0	0	0
1,860	0	Social Care Pressures (Children's)	1,860	1,860	0	0	0
3,118	0	Current Commitments	3,118	2,985	(133)	(133)	0

100. The Asylum Service is projecting an overspend of £1,325k, no change on the month 4 projections. This 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 £5,166k to cover the direct costs based on a unit rate for different age children.
101. 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. The cost of supporting these children net of any grant, results in the overspend of £1,325k being reported, for which a sum of £1,458k has been set aside in the Corporate Risk Contingency. This results in the underspend of £133k currently reported as not all of the contingency will need to be drawn down.
102. Negotiations took place with the Home Office last year, which secured an additional funding of £200k for both 2013/14 and 2014/15. This assumption was built into the Risk Contingency for 2014/15. In April 2014 the Home Office confirmed that the Council would receive an additional £200k in 2014/15, which matches the prediction built into the Risk Contingency.
103. The Placements budget built in additional growth for Looked After Children, which, based on the current projections, will need to be fully drawn down from the Risk Contingency.
104. The following table provides a further analysis of the gross Asylum service budget projected position for month 5, this position is contained within the Children's Resources forecast set out in table 13 above.

Table 16: Asylum Expenditure

Original Budget £'000	Budget Changes £'000	Service		Month 5		Variance (+ adv / - fav)		
				Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 5) £'000	Variance (As at Month 4) £'000	Change from Month 4 £'000
3,294	259	Asylum	Salaries	3,035	2,867	(168)	(173)	5
2,810	(259)		Non-Sal Exp	3,069	4,130	1,061	1,066	(5)
(6,104)	(0)		Income	(6,104)	(5,672)	432	432	(0)
0	(0)		Sub-Total	0	1,325	1,325	1,325	(0)

ADULT SOCIAL CARE (£157k pressure, £34k improvement)

105. The Adult Social Care directorate is projecting a forecast pressure of £157k as at month 5, a favourable movement of £34k since the last month, when a projected overspend to year end of £191k was anticipated. The main area of pressure relates to the non achievement of savings on transport, offset by lower levels of spend in a range of areas across the department as detailed below.

Table 17: Operating Budgets

Original Budget £'000	Budget Changes £'000	Service		Month 5		Variance (+ adv / - fav)		
				Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 5) £'000	Variance (As at Month4) £'000	Movement from Month 4 £'000
2,329	354	All-Age Disabilities	Salaries	2,683	2,683	0	0	0
25,061	6,766		Non-Sal Exp	31,827	31,827	0	0	0
(3,802)	(409)		Income	(4,211)	(4,211)	0	0	0
23,588	6,711		Sub-Total	30,299	30,299	0	0	0
3,629	528	Social Work	Salaries	4,157	3,928	(229)	(88)	(141)
21,966	3,275		Non-Sal Exp	25,241	25,355	114	707	(593)
(8,281)	43		Income	(8,238)	(8,146)	92	(584)	676
17,314	3,846		Sub-Total	21,160	21,137	(23)	35	(58)
7,178	864	Early Intervention & Prevention	Salaries	8,042	8,004	(38)	(34)	(4)
2,914	681		Non-Sal Exp	3,595	3,973	378	327	51
(711)	(10,181)		Income	(10,892)	(10,928)	(36)	(36)	0
9,381	(8,636)		Sub-Total	745	1,049	304	257	47
2,292	(389)	Safeguarding, Quality & Partnerships	Salaries	1,903	1,795	(108)	(124)	16
4,753	(59)		Non-Sal Exp	4,694	4,698	4	23	(19)
(363)	92		Income	(271)	(323)	(52)	(32)	(20)
6,682	(356)		Sub-Total	6,326	6,170	(156)	(133)	(23)
1,539	(1,058)	Directorate & Support Services	Salaries	481	498	17	17	0
(2,970)	2,124		Non-Sal Exp	(846)	(831)	15	15	0
0	0		Income	0	0	0	0	0
(1,431)	1,066		Sub-Total	(365)	(333)	32	32	0
16,967	299	Adult Social Care Directorate Total	Salaries	17,266	16,908	(358)	(229)	(129)
51,724	12,787		Non-Sal Exp	64,511	65,022	511	1,072	(561)
(13,157)	(10,455)		Income	(23,612)	(23,608)	4	(652)	656
55,534	2,631		Total	58,165	58,322	157	191	(34)

106. The Council's 2014/15 contingency budget contains provision for areas of expenditure within Adult Social Care for which there is a greater degree of uncertainty which relate to the demographic changes in the number of clients requiring care and support and Children with disabilities transitioning into Adult Social Care. The current forecast expenditure against these contingencies is set out in Table 2 below.

Table 18: Development & Risk Contingency

Original Budget	Budget Changes	Development & Risk Contingency	Month 5		Variance (+ adv / - fav)		
			Revised Budget	Forecast Outturn	Variance (As at Month 5)	Variance (As at Month 4)	Movement from Month 4
			£'000	£'000	£'000	£'000	£'000
2,406		Increase in Transitional Children due to Demographic Changes	2,406	2,406	0	0	0
Social Care Demographic Pressures for Care and Support:							
11,990	0	Older People	6,254	6,254	0	0	0
		Clients With Disabilities	3,771	3,771	0	0	0
		Clients With Mental Health Issues	1,965	1,965	0	0	0
14,396	0	Current Commitments	14,396	14,396	0	0	0

107. It is forecast, as at month 5, that the Development and Risk Contingency for increasing client care and support costs will be fully utilised. However the regular exercise to take snapshot of the annualised cost of the live placements commitments as at 1st July 2014 showed the live annualised placements commitments placements at that time underspending by £1,745k. A further snapshot exercise is being undertaken as at 1st October 2014 to provide an up to date expenditure on annualised placements for 2014/15 which will be reported in next month's monitoring report

108. This forecast underspend based upon the snapshot exercise remains to fund further demographic increases during the year including increased demand for home care provision referred to below, and the cost of Adult Social Care support for Children with disabilities as they transition into adulthood. The actual contingency required for transitional children will become clearer now that the new school year has started in September. As at Month 5 it is forecast that Development and Risk contingency for the care and support costs of transitional children with disabilities will be fully utilised, however, this contingency is being reviewed as part of the refresh of the MTFP and a more accurate position will be reported in Month 6 Budget Monitoring.

All Age Disabilities (on track, no movement)

109. This service now brings together the budgets within Adult Social Care including learning, physical and sensory disabilities with the budgets previously within Children and Young Peoples Services for disabled children, following the implementation of the recommendations from the BID review covering disabilities. It is currently projected that the service is on budget for this financial year.

Social Work (£23k underspend, £58k improvement)

110. It is forecast that there is an underspend of £23k, an improvement of £58k from Month 4. There is a continuing increase in the underspend on staffing, which is being offset by spend on Skylakes to carry out care assessments. There is also a reduction in the projection of homecare costs based upon an increase of 20% for the first 5 months of the year compared with the start of the year projection of a 30% increase. This reduction results partly from the impact of the work of Skylakes to reassess clients needs and their support packages and the correction of a pessimistic forecast based upon actual homecare activity during 2013/14. This

reduction in forecast homecare costs is offset by the increased costs of a higher number of residential placements than forecast at the beginning of the year.

111. There has been a refinement to the income forecast from Month 4 to correct an overstatement of both expenditure and income; but this has not impacted upon the overall net budget forecast for the year.

Early Intervention and Prevention (£304k pressure, £47k adverse movement)

112. A pressure of £304k is forecast on Early Intervention and Prevention arising mainly from the non-achievement to date of a significant element of the savings relating to transport (£345k), brought forward from 2011/12. 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 savings. The new resource centre at Queenswalk opened on 2nd September 2014. The element of the saving that the directorate itself cannot achieve relates to internally-provided service user transport, covering both learning disabilities and older people's services. There is an associated saving of £239k, considered to be on track, relating to the day services employees elements.

113. Currently, there is a corporate level review being undertaken on transport, which is exploring the existing interdependencies and broader strategic and operational issues, with a view to realising the saving identified above.

Safeguarding, Quality and Partnerships (£156k underspend, £23k improvement)

114. It is forecast that there will be an underspend of £156k mainly arising from staff savings as a result of current vacancies. Expenditure incurred in supporting service users with no recourse to public funds is forecast to cause a pressure of £130k.

115. Expenditure on Deprivation of Liberty Safeguards (DOLS) cases is projected to be £269k, although it is expected that these costs will be funded corporately or from alternative sources, with no net impact on the department's base budget. So far, 144 cases have come through this financial year - this figure will continue to be monitored over the following months.

Directorate and Support (£32k pressure, no movement)

116. There is a projected pressure of £32k, mainly arising as a result of the managed vacancy factor not being achieved.

Emerging issues

117. In terms of the Winterbourne placements, referenced in previous reports, there are 14 service users for whom this applies. So far, 4 service users have transferred. The financial impact this year is estimated at a gross cost of £479k, with income from the CCG of £43k, creating a net cost to LBH of £436k. The full year impact of this equates to a gross cost of £504k, potential CCG income of £56k and a net cost of £448k. However, there are a further 10 service users who could be transferred - in total, the overall net (annual) cost to the Council could be as high as £1.5m in future years. A more robust estimate is currently being worked up and any additional funding required will be considered as part of the refreshed MTFF for 2015/2020.

Appendix B – Other Funds

Schools Budget

Dedicated Schools Grant (£2,106k overspend, £30k improvement)

118. The Dedicated Schools Grant is projecting an in year overspend of £2,106k, an improvement of £30k on the month 2 projections, due to a slight decrease in the cost of SEN placements. The overspend on the DSG, in the main, reflects the planned use of the surplus balance that was carried forward from 2013/14, where additional resources totalling £1,294k were delegated to schools above the actual amount of DSG and £300k was earmarked to fund early years initiatives. The following Table summarises the Total DSG income and expenditure for 2014/15.

Table 19: Dedicated Schools Grant

Original Budget £'000	Budget Changes £'000	Funding Block	Month 5 Revised Budget £'000	Month 5 Forecast Outturn £'000	Variance (As at Month 5) £'000	Variance (As at Month 4) £'000	Change from Month 4 £'000
(145,373)	0	Dedicated Schools Grant Income	(145,373)	(145,840)	(467)	(467)	0
113,606	0	Delegated to Schools	113,606	114,918	1,312	1,294	18
4,581	0	Early Years	4,581	4,912	331	332	(1)
3,604	0	Centrally Retained	3,604	3,931	327	327	(0)
23,582	0	Special Needs	23,582	24,186	603	650	(47)
0	0	Total Schools Budget	0	2,106	2,106	2,136	(30)
0	0	Balance Brought Forward 1 April 2014	(3,781)	(3,781)			
0	0	Balance Carried Forward 31 March 2015	(3,781)	(1,675)			

Dedicated Schools Grant Income (£467k surplus, no change)

119. The Department for Education have confirmed that the DSG will be adjusted and increased for the funds that were deducted for Pentland Special Free School at the beginning of the year, which equates to £467k.

Delegated to Schools (£1,312k overspend, £18k adverse)

120. The overspend of £1,312k is due to Schools Forum agreeing to utilise £1,294k of the surplus balance carried forward from 2013/14 by delegating more resources to schools than were allocated in the DSG.

Early Years (£331k overspend, £1k improvement)

121. The Early Years funding block is projected an overspend of £333k. This is primarily due to Schools Forum agreeing to utilise £300k from its surplus balances to fund a range of new initiatives targeted at early years and early intervention.

122. The base budget includes a provision to develop capacity for the Two Year Old Free Entitlement offer. It is likely that this fund will not be fully allocated, but at this point in time it has been assumed that it is fully committed.

Centrally Retained (£327k overspend, no change)

123. The centrally retained budgets are projecting an overspend of £327k, which relates to payments that have been made for additional bulge year classes, which have opened in

September 2014 and the cost of the two new Basic Need Academy school set up costs and diseconomies of scale funding.

Special Needs (£603k overspend, £47k improvement)

124. The Special Needs budgets are projecting an overspend of £603k, an improvement of £47k on the month 4 position, due to a slight reduction in the projected number and cost of SEN placements. The overspend relates to the increase in the number of children with a statement across a much wider age range, which now encompasses 0 to 25.

Year End Balances

125. The DSG is allowed to carry forward any in year over or underspends. At the end of the 2013/14 financial year, the DSG had a surplus balance of £3,781k. It should be noted that where the DSG is expected to underspend, it is anticipated that this will be factored into the total DSG available for delegation in the following year. At its meeting on 20 January 2014, Schools Forum agreed to include £1,294k of this surplus within the Schools Delegated Budget for 2014/15, additionally they agreed to set aside the £937k two year old capacity funding underspend as an earmarked reserve for the two year old free entitlement offer in 2014/15 and provide an additional £300k for new initiatives to support Early Years provision. Based on the projected outturn position reported in the table above, the projected year end balance will reduce to £1,675k.

PARKING REVENUE ACCOUNT £110k in year deficit (£79k favourable)

126. 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.

127. An in-year deficit of £110k is forecast for the 2014/15 financial year. There is a total shortfall of income of £298k (£105k favourable). The favourable movement relates to an improved forecast for bailiffs' income. The overall position reflects the continued lower level of Penalty Charge Notice (PCN) income relative to the historic income target.

128. The income pressure is offset by compensating savings totalling £96k (£26k adverse), as well as the budgeted surplus of £92k.

Table 20: Parking Revenue Account

Original Budget	Budget Changes	Service	Month 5		Variance (+ adv / - fav)		
			Revised Budget	Forecast Outturn	Variance (As at Month 5)	Variance (As at Month 4)	Movement from Month 4
£'000	£'000		£'000	£'000	£'000	£'000	£'000
(4,153)	0	Income	(4,153)	(3,855)	298	403	(105)
4,061	0	Expenditure	4,061	3,965	(96)	(122)	26
(92)	0	In-year (Surplus) / Deficit	(92)	110	202	281	(79)
76	0	Unallocated Balances b/fwd	76	76	0	0	0
(16)	0	Unallocated Balances C/fwd	(16)	186	202	281	(79)

COLLECTION FUND (£2,197k surplus, £110k improvement from Month 4)

129. 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. A net improvement of £110k is reported from Month 4, with strong collection rates for Council Tax off-setting an adverse movement of £500k on Business Rate revenues. There remains a high level of uncertainty with regard to Business Rates as income due in relation to Heathrow Terminal 2 has not yet been confirmed.

130. Overall performance within the collection fund remains strong, with a net surplus of £2,197k reported as a net surplus of £2,697k off-sets a relatively minor deficit on Business Rates income. In the event that current trends continue a rebalancing of income projections between these taxes will be included in the Council's draft budget for 2015/16.

Table 21: Collection Fund

Original Budget £'000	Budget Changes £'000	Service	Month 5		Variance (+ adv / - fav)			
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 5) £'000	Variance (As at Month 4) £'000	Movement from Month 4 £'000	
(114,070)	0	Council Tax	Gross Income	(114,070)	(115,534)	(1,464)	(854)	(610)
14,743	0		Council Tax Support	14,743	14,297	(446)	(446)	0
(3,610)	0		B/fwd Surplus	(3,610)	(4,397)	(787)	(787)	0
(102,937)	0		Sub-Total	(102,937)	(105,634)	(2,697)	(2,087)	(610)
(105,485)	(911)	Business Rates	Gross Income	(106,396)	(106,283)	113	(387)	500
(981)	567		Section 31 Grants	(414)	(414)	0	0	0
59,158	0		Less: Tariff	59,158	59,158	0	0	0
2,136	344		Less: Levy	2,480	2,480	0	0	0
0	0		B/fwd Deficit	0	387	387	387	0
(45,172)	0		Sub-Total	(45,172)	(44,672)	500	0	500
(148,109)	0	Total Collection Fund		(148,109)	(150,306)	(2,197)	(2,087)	(110)

131. Council Tax revenues continue to grow strongly with the £1,300k additional yield arising from new development in the borough now supplemented by higher than anticipated collection rates which will secure a further £610k income. Current levels of demand for the Council Tax Reduction Scheme are marginally lower than anticipated at budget setting, however this movement is off-set by increased eligibility for Single Person Discounts. This position will remain under review and any on-going implications reflected in the Council's Medium Term Financial Forecast.

132. As previously reported, significant growth has been factored into the Council's Business Rates income budgets to reflect new developments in the borough and the re-opening of Heathrow Terminal 2 in June 2014. As the Valuation Office Agency are yet to add this new premises to the rating list, the Council is not in a position to confirm the rates payable for 2014/15 and as such the forecast set out above remains subject to change.

133. Given the continuing uncertainty around Terminal 2 revenues, and the continuing high level of unoccupied commercial property in the Borough an in-year deficit of £113k is projected for 2014/15. This represents an adverse movement of £500k on the position reported at Month 4. As with Council Tax, the medium term implications of this position will

remain under review and be reflected within the Council's Medium Term Financial Forecast as necessary.

134. The brought forward deficit of £387k on Business Rates included the cost of establishing a provision to manage the cost of backdated appeal losses. Experience since 1 April 2014 indicates that such appeal losses can be contained within the provision and barring any exceptional outcomes it is expected that this risk can be contained in the short-term.

Appendix C – Housing Revenue Account

135. The Housing Revenue Account (HRA) is forecast to generate an in-year net operating surplus of £3,592k, with the movement from Month 4 principally attributable to a revised forecast due to further movement in the phasing of the planned maintenance to stock programme.

Table 22: Housing Revenue Account

Original Budget £'000	Budget Changes £'000		Month 5		Variance (+ adv / - fav)		
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 5) £'000	Variance (As at Month 4) £'000	Movement from Month 4 £'000
(56,975)	0	Rent Income	(56,975)	(56,739)	236	236	0
(5,717)	(513)	Other Income	(6,230)	(6,539)	(309)	(296)	(13)
(62,692)	(513)	Net Income	(63,205)	(63,278)	(73)	(60)	(13)
13,813	(193)	Housing Management	13,621	13,021	(600)	(270)	(330)
5,607	334	Tenant Services	5,941	5,545	(396)	(407)	11
4,801	351	Repairs	5,152	5,124	(28)	(35)	7
5,798	25	Planned Maintenance	5,823	3,740	(2,083)	(1,821)	(262)
15,691	0	Contribution to Works to Stock	15,691	15,691	0	0	0
15,412	0	Interest & Investment Income	15,412	15,000	(412)	(412)	0
1,570	(5)	Development & Risk Contingency	1,565	1,565	0	0	0
62,692	513	Operating Costs	63,205	59,686	(3,519)	(2,945)	(574)
0	0	(Surplus) / Deficit	0	(3,592)	(3,592)	(3,005)	(587)
(22,820)	0	General Balance 01/04/14	(22,820)	(22,820)	0	0	0
(22,820)	0	General Balance 31/03/15	(22,820)	(26,412)	(3,592)	(3,005)	(587)

Rental Income

136. The projected loss in dwellings rental income of £236k reflects loss arising from increasing RTB sales and an estimated future void loss. The current void loss to date is showing a slight improvement compared to budgeted position. The improvement is due to better turnaround on the repairs and allocation process plus increasing use of void properties for short term lets.

137. The net additional recovery of £309k in other income is due to income retained from RTB capital receipts of £470k to cover transaction costs. The additional recovery is partially offset by a lower than expected income recoverable from leaseholders' service charge. This is as a result of savings on the new insurance contract and refunds due to leaseholders mainly as a result of lower than expected repairs costs in 2013/14.

Housing Management & Tenant Services

138. The Housing Management & Tenant Services budgets reflect a net underspend of £996k. This is mainly due to savings from the new leaseholders building insurance contract and vacancy management within the Caretaking, Careline and Leasehold services. This is partially offset by charges for the use of garages for community housing storage and shortfall in fee income rechargeable to capital works.

Repairs

139. The repairs forecast is a net underspend of £28k which is made up of an estimated voids overspend of £254k, fully set off by underspend from staffing vacancies in the DLO and back office functions. The forecast do not reflect additional costs for Mears management of £260k which is fully provided for in the Repairs contingency budget held elsewhere in the HRA.
140. In addition, a significant amount of works relate to short term lets which were not previously provided for in the budget, this is offset by a rental stream benefits that are factored into the income forecast.

Planned Maintenance

141. The Planned Maintenance budget is a net underspend of £2,083k. The Cyclical Decoration programme has slipped £1,296k to next year as the programme is to be re-phased from the current 3 to a 2 year programme and then retendered. Leaseholders will also need to be consulted in advance of works commencing as a result this year's programme will not be delivered as planned.
142. The Gas Maintenance budget underspend of £200k is as a result of the new gas contract commencing in June so the estimated spend for the year have been revised downward to reflect the delayed start of the programme. The draft programmes for the Subsidence Repairs plus associated survey works and Plumbing upgrades have been reviewed and are now forecasting an underspend of £251k and £131k respectively. The balance of the variance is made up of a range smaller forecast underspends for other programme and schemes such as Adaptations, Better neighbourhood and crime reduction improvements.

Appendix D –GENERAL FUND CAPITAL PROGRAMME

143. Table 1 below 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 2014/15 to 2018/19 reported to Council in February 2014. Year to date General Fund Capital Expenditure is £30,650k. The expenditure profile is expected to increase as major projects across the programme are progressed during the year.

Table 23 – General Fund Capital Programme Summary

	2014/15 £'000	Future Years 2015/16- 2018/19 £'000	Total Project £'000	Movement from Month 4 £'000
Original Budget	119,832	271,275	391,107	-
Revised Budget	111,088	286,043	397,131	(2,668)
Forecast Outturn	100,126	295,257	395,383	(3,374)
Total Capital Programme Variance	(10,962)	9,214	(1,748)	(706)
Analysis of Programme Variances:				
Yiewsley Health Centre & Sports Facility	192	503	695	(18)
Hillingdon Sports & Leisure Centre	-	530	530	-
Hayes End Library Development	90	-	90	-
Libraries Refurbishment - Central Library	135	-	135	-
Libraries Refurbishment	22	-	22	-
Rural Activities Garden Centre	(115)	-	(115)	(115)
Civic Centre Works Programme	(250)	-	(250)	(95)
Disabled Facilities Grants	(995)	-	(995)	-
Private Sector Renewal Grants	(55)	-	(55)	-
Adaptations for Adopted Children	(200)	-	(200)	-
Schools Expansions Programme	(1,705)	100	(1,605)	(478)
Cost Variance	(2,881)	1,133	(1,748)	(706)
Projected Re-phasing	(8,081)	8,081	-	-
<u>Development & Risk Contingency</u>				
General Contingency Variance	-	-	-	-
Provision for Additional Schools Funding	-	-	-	-
Total Capital Programme Variance	(10,962)	9,214	(1,748)	(706)
Financing Variance:				
Council Resourced Variance	(10,099)	8,351	(1,748)	(706)
External Grants & Contributions Variance	(863)	863	-	-
Total Capital Programme Variance	(10,962)	9,214	(1,748)	(706)
Movement from Month 4	(8,112)	7,406	(706)	

144. The revised budget has decreased by £2,668k from Month 4 due mainly to the cancellation of the Green Deal Communities scheme. Other adjustments include changes to the capital and revenue allocation of Transport for London schemes within the 2013/14 carried forward programme which was finalised in August. There has also been an allocation of £38k Section 106 funding towards equipment upgrades at Beck Theatre (Sport & Cultural Projects).

145. The main programme shows a favourable variance of £1,748k. The following paragraphs provide details of the reasons for the cost variances in the above table:

- Yiewsley Pool Development & Health Centre - the scheme is comprised of three elements: a new health centre, sports facility and 12 supported housing units (funded

through the HRA). Tenders for the construction works have been evaluated in detail resulting in a revised forecast over spend of £977k (inclusive of £282k on the supported housing element reported in the HRA). The overall forecast over spend has increased by £60k from last month because a provisional allowance has been made relating to a change in the client group for supported housing. Further analysis of the tender pricing between the Health Centre (General Fund) and supported housing (HRA) has resulted in a downward movement of £18k in the Health Centre element of the forecast within the General Fund.

- Hillingdon Sports & Leisure Centre - the forecast over spend is £530k due to the additional costs around remedial and defect works to resolve the contract issues and finally close the project. Due to delays in resolving contractual issues around this scheme the forecast has been re-phased into next financial year.
- Hayes End Library Development - fire glazing works have been completed and other minor issues are being addressed. There have been contractual issues leading to an arbitration process that is proceeding slowly and the impact on the Council is uncertain. There is a forecast remaining capital over spend of £90k to close out finishing works. The Council's final liability will depend on the outcome of the dispute proceedings.
- Central Library Refurbishment - the over spend of £135k is due to additional items that have been required to finish the project. These include additional ICT equipment, sprinkler and roofing works. The library was re-opened in April however there were still outstanding finishing works that resulted in slippage into this year.
- There is also a small over spend of £22k on completion of the Libraries Refurbishment programme.
- Disabled Facilities Grants & Private Sector Renewal Grants - the forecast under spend of £1,250k (including Adaptations for Adopted Children) represents the forecast level of uncommitted funding after taking into account potential increases in clients this year.
- Civic Centre Works Programme - due to under spends on existing schemes and works not currently required there is an overall under spend of £250k forecast on the budget.
- Rural Activities Garden Centre - the new modular building and path works have been completed and tenders are being prepared for an additional toilet block and septic tank. Based on the pre-tender estimates it is forecast that there will be an under spend of £115k as there are no identified requirements for the remainder of the budget.

146. The variance on the Schools Expansions programme is covered in the Schools section later in this report.

147. A summary of the capital programme by type of project is provided in Table 23 below:

Table 23 - General Fund Capital Programme

	Revised Budget 2014/15 £000	Forecast 2014/15 £000	Cost Variance Forecast vs Budget £000	Project Re-phasing £000	Total Project Budget 2014-2019 £000	Total Project Forecast 2014-2019 £000	Total Project Variance £000	Movement from Month 4 £'000
Main Programme	66,717	59,460	(1,381)	(5,876)	85,298	85,050	(248)	(611)
Programme of Works	27,983	24,847	(1,500)	(1,636)	77,166	75,666	(1,500)	(95)
Future Projects	14,958	14,389	-	(569)	198,308	198,308	-	
Total Main Programme	109,658	98,696	(2,881)	(8,081)	360,772	359,024	(1,748)	(706)
Development & Risk Contingency								
General Contingency	1,430	1,430			7,430	7,430		
Provision for Additional Schools Funding	-	-			28,929	28,929		
Total Capital Programme	111,088	100,126	(2,881)	(8,081)	397,131	395,383	(1,748)	(706)
Movement from Month 4	(2,682)	(10,794)	(1,376)	(6,736)	(2,668)	(3,374)	(706)	

148. There are general contingency funds totalling £7,430k over five years which are currently unallocated, however, it is forecast that these funds will be used as risk issues arise over the life of the programme. The provision for additional secondary schools funding is anticipated to be required for future schools developments.

149. The detailed General Fund capital programme by scheme is presented in Appendix 1 to this report.

150. Details of performance for key projects and programmes of works are detailed in the paragraphs below:

MAIN PROGRAMME (SCHOOLS)

151. Over the life of the existing programme there is a forecast under spend of £1,605k due partly to efficiencies on internal fees charged to Phase 2 of the Primary Schools Expansions programme and also on final accounts for several primary school expansions. The key issues and risks on performance of the overall Schools Expansions programme are outlined below.

Primary Schools

Phase 2

152. Phase 2 has been delivered to enable schools to be fully operational for the new term. The main remaining risks are on the following schools:

- Cherry Lane - an over spend has increased to £106k due to further costs for a multi use games area and floodlighting, however this is offset by under spends elsewhere within the programme.
- Glebe - a number of outstanding external and demolition works remain which are being progressed.

Phase 3 - New Schools

153. The new schools at St Andrew's Park and Lake Farm have opened for the new term. Temporary services will be removed shortly from St Andrew's Park. Works have commenced on site for the new school at Laurel Lane for completion in August 2015.

Special Educational Needs

154. Temporary classrooms have been provided at Hedgewood Primary School and Meadow Secondary School for the new term. Planning consent has been submitted to create an SRP unit at Cherry Lane for the spring term in January 2015. An amount of £320k is forecast re-phasing into next year for future needs that may arise.

155. Free School Meals - from September 2014, schools are required to offer infant school children (from reception to year 2 inclusive) with a universal free school meal. Additional kitchen and dining equipment is being provided to schools where the need has been demonstrated.

FUTURE PROJECTS (SCHOOLS)

Secondary Schools

156. The forecast of future demand for secondary school places predicts a shortfall in places commencing from 2016/17. Officers are undertaking feasibility studies of selected secondary school sites to identify those that could be considered suitable for expansion. The forecast spend for this year is £1,188k to cover initial survey, feasibilities and consultancy costs. This is shown as a phasing variance from the budget currently phased into 2015/16.

- Northwood Academy - consultants for the design of the project have been appointed. The construction phase of the project is not expected to commence this financial year.
- Abbotsfield School - the Education Funding Agency (EFA) are managing this project through the Priority Schools Building Programme (PSBP) with the Council making a contribution towards the overall costs. There will also be commitments for infrastructure works, furnishings fittings and equipment. The scope of the project has increased to re-provide a vocational centre which is sited at the school. In addition an SRP provision for 12 children has also been agreed. These additional requirements have resulted in a transfer of £2,905k from the provision for secondary schools funding to this scheme.

PROGRAMMES OF WORKS (SCHOOLS)

157. Schools Conditions Programme - works at several schools were completed during the school summer holidays although there have been minor delays on roofing works at Hedgewood and Oak Farm schools. Works at William Byrd school are now planned to be completed in October half term period due to changes in the design specification. The increase in costs is expected to be managed through the scheme contingency budget. An amount of £1,000k is projected as re-phasing into next financial year for schemes that are yet to be approved or allocated. There is an agreement from the schools to make contributions to the cost of works no greater than 20% of their reserves. Further information can be found in the School Capital Programme update report.

MAIN PROGRAMME (NON-SCHOOLS)

158. Car Park Resurfacing - there is forecast slippage of £870k as major works on The Cedars and Grainges multi storey car park will not be able to commence on site until towards the end of the financial year, although there will be feasibility and design costs incurred this year. Works on three other smaller car parks are expected to be completed this year.
159. Highways Programme - a major programme of road improvements is underway across the Borough for completion by the end of the financial year.
160. ICT Migration to Windows 7 Project - the project is well underway and will be completed this financial year.
161. ICT Single Development Plan - WiFi upgrade work is being carried out at two adult learning centres. The programme also includes several other projects which are in early stages of development.
162. Vehicle Replacement Programme - tenders have been received for the purchases of up to 97 vehicles including Green Spaces and Housing vehicles. The programme is forecasting slippage of £445k as some vehicles with specifications will not be delivered this financial year due to long lead times. Due to inflationary pressures on tender prices there is an overall cost pressure of £178k on the programme including Green Spaces vehicles and next year's requirements are being reviewed to manage this risk.
163. Eastcote House & Gardens - tenders have recently been submitted for approval for this refurbishment project which is mainly funded by the Heritage Lottery Fund. The capital works element of the project is expected to commence in September and an estimated £100k slippage is forecast as the works will not be completed until early in the next financial year.
164. Queenswalk Development - the resource centre and sensory garden have opened and the Wren Centre is due for hand over. The project is expected to be within budget.
165. Harlington Road Depot - refurbishment works are to commence shortly for completion in January and are forecast to be within budget. The completion of this project will allow for the rationalisation of the Council's existing depots and sale of other depot sites within the capital receipts programme.
166. CCTV Programme - the third phase of the programme consists of providing new mobile cameras at nine sites and upgrading the Civic Centre control room. Tender documentation is being prepared for public safety cameras in Hayes and technical specifications are to be prepared to upgrade to digital wireless cameras. An amount of £310k is forecast as slippage as the bulk of the remaining programme will not be completed until next financial year.
167. Whiteheath Farmhouse Refurbishment - works are complete on replacement of doors and windows at the farmhouse but structural works will not proceed until next year resulting in slippage of £260k.
168. Sports & Cultural Projects - the main project under this heading is the enhancement of Compass Theatre which is in early planning and design stages. Works on site will not commence until next financial year resulting in forecast slippage of £562k. The existing budget includes £270k Section 106 monies which must be spent by November 2015.

PROGRAMMES OF WORKS (NON-SCHOOLS)

169. Empty Homes Programme - the funding level of £782k is based on revised GLA targets for 34 properties and increased funding per property. There are enough projects identified to fully utilise this funding including one major development about to proceed in Yiewsley. However, there is a risk around delivering this programme to maximise use of the grant which is required to be used by the end of this financial year.
170. Transport for London Programme - The 2013/14 LIP programme was finalised in August with a negligible overall under spend. The initial tranche of schemes for the 2014/15 programme have been developed and approved.
171. Town Centres Initiatives Programme - the Initiatives at Northwood Hills and Ruislip Manor are close to completion. The Hayes Town Centre scheme is in early stages of development and there is forecast slippage of £371k (including TfL Major Scheme funding). Proposals are in development for shop front grant schemes in three locations within the Borough with Harefield Village Centre set to commence this year.
172. Property Works Programme - there are several existing schemes which commenced towards the end of 2013/14 which will require to be funded from the current year budget allocation of £600k. The remainder of the budget totalling £359k is currently unallocated however there are likely to be further works that are required during the year.
173. Chrysalis Programme - the majority of this year's budget has been allocated to new schemes a number of which are being tendered.

FUTURE PROJECTS (NON SCHOOLS)

174. ICT Infrastructure - this project to implement WiFi in Council buildings over two years budgeted at £1,200k is yet to commence and hence there is an increasing risk of slippage.
175. Uxbridge Cemetery Gatehouse - this £1,000k project is to renovate the Gatehouse and Anglican chapel which are listed buildings. A detailed planning application has been submitted to the National Planning Casework Unit to obtain listed building consent and due to the length of this process the delivery of the project will not be completed until 2015/16 resulting in £700k slippage.
176. St Andrew's Park Theatre - a feasibility study is about to proceed to develop this project and an amount of £250k is forecast as re-phasing into next financial year.
177. St Andrew's Park Museum - this project is yet to proceed and is being reviewed in conjunction with potential developments around Battle of Britain bunker.
178. Youth Centres - the project relates to the building of three new youth centres. The budget for this year is for the one currently identified site at Ash Grove and slippage of £807k is forecast as this will not be completed until next financial year.
179. Bowls Club Refurbishment - there is a budget of £500k for the refurbishment of Cowley and Bessingby bowls clubs. Tenders have been evaluated and are within budget. Works are planned to commence shortly after the end of the bowling season and are expected to take no longer than ten weeks.

CAPITAL FINANCING - GENERAL FUND

180. Table 4 sets out the latest capital financing forecast.

Table 24: Capital Financing

	Revised Budget 2014/15 £'000	Forecast 2014/15 £'000	Variance £'000	Total Financing Budget 2014-2019 £'000	Total Financing Forecast 2014-2019 £'000	Total Variance £'000	Movement from Month 4 £'000
Council Resource Requirement	60,183	50,084	(10,099)	212,178	210,430	(1,748)	(706)
Financed By:							
Capital Receipts	15,647	15,890	243	31,719	34,591	2,872	410
CIL	3,000	200	(2,800)	23,000	20,200	(2,800)	(800)
Prudential Borrowing	41,536	33,994	(7,542)	157,459	155,639	(1,820)	(316)
Total Council Resources	60,183	50,084	(10,099)	212,178	210,430	(1,748)	(706)
Grants & Contributions	50,905	50,042	(863)	184,953	184,953	-	-
Total Programme	111,088	100,126	(10,962)	397,131	395,383	(1,748)	(706)

181. Forecast General Fund capital receipts are £15,890k for 2014/15. There has been no further movement in actual capital receipts achieved this year which total £1,061k including the sale of a further six flats at Hayes End Library development. The remaining four flats are forecast to be sold this financial year. Including the flats, there are six major sales in excess of £1,000k that are included in the forecast for this year. There is an element of risk in the level of receipts that will be achieved this year which is reflected in the forecast.

182. The implementation of the Community Infrastructure Levy was delayed until 1 August 2014 and this has had an adverse impact on this year's income target. The current removal of the sui generis charging band has also reduced the forecast although this may be established in future years based on economic viability analysis. The estimated shortfall is forecast to be partially met from Section 106 contributions that will continue for developments that fall outside the current CIL charging schedule. Due to the length of time new developments after 1 August become liable for paying CIL the forecast for the current year has been further reduced to £200k. There is a significant risk that borrowing will have to increase to meet the funding gap.

183. The prudential borrowing forecast shows a favourable variance of £1,820k due mainly to the overall cost under spends and increase in the capital receipts forecast, partially offset by the CIL reduction.

HOUSING REVENUE ACCOUNT (HRA) CAPITAL PROGRAMME

184. The forecast outturn on the HRA capital programme is set out in Table 5 below:

Table 25 - HRA Capital Expenditure

	Revised Budget 2014/15 £000	Forecast 2014/15 £000	Cost Variance Forecast vs Budget £000	Project Re-phasing £000	Total Project Budget 2014-2019 £000	Total Project Forecast 2014-2019 £000	Total Project Variance £000	Movement from Month 4 £000
Dwelling Components	9,657	4,369		(5,288)	43,319	43,319		
Estates / Blocks	2,586	866		(1,720)	8,916	8,916		
Welfare	2,540	1,263		(1,277)	11,632	11,632		
Other Projects	2,378	2,378			11,890	11,890		
Total Works to Stock	17,161	8,876		(8,285)	75,757	75,757		
Purchase & Repair	2,088	2,088			9,766	9,766		
Council New Build	1,000	1,000			37,376	37,376		
Supported Housing	2,876	970		(1,906)	13,042	5,081	(7,961)	(8,165)
Total Major Projects	5,964	4,058		(1,906)	60,184	52,223	(7,961)	(8,165)
Former New Build Schemes	227	1,253	1,026		227	1,253	1,026	
Total	23,352	14,187	1,026	(10,191)	136,168	129,233	(6,935)	(8,165)
Movement from Month 4		(1,369)		(1,369)		(8,165)	(8,165)	

185. The Works to Stock programme is forecasting a further reduction in spend of £1,369k as numerous schemes will not be completed this financial year.

186. Dwelling Components - forecast expenditure on boiler works has been reduced by £652k because the gas installation contract procurement is not yet complete. However the procurement process should result in future savings. The projection for double glazing works has been reduced by £224k as the programme will not be fully delivered until next year. The kitchens and bathrooms programme has been tendered but there is anticipated slippage as the programme will not be completed until next financial year.

187. Estates and Block Renewal - the renewal of the gas installations contract is also delaying works on communal heating schemes. Works on environmental estates schemes are largely to be re-phased into next year with one project to be completed this year.

188. Welfare - under spends are reported on sheltered scheme upgrades and conversions based on the number of projects that have currently been identified.

189. Other Projects - the procurement of 57 housing fleet vehicles has been tendered and is estimated to cost £840k.

190. Purchase and Repair Programme - homeowners who have expressed interest in this scheme have been contacted. Valuations will be required for up to 25 properties and estimates to bring them up to standard for letting purposes.

191. Supported Housing Programme - the current proposed in house new build programme has been reduced from seven sites included in the original budget to three including the development at Yiewsley Health Centre. This is resulting in a significant under spend of £7,961k.
192. The forecast over spend of £1,026k on former New Build schemes largely relates to contractual issues around the Triscott House development which have yet to be resolved. The dispute is going through arbitration which is a lengthy process and the outcome remains uncertain.

HRA Capital Receipts

193. There have been 80 Right to Buy sales of Council dwellings for the year as at end of August 2014 for a value of £8,231k and a total of 165 sales are forecast totalling approximately £16,500k in 2014/15.
194. The Council has signed an agreement with Department for Communities & Local Government to re-invest the proceeds in housing stock regeneration. This enables the Council to retain a higher level of receipts because of reduced pooling, however the terms of the agreement stipulate that receipts must be spent or committed within three years or otherwise are returned to government with the addition of punitive interest. Proposals are being developed by officers to develop an Affordable Housing programme to utilise these receipts within allowed timescales.
195. Table 6 below sets out the time limits for the retention of Right to Buy receipts since the commencement of the agreement. An amount of £14,862k retained receipts have now been generated which require to be spent or committed by the deadlines set out in the table, up to June 2017.

Table 26: Right to Buy Sales

Period	Number of Sales	Retained Right to Buy Receipt (£'000)	Cumulative Expenditure Required to Utilise Funds (£'000)	Deadline for Commitment of Retained Right to Buy Receipt
2012/13 Quarter 4 Actual	33	3,169	10,563	March 2016
2013/14 Quarter 1 Actual	13	833	13,340	June 2016
2013/14 Quarter 2 Actual	35	2,666	22,227	September 2016
2013/14 Quarter 3 Actual	24	1,730	27,994	December 2016
2013/14 Quarter 4 Actual	34	2,290	35,626	March 2017
2014/15 Quarter 1 Actual	56	4,174	49,540	June 2017
Total Retained Receipts	195	14,862	49,540	

196. The use of retained Right to Buy receipts are limited by the regulations to the agreement to a maximum 30% of the cost of replacement housing. Therefore in order to utilise the receipts the cumulative gross expenditure level (including 70% HRA contributions) required to be achieved is £10,563k by end of 2015/16 and £49,540k by June 2017.
197. The current HRA capital programme budget includes £18,055k Right to Buy receipts to fund Major Projects totalling £60,184k by 2018/19, as shown in Table 7 below:

Table 27: Current New Build Programme

Major Project	Total Cost £'000	RTB Receipts £'000	Forecast Number of Units Provided
Purchase & Repair	9,766	2,929	70
Council New Build	37,376	11,213	178
Supported Housing	13,042	3,913	75
Total	60,184	18,055	323

198. There have been £74k in HRA non dwelling receipts for the year to date. These funds will be used to support the capital programme or be applied for repayment of debt.

ANNEX 1a - General Fund Main Programme

Total Project Cost (incl. Prior Years)	Project	2014/15 Revised Budget	2014/15 Forecast	2014/15 Variance	Total Project Budget 2014-2019	Total Project Forecast 2014-2019	Total Project Variance 2014-2019	Project Forecast Financed by:		
								Council Resources	Government Grants	Other Cont'ns
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Main Programme									
86,411	Primary School Expansions	48,384	43,720	(4,664)	61,107	59,502	(1,605)	20,466	28,837	10,199
3,910	Purchase of Vehicles	2,258	1,813	(445)	3,458	3,458	0	3,458	0	0
144	Yiewsley Health Centre & Sports Facility Development	3,052	3,244	192	7,631	8,326	695	8,326	0	0
9,254	Libraries Refurbishment	248	405	157	248	405	157	405	0	0
1,138	Queenswalk Redevelopment	1,664	1,664	0	1,664	1,664	0	1,664	0	0
3,565	South Ruislip Development - Plot A	64	64	0	64	64	0	64	0	0
11	Harlington Road Depot Refurbishment	1,276	1,276	0	1,341	1,341	0	1,341	0	0
65	Car Park Resurfacing	1,079	209	(870)	1,079	1,079	0	1,079	0	0
5	Eastcote House Buildings and Gardens	1,242	1,142	(100)	1,242	1,242	0	35	1,112	95
251	Grounds Maintenance	777	777	0	777	777	0	777	0	0
722	ICT Single Development Plan - Migration to Windows 7	1,067	1,067	0	1,067	1,067	0	1,067	0	0
0	Telecare Equipment	600	600	0	600	600	0	29	571	0
0	Free School Meals Projects	565	565	0	565	565	0	0	565	0
124	CCTV Programme	363	53	(310)	363	363	0	363	0	0
0	West Drayton Cemetery & Resurfacing	522	522	0	522	522	0	522	0	0
0	Sports & Cultural Projects	625	63	(562)	625	625	0	317	0	308
0	Whiteheath Farm Refurbishment	310	50	(260)	310	310	0	310	0	0
0	Rural Agricultural Garden Centre	340	225	(115)	340	225	(115)	225	0	0
0	Youth Centres Kitchen Replacements / Upgrades	143	143	0	143	143	0	0	113	30
0	Kings College Pavilion Running Track	230	230	0	230	230	0	0	0	230
0	Natural England Fencing & Gating	15	15	0	29	29	0	0	29	0
52,847	Major Projects completing in 2014/15	1,893	1,613	(280)	1,893	2,513	620	2,511	0	2
158,447	Total Main Programme	66,717	59,460	(7,257)	85,298	85,050	(248)	42,959	31,228	10,864

ANNEX 1b - Programme of Works

Total Project Cost (incl. Prior Years)	Project	2014/15 Revised Budget	2014/15 Forecast	2014/15 Variance	Total Project Budget 2014-2019	Total Project Forecast 2014-2019	Total Project Variance 2014-2019	Project Forecast Financed by:		
								Council Resources	Government Grants	Other Cont'ns
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Programmes of Works									
N/A	Leader's Initiative	437	245	(192)	1,237	1,237	0	1,237	0	0
N/A	Chrysalis Programme	1,895	1,895	0	5,895	5,895	0	4,945	0	950
N/A	Civic Centre Works Programme	1,387	1,137	(250)	2,887	2,637	(250)	2,637	0	0
N/A	Formula Capital Devolved to Schools	1,404	1,404	0	3,544	3,544	0	0	3,264	280
N/A	Highways Programme	6,169	6,169	0	11,001	11,001	0	9,952	0	1,049
N/A	ICT Single Development Plan	433	433	0	2,433	2,433	0	2,433	0	0
N/A	Property Works Programme	600	600	0	3,000	3,000	0	3,000	0	0
N/A	Road Safety	250	250	0	1,250	1,250	0	1,250	0	0
N/A	Street Lighting	180	180	0	900	900	0	900	0	0
N/A	Town Centre Initiatives	1,183	1,005	(178)	2,483	2,483	0	2,183	300	0
N/A	Transport for London	4,258	4,065	(193)	14,669	14,669	0	0	14,084	585
N/A	Urgent Building Condition Works	5,332	4,332	(1,000)	10,364	10,364	0	2,812	7,032	520
N/A	Disabled Facilities Grants	2,300	1,305	(995)	11,500	10,505	(995)	3,080	7,425	0
N/A	Adaptations for Adopted Children	200	0	(200)	1,000	800	(200)	0	800	0
N/A	Private Sector Renewal Grants	1,232	1,177	(55)	4,280	4,225	(55)	2,195	2,030	0
N/A	GF Supported Housing Programme	210	210	0	210	210	0	210	0	0
N/A	Programmes of works completed in 2014/15	513	440	(73)	513	513	0	0	0	513
	Total Programmes of Works	27,983	24,847	(3,136)	77,166	75,666	(1,500)	36,834	34,935	3,897

ANNEX 1c - Future Projects & Contingency

Total Project Cost (incl. Prior Years)	Project	2014/15 Revised Budget	2014/15 Forecast	2014/15 Variance	Total Project Budget 2014-2019	Total Project Forecast 2014-2019	Total Project Variance 2014-2019	Project Forecast Financed by:		
								Council Resources	Government Grants	Other Cont'ns
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Future Projects									
0	Secondary Schools Expansions (Expansion)	0	1,188	1,188	80,000	80,000	0	21,393	57,258	1,349
0	Secondary Schools Expansions (Replacement)	8,679	8,679	0	41,071	41,071	0	30,381	10,690	0
0	St Andrew's Park Theatre	500	250	(250)	44,000	44,000	0	42,950	0	1,050
0	New Primary School Expansions	0	0	0	13,500	13,500	0	4,050	9,450	0
0	New Years Green Lane EA Works	0	0	0	6,490	6,490	0	3,244	3,246	0
0	Youth Centres	1,615	808	(807)	5,100	5,100	0	5,100	0	0
0	Community Safety Assets	250	250	0	250	250	0	250	0	0
0	ICT Infrastructure	600	600	0	1,200	1,200	0	1,200	0	0
0	Uxbridge Cemetery Gatehouse & Anglican Chapel	950	250	(700)	1,000	1,000	0	1,000	0	0
0	St Andrew's Park Museum	1,667	1,667	0	5,000	5,000	0	4,250	0	750
0	Bowls Clubs Refurbishment	500	500	0	500	500	0	500	0	0
0	Local Plan Requirement Works	197	197	0	197	197	0	197	0	0
0	Total Future Projects	14,958	14,389	(569)	198,308	198,308	0	114,515	80,644	3,149
	Development & Risk Contingency									
0	General Contingency	1,430	1,430	0	7,430	7,430	0	7,430	0	0
0	Provision for Additional Secondary Schools Funding	0	0	0	28,929	28,929	0	8,692	20,237	0
0	Total Development & Risk Contingency	1,430	1,430	0	36,359	36,359	0	16,122	20,237	0
	Total GF Capital Programme	111,088	100,126	(10,962)	397,131	395,383	(1,748)	210,430	167,044	17,910

Appendix E – Treasury Management Report as at 31 August 2014

Table 28: Outstanding Deposits - Average Rate of Return on Deposits: 0.54%

	Actual £m	Actual %	Bench-mark %
Up to 1 Month	43.4	34.78	35.00
1-2 Months	7.0	5.61	0.00
2-3 Months	29.2	23.40	10.00
3-6 Months	6.0	4.81	10.00
6-9 Months	22.0	17.63	10.00
9-12 Months	0.0	0.00	15.00
12-18 Months	9.0	7.21	15.00
18-24 Months	7.4	5.93	5.00
Subtotal	124.0	99.37	100.00
Unpaid Maturities	0.8	0.63	0.00
Total	124.8	100.00	100.00

199. With the exception of the unpaid Heritable 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, Insight MMF, Ignis MMF, PSDF MMF, Santander UK, HSBC Bank, Nationwide Building Society, Barclays Bank, Aberdeen City Council, Birmingham City Council, Blaenau Gwent County Borough Council, Lancashire County Council, Moray Council, Salford City Council, Woking Borough Council and Wolverhampton City Council. The Council also currently holds three Certificates of Deposit with two with Standard Chartered and one with Barclays.
200. During August fixed-term deposits continued to mature in line with cashflow requirements. To maintain liquidity surplus funds were placed in instant access accounts and fixed term deposits with maturities of up to three days.

Table 29: Outstanding Debt - Average Interest Rate on Debt: 2.99%

	Actual £m	Actual %
General Fund		
PWLB	70.52	21.17
Long-Term Market	15.00	4.50
HRA		
PWLB	214.57	64.42
Long-Term Market	33.00	9.91
Total	333.09	100.00

201. There were no early debt repayment opportunities or rescheduling activities during August, neither were there any breaches of the prudential indicators or non-compliance with the treasury management policy and practices.

Ongoing Strategy

202. In order to maintain liquidity for day-to-day business operations, short-term balances will either be placed in instant access accounts or short term deposits of up to one week.

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

203. 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	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
Residents Services						
Development Surveyor	01-Mar-12	18-Sep-14	26-Dec-14	205	18	223
Programme Coordinator	22-Apr-13	26-Sep-14	19-Dec-14	91	11	102
Principal Surveyor	25-Mar-13	26-Sep-14	27-Mar-15	258	55	313
Project Manager Schools Conditions	15-Apr-13	26-Sep-14	27-Mar-15	156	60	216
Project Manager	08-Jul-13	26-Sep-14	27-Mar-15	92	60	152
Project Manager	01-Oct-12	26-Sep-14	27-Mar-15	184	71	255
Senior Project Manager	06-Feb-12	02-Oct-14	03-Apr-15	228	62	290
Technical Administration Officer	03-Mar-14	18-Sep-14	17-Oct-14	53	2	55
Senior Project Engineer	06-Apr-13	08-Dec-14	08-Jun-15	97	34	131
Project Engineer	06-May-13	08-Nov-14	18-May-15	99	32	131
Senior Sales Advisor	04-Feb-13	01-Nov-14	01-May-15	62	17	79
Building Suveryor	16-Jan-12	31-Oct-14	10-Apr-15	147	35	182
Planning Enforcement Officer	22-Apr-13	26-Sep-14	06-Feb-15	88	19	107
Plasterer	15-Nov-13	26-Sep-14	16-Jan-15	44	9	53
Labourer	19-Feb-13	26-Sep-14	02-Jan-15	45	7	52
Roofer	11-Feb-13	26-Sep-14	16-Jan-15	61	9	70
Multi-Trade	05-Feb-13	26-Sep-14	02-Jan-15	55	9	64
Electrical Services Officer	01-Apr-13	26-Sep-14	12-Dec-14	56	15	71
Adult Social Care						
Team Manager - Access Team	01-Apr-14	29-Sep-14	02-Nov-14	80	7	87
Floating Support Worker - Floating Support South	04-Sep-12	29-Sep-14	02-Nov-14	72	3	75
Residential Care Worker - Hatton Grove	01-Jun-11	29-Sep-14	02-Nov-14	91	1	92
Occupational Therapist - Occupational Therapy Team	07-Oct-13	29-Sep-14	02-Nov-14	57	5	62
Lead Approved Mental Health Practitioner	17-Jun-14	29-Sep-14	02-Nov-14	76	6	82

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
Residential Care Worker - Colham Road	01-Jun-11	29-Sep-14	02-Nov-14	118	2	120
Residential Care Worker - Colham Road	01-Jun-11	29-Sep-14	02-Nov-14	118	2	120
Team Leader - Chapel Lane	01-Jun-11	29-Sep-14	02-Nov-14	88	2	90
Team Leader - Hatton Grove	01-Apr-13	29-Sep-14	02-Nov-14	53	4	57
Night Care Worker - Colham Road	24-Jul-12	29-Sep-14	02-Nov-14	50	2	52
Team Manager - Older People Services - North Team	03-Feb-14	29-Sep-14	02-Nov-14	51	8	59
Residential Care Worker - Hatton Grove	01-Apr-12	29-Sep-14	02-Nov-14	64	3	67
Team Manager - Older People Services - South/Central Team	03-Feb-14	29-Sep-14	02-Nov-14	50	8	58
Administration and Finance						
ASC Strategic Development & Market Manager	29-Sep-14	29-Sep-14	27-Mar-15	0	65	65
Children & Young People's Services						
Team Manager	15-Apr-13	29-Sep-14	02-Nov-14	89	9	98
Senior Residential Worker	01-Apr-14	29-Sep-14	02-Nov-14	90	3	93
Residential worker	01-Mar-14	29-Sep-14	02-Nov-14	77	2	79
Deputy Team Manager	01-Jan-13	29-Sep-14	02-Nov-14	94	7	101
Residential Care Worker	01-Jan-13	29-Sep-14	02-Nov-14	84	2	86
Independent Reviewing Scheme Officer	07/04/014	29-Sep-14	02-Nov-14	47	13	60
Service Manager Children in Need	23-Jul-12	29-Sep-14	02-Nov-14	115	13	128
Senior Social Worker	01-Apr-13	29-Sep-14	02-Nov-14	75	7	82
Residential & Placements Manager	01-Jul-13	29-Sep-14	02-Nov-14	95	10	105
Social Worker	12-Dec-11	29-Sep-14	02-Nov-14	57	6	63
Senior Social Worker	06-Jan-12	29-Sep-14	02-Nov-14	145	7	152
Head of Children's Safeguarding & Quality Assurance	07-Jan-14	29-Sep-14	02-Nov-14	89	18	107
Social Worker	01-Jan-13	29-Sep-14	02-Nov-14	58	5	63
Deputy Team Manager	28-Jun-11	29-Sep-14	02-Nov-14	82	8	90

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
Senior Social Worker	05-Mar-14	29-Sep-14	02-Nov-14	65	7	72
Waking Night Residential Care Worker	23-Oct-12	29-Sep-14	02-Nov-14	154	1	155
Deputy Team Manager	05-Mar-12	29-Sep-14	02-Nov-14	173	7	180
Social Worker	01-Jan-12	29-Sep-14	02-Nov-14	82	6	88
Waking Night Residential Care Worker	01-Jul-12	29-Sep-14	02-Nov-14	81	1	82
Senior Social Worker	19-Dec-11	29-Sep-14	02-Nov-14	136	7	143
Senior Social Worker	19-Dec-11	29-Sep-14	02-Nov-14	105	7	112
Senior Social Worker	19-Dec-11	29-Sep-14	02-Nov-14	124	7	131
Senior Social Worker	19-Dec-11	29-Sep-14	02-Nov-14	90	7	97
Quality Assurance Manager	24-Mar-14	29-Sep-14	02-Nov-14	52	11	63
Senior Social Worker	05-Mar-12	29-Sep-14	02-Nov-14	121	7	128
Senior Social Worker	05-Mar-12	29-Sep-14	02-Nov-14	145	7	152
Senior Social Worker	01-Apr-13	29-Sep-14	02-Nov-14	73	7	80
Assistant Director - Children in Need	22-Apr-14	29-Sep-14	02-Nov-14	42	18	60
Senior Social Worker	01-Jan-13	29-Sep-14	02-Nov-14	82	7	89
Deputy Team Manager	01-Jan-13	29-Sep-14	02-Nov-14	97	8	105
Senior Social Worker	01-Apr-13	29-Sep-14	02-Nov-14	56	7	63
Service Improvement Manager	03-Feb-14	29-Sep-14	02-Nov-14	54	13	67
Court Tracker Project Manager	01-Jan-13	29-Sep-14	02-Nov-14	56	8	64