

MONTHLY COUNCIL BUDGET MONITORING -2014/15 MONTH 7

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 £2,638k is projected against 2014/15 General Fund revenue budgets as of October 2014 (Month 7). This represents an improvement of £83k 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 October 2014 (Month 7).
2. Note the treasury management update as at October 2014 at Appendix E.
3. Continues the delegated authority up until the 22 January 2015 Cabinet meeting to the Chief Executive to approve any consultancy and agency assignments over £50k, with final sign-off of any assignments made by the Leader of the Council. Cabinet are also asked to note those consultancy and agency assignments over £50k approved under delegated authority between the 21 November and 18 December 2014 Cabinet meetings, detailed at Appendix F.
4. Agree to the transfer of £171k funding from the general capital contingency budget to the ICT Single Development Plan.

5. Approve funding of £50k in respect of Better Homes funding from the Greater London Authority to be added to the Private Sector Renewals Grant budget.
6. Approve re-phasing of £20,543k capital expenditure budgets into later years of the capital programme.
7. Agree grant funded expenditure up to £69.5k in 2014/15 to deliver 2 of the projects within the Operational Resilience and Capacity Plan recommended by HCCG and approved and funded by NHSE.
8. Approve the addition of £92,250 DEFRA Sustainable Urban Drainage Systems grant funding to Residents Services operating budgets in 2014/15 and 2015/16.
9. Approve the addition of £40,000 DCLG Site Delivery Fund Grant funding to Residents Services operating budgets in 2014/15.
10. Approve the award of £10,000 to Uxbridge Forward from the Core Grants Budget
11. Ratify an Emergency Contract Decision made on 24 November 2014 by the Leader of the Council and Chief Executive to award a contract to Ability Housing Association to provide a care and support service for people with mental health needs at Sessile Court (formerly Tasman House) opening in 2014 for a period of five years.
12. Agree to:
 - a) Progress the 3 playgrounds and 2 outdoor gyms funded from Chrysalis as set out in Appendix G to this report;
 - b) Delegate to the Deputy Chief Executive and Corporate Director of Residents Services, in consultation with the Leader of the Council and Cabinet Member for Community, Commerce and Regeneration, the authority to procure, authorise capital release and make any other related decisions in respect of the 5 projects set out in the report from the Chrysalis Programme. This will enable their expedient installation during March 2015;
 - c) Request officers to report back to Cabinet the delegated decisions made on these 5 projects for public record and to keep residents and Ward Councillors informed on these beneficial local projects.

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 - Funding of £171k is required for phase 2 of Hillingdon Adult and Community Learning ICT provision which will support residents in their learning by modernising Adult Education IT systems.
4. Recommendation 5 - The West London Housing Directors have agreed that the remaining capital funding left from the GLA Targeted Funding Stream allocations between 2006 and 2011 (Empty Property and Better Homes Landlord grants programme) should be pooled and reallocated to a new Better Homes Project across West London. The allocation to Hillingdon is £50k and is required to be spent on Better Homes within the current financial year.
5. Recommendation 6 - There is a forecast under spend of £28,847k on the capital programme for the current financial year of which £20,543k is due to slippage on existing schemes where the budget will be required in future financial years. It is therefore proposed to re-phase £20,543k to reflect current expenditure projections over the life of the capital programme.

6. Recommendation 7 - The Council has been awarded funding of £69.5k from NHS England. The funding arises from the approval of Hillingdon Clinical Commissioning Group's (HCCG) 2014/15 Operational Resilience and Capacity Plan which includes 2 projects to be delivered by the Council. This funding is a replacement for the previous awarded annual Winter Pressures Grant. This requirement applies to all local authorities and CCGs. The money will be used for:

a) Out of hours Approved Mental Health Professional (AMHP) Service - Service will be available between 5 and 11pm 7 days a week to prevent breaches of A & E waiting time and prevent avoidable admissions. Total cost £32.7k

b) Additional Reablement capacity - Service will be available from 1st December until 31st March 2015 with the intention of expediting hospital discharge. Total cost £36.7k will be spent on additional assessor and care worker capacity that will be created by a combination of additional hours for existing staff and recruiting agency staff where required.

The Council is required to incur the expenditure first and then reclaim the money from the HCCG.

7. Recommendation 8 - Acceptance of the Sustainable Urban Drainage Systems funding (SUDS) £92,250 received from DEFRA to support set up costs for the Council to operate as a SUDS Approval Body for the period 1 April 2013 to 31 March 2015.

8. Recommendation 9 - Acceptance of £40,000 Site Delivery Fund grant received from DCLG is recommended help planning authorities resolve issues that are preventing housing schemes starting on site.

9. Recommendation 10 - As part of the small grants programme, Cabinet is asked to agree funding for Uxbridge Forward. £50k was set aside from the Core Grants Budget by Cabinet last year for such pump priming initiatives.

10. Recommendation 11 - Under the power vested to them in the Constitution, the Leader of the Council and Chief Executive invoked their Emergency Contract Delegation on 24 November to award an urgent contract to provide care and support services for people with mental health needs at Sessile Court (formerly Tasman House).

Sessile Court, Hayes will provide 14 self-contained flats that will enable some residents currently living in residential care to enjoy independent living. The scheme will also prevent others from being admitted to residential care. The provision of a care and support service at Sessile Court will provide a safe environment to enable residents to develop their independent living skills.

Prior to the handover of the scheme later this year, it was necessary for the Council to agree that the previously approved provider could withdraw from the contract. A fresh procurement exercise was therefore undertaken for an alternative provider.

Given the service urgency and, in considering all necessary information and options available, the Leader of the Council and Chief Executive therefore agreed to award a new contract to Ability Housing Association. The contract will span 5 years, costing up to a maximum of £1,544k in total over that period.

Failure to have appointed a new service provider would have put these important care and support services in jeopardy and also incurred void costs to the Council for the flats that would not be occupied.

The Constitution requires such decisions are reported to Cabinet for ratification, transparency and due public record.

11. Appendix G to this report sets out a programme of investment in playgrounds and outdoor gyms across the Borough, which are to be funded from the Chrysalis Programme. Recommendation 12 above seeks approval for this programme to go ahead.

Alternative options considered

12. There are no other options proposed for consideration.

SUMMARY

REVENUE

13. An underspend of £2,638k is projected at Month 7 for General Fund revenue budgets, consisting of £1,100k of deferred capital financing costs, a £289k reduction in the call on contingency budgets and a net underspend of £1,249k across Directorate Operating Budgets. This represents a net improvement of £84k, with an improved Adult Social Care forecast offsetting the effect of adverse movements on Children & Young People's Service budgets.
14. The 2014/15 revenue budget contains £16,552k of savings, including sums brought forward from 2013/14. £13,405k of this sum is reported as either on track for delivery in full or already banked with the remaining £3,086k classed as amber due to being at an early stage of implementation. No savings are reported as being at risk of non-delivery.
15. General Fund balances are projected to reach £38,552k at 31 March 2015, assuming that the remaining £2,370k 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 £33,552k.
16. 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 £185k income pressure reported within the Parking Revenue Account. Within the Collection Fund, no movement is reported from the £2,197k surplus; however, delays in bringing Heathrow Terminal 2 onto the rating list is concerning and could cause a pressure.

CAPITAL

17. As at Month 7 an under spend of £28,847k is reported on the 2014/15 capital programme budget from a revised budget of £111,965k. This is comprised of cost under spends of £4,206k and net phasing variances of £24,641k. Forecast outturn over the life of the General Fund programme for 2014/15 to 2018/19 is an under spend of £3,321k.
18. General Fund capital receipts of £4,901k are forecast for 2014/15, an adverse variance of £10,746 on the revised budget. Receipts over the period to 2018/19 expected to reach £42,141k. The forecast level of receipts in 2014/15 has reduced due to completion on major sales slipping into the next financial year.
19. Prudential borrowing is forecasting a favourable variance of £5,873k over the life of the programme due to the cost under spends of £3,321k and the improvement in the capital receipts forecast of £10,792k, partly offset by a reduction of £7,800k in the forecast level of Community Infrastructure Levy against initial income targets.

FURTHER INFORMATION

General Fund Revenue Budget

20. An underspend of £2,638k is projected on normal operating activities at Month 7, representing an improvement of £84k from Month 6. The Month 7 position incorporates a £1,249k net underspend across Directorate Operating Budgets, a £1,100k underspend on capital financing costs and a favourable variance of £289k on Development and Risk Contingency. Further detail on each of these items is included below.
21. Movements from Month 6 on Directorate Operating budgets result in a net improvement of £81k, principally relating to Adult Social Care and the increase in income on joint funded placements and implementation of the All Age Disabilities Pathway. The full effect of which is somewhat reduced by the adverse movement reported in Children and Young People's Service as a result of changes in assumptions on forecasting agency spend.
22. 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 into 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.
23. 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 50% are already banked and further 31% on track for delivery in full. An element of risk associated with those savings in the early stages of delivery, totalling £3,086k remains.

Table 1: General Fund Overview

Original Budget £'000	Budget Changes £'000	Service	Month 7		Variance (+ adv / - fav)		
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 7) £'000	Variance (As at Month 6) £'000	Movement from Month 6 £'000
168,045	1,724	Directorate Operating Budgets	169,771	168,521	(1,249)	(1,168)	(81)
17,153	(1,624)	Corporate Operating Budgets	15,527	14,429	(1,100)	(1,100)	0
24,738	0	Development & Risk Contingency	24,738	24,449	(289)	(286)	(3)
2,252	(100)	Priority Growth	2,152	2,152	0	0	0
212,188	0	Sub-total Normal Activities	212,188	209,551	(2,638)	(2,554)	(84)
		<u>Exceptional Items</u>					
212,188	0	Total Net Expenditure	212,188	209,551	(2,638)	(2,554)	(84)
(212,188)	0	Budget Requirement	(212,188)	(212,188)	0	0	0
0	0	Net Total	0	(2,637)	(2,638)	(2,554)	(84)
(35,915)	0	Balances b/fwd	(35,915)	(35,915)			
(35,915)	0	Balances c/fwd 31 March 2015	(35,915)	(38,552)			

24. At 31 March 2014 General Fund Balances totalled £35,915k, with the projected underspend expected to reach £38,552k by 31 March 2015. The Council's Medium Term Financial Forecast assumes that balances over £30,000k will be retained to manage emergent risks

and issues, with sums above that level earmarked for use to smooth the impact of government funding cuts.

Directorate Operating Budgets (£1,249k underspend, £81k improvement on Month 6)

25. 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	Budget Changes	Service	Month 7		Variance (+ adv / - fav)			
			Revised Budget	Forecast Outturn	Variance (As at Month 7)	Variance (As at Month 6)	Movement from Month 6	
£'000	£'000		£'000	£'000	£'000	£'000	£'000	
14,218	83	Admin.	Expenditure	14,301	14,015	(286)	(193)	(93)
(3,187)	906		Income	(2,281)	(2,323)	(42)	(48)	6
11,031	989		Sub-Total	12,020	11,692	(328)	(241)	(87)
169,101	329	Finance	Expenditure	169,430	169,517	87	104	(17)
(155,788)	(101)		Income	(155,889)	(156,281)	(392)	(392)	0
13,313	228		Sub-Total	13,541	13,236	(305)	(288)	(17)
139,103	822	Residents Services	Expenditure	139,925	139,180	(745)	(510)	(235)
(73,138)	(371)		Income	(73,509)	(73,218)	291	(17)	308
65,965	451		Sub-Total	66,416	65,962	(454)	(527)	73
31,163	(3,433)	Children & Young Peoples Service	Expenditure	27,730	28,197	466	289	177
(8,961)	457		Income	(8,504)	(8,687)	(183)	(203)	20
22,202	(2,976)		Sub-Total	19,226	19,510	283	86	197
68,691	13,612	Adult Social Care	Expenditure	82,303	82,686	383	452	(69)
(13,157)	(10,580)		Income	(23,737)	(24,565)	(828)	(650)	(178)
55,534	3,032		Sub-Total	58,566	58,121	(445)	(198)	(247)
168,045	1,724	Total Directorate Operating Budgets		169,769	168,521	(1,249)	(1,168)	(81)

26. An underspend of £328k is reported on the Administration budget due to posts being held vacant across the group and an improved outlook for Legal service income. This position has improved by £87k since Month 6, principally due to posts being held vacant for longer.

27. A small improvement from Month 6 of £17k is reported on Finance budgets, with the reported underspend of £305k being the net result of strong performance on recovery of Housing Benefit overpayments and court costs and delayed recruitment in Internal Audit.

28. An underspend of £454k is forecast within Residents Services, with cost pressures on parking income and facilities management being offset by the cost reduction resulting from the closure of Victoria Road Civic Amenity Site and posts being held vacant across the group. The £73k

adverse movement from Month 6 relates to an income pressure arising from the deferral of capital receipts into 2015/16 being mitigated by a number of one-off underspends across the group.

29. An adverse movement of £197k is reported on Children and Young People's Services, which represents the impact of an increased pressure primarily due to the use of agency staff to cover a rising number of vacant posts, some of which are senior and a change in assumptions as to the length of the approved contracts. The headline variance of £283k continues to be predominantly driven by the increased use of agency staff, which is partially mitigated through increased income from partners.
30. An underspend of £445k is now reported on Adult Social Care operating budgets, representing a £247k improvement from the position at Month 6. This improvement mainly relates to a reduction in placement costs and an increase in income towards joint funded placements, with a considerable part of the underspend arising from staffing vacancies.

Progress on Savings

31. 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.
32. As at Month 7, £13,405k (£13,377k at Month 6) is either on track for delivery or already banked, with the remaining £3,086k 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	(1,363)	(1,448)	(2,892)	(2,055)	(551)	(8,309)	50.4%
G On track for delivery	0	(91)	(2,375)	(1,734)	(896)	(5,096)	30.9%
A Potential significant savings shortfall or a significant or risky project which is at an early stage	(1,637)	0	(237)	(1,212)	0	(3,086)	18.7%
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)

33. Corporately managed expenditure includes 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 £'000	Budget Changes £'000	Service	Month 7		Variance (+ adv / - fav)			
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 7) £'000	Variance (As at Month 6) £'000	Movement from Month 6 £'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	792		Non-Sal Exp	11,869	11,869	0	0	0
(3,812)	(2,332)		Income	(6,144)	(6,144)	0	0	0
7,265	(1,540)		Sub-Total	5,725	5,725	0	0	0
17,153	(1,624)	Total Corporate Operating Budgets		15,529	14,429	(1,100)	(1,100)	0

34. In line with the position at Month 6, 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 (£289k underspend, £3k improvement)

35. 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 7		Variance (+ adv / - fav)		
				Revised Budget	Forecast Outturn	Variance (As at Month 7)	Variance (As at Month 6)	Movement from Month 6
£'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)	(178)	0
229	0		SEN transport	229	229	0	0	0
811	0		Waste Disposal Levy (Demand-led Tonnage Increases)	811	884	73	41	32
0	70		Compulsory Purchase Order Legal Costs	70	70	0	0	0
0	60		Powerday Public Enquiry	60	60	0	0	0
1,458	0	Children and Young People	Asylum Funding Shortfall	1,458	1,428	(30)	5	(35)
(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	1,816	(590)	(590)	0
11,990	0		Social Care Pressures (Adult)	11,990	12,426	436	436	0
500	0	Corp. Items	Pump Priming for BID Savings	500	500	0	0	0
2,500	(130)		General Contingency	2,370	2,370	0	0	0
24,738	0	Total Development & Risk Contingency		24,738	24,449	(289)	(286)	(3)

36. No movement from Month 6 has been reported on homelessness, with £1,966k forecast drawdown against the £2,144k budgeted contingency. As previously noted, numbers of households presenting as homeless and being housing in temporary accommodation remains constant - with bed and breakfast placement being limited through retention of existing private sector accommodation.

37. No movement is reported on the SEN Transport contingency and a breakeven position is reported on the £229k contingency provision, with capacity within this sum to manage limited growth in pupil numbers of the remainder of this financial year. At present, the on-going impact of the September intake of SEN pupils is yet to feed through into demand for transport services and therefore this position remains under close review.
38. There is an adverse movement of £32k on month 6 for waste disposal; this is a minor in-year movement attributable to growth in green waste and commercial waste tonnages over the assumptions included in the 2014/15 budget.
39. A minor improvement is reported on the cost of Asylum services, which reflects the recovery of funding the Home Office had previously sought to recoup at short notice.
40. There is no movement reported on the month 6 position within Adult Social Care on the pressure from children transferring to the department's services. This favourable position is driven by both a reduction in numbers of children and new cases transferring with a lower cost of care than assumed in budget setting.
41. There is no change in forecast outturn for the main Adult Social Care contingency. To date four clients have transferred at an estimated cost of £436k as a result of the Winterborne View report, with further transfers being reflected in the Council's MTFE as appropriate.
42. There remains £2,370k uncommitted General Contingency balance which is available to manage emergent risks and cost pressures.

Priority Growth

43. 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 £100k has been allocated from unallocated Priority Growth, to fund a review of ICT across the Council which was agreed at month 6.
44. 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 £301k, leaving £637k available for new initiatives.

Table 6: Priority Growth

Original Budget £'000	Budget Changes £'000	Priority Growth	Revised Budget £'000	Month 7 Approved Allocations £'000	Unallocated Balance £'000
800	138	HIP Initiatives Budgets	938	301	(637)
0	(138)	B/fwd Funds	(138)	(138)	0
1,452	(100)	Unallocated Priority Growth	1,352	0	(1,352)
2,252	(100)	Total Priority Growth	2,252	163	(1,989)

Schools Budget, Parking Revenue Account and Collection Fund

45. 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.
46. An in year pressure is reported within the Schools Budget at Month 7, reflecting the release of significant retained balances to individual schools within the Borough and resulting in projected year end balances of £1,506k. There has been a minor adverse movement on this position from Month 6 due to an increase in projected SEN pupil numbers, with the remaining balance remaining available to support future investment in Borough's schools.
47. There is a minor improvement on the month 6 position reported on the Parking Revenue Account (PRA), with shortfalls in income against historic targets resulting in a pressure of £185k. Work to zero-base budgets with the PRA continues and intended to bring the account back into balance, thereby mitigating any impact on the Council Taxpayer.
48. The projected outturn on Council Tax and Business Rates income within the Collection Fund is unchanged from Month 6, with a surplus of £2,697k on Council Tax and deficit of £500k on Business Rates. The pressure on commercial properties relates to the continuing high level of empty property reliefs being awarded and delays on the part of the Valuation Office Agency on adding new properties to the list. The principal risk area remains Heathrow Terminal 2, which despite opening in June 2014 has only partially been added to the rating list, meaning that the Council can only bill for an element of the expansion.
49. There is no change in the headline Collection Fund position reported from Month 6. A net surplus of £2,197k is projected for 31 March 2015, which will be released to the General Fund in 2015/16. As previously noted, the Valuation Office Agency are still to confirm the rateable value of the new Heathrow Terminal 2 phases 1 and 2. As such a significant element of Business Rate income remains at risk and will continue to be closely monitored.

Housing Revenue Account Budget

50. As at Month 7 an in year surplus of £4,380k is projected on Housing Revenue Account operations, an increase of £160k from the position at Month 6 as a result of further projected underspends within Housing Management and deferral of Planned Maintenance projects 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 £27,200k by 31 March 2015, with further monies earmarked to support on-going investment in housing stock.

Future Revenue Implications of Capital Programme

51. Appendix D to this report provides an update on the current capital programme, with a headline underspend of £3,321k reported on the 2014/15 - 2018/19 programme. Within this 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 £7,259k committed contingency funding within this budget to support new investment without impacting upon the reported underspend.
52. Capital receipts are projected to reach £42,141k over the MTF period, representing an overachievement of £10,422k against budget as a result of increased valuations on two key sites. Taking account of the expected shortfall of £7,800k on Community Infrastructure Levy receipts, arising due to delays in implementing the scheme and the projected underspend noted above, this reduces the Council's borrowing requirement by £5,943k to £151,516k on

the current programme. If realised, this reduced level of borrowing would enable savings to be released over the medium term from the current provision for capital financing costs.

53. 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 - although further deferral of capital receipts into 2015/16 will begin to impact upon this position. 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 (£328k underspend, £87k improvement)

54. The Administration Group is showing an underspend of £328k at Month 7, an £87k improvement on Month 6. The movement since month 6 is due to reduced salary expenditure across the group as a result of delayed recruitment to posts and additional vacancies arising. The remaining underspend is primarily due to a number of vacant posts across Performance some of which have been put forward as a saving for the 2015/16 MTFF process. There is a surplus of income in Legal Services and a MTFF proposal for 2015/16 has also been put forward relating to this.

Table 7: Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 7		Variance (+ adv / - fav)			
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 7) £'000	Variance (As at Month 6) £'000	Movement from Month 6 £'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	0
433	58		Sub-Total	491	490	(1)	(1)	0
707	0	Corporate Comms	Salaries	707	721	14	15	(1)
159	(9)		Non-Sal Exp	150	143	(7)	(6)	(1)
(27)	9		Income	(18)	(18)	0	0	0
839	0		Sub-Total	839	846	7	9	(2)
1,449	0	Democr. Services	Salaries	1,449	1,461	12	12	0
1,882	0		Non-Sal Exp	1,882	1,896	14	14	0
(957)	339		Income	(618)	(583)	35	35	0
2,374	339		Sub-Total	2,713	2,774	61	61	0
2,273	51	Human Resources	Salaries	2,324	2,270	(54)	(19)	(35)
639	12		Non-Sal Exp	651	651	0	(8)	8
(303)	0		Income	(303)	(268)	35	31	4
2,609	63		Sub-Total	2,672	2,653	(19)	4	(23)
1,871	0	Legal Services	Salaries	1,871	1,887	16	45	(29)
111	0		Non-Sal Exp	111	107	(4)	(6)	2
(575)	0		Income	(575)	(668)	(93)	(93)	0
1,407	0		Sub-Total	1,407	1,326	(81)	(54)	(27)
2,173	(1,593)	Policy & Partnerships	Salaries	580	586	6	6	0
2,463	(166)		Non-Sal Exp	2,297	2,265	(32)	(32)	0
(1,267)	1,222		Income	(45)	(63)	(18)	(17)	(1)
3,369	(537)		Sub-Total	2,832	2,788	(44)	(43)	(1)
0	1,620	Performance	Salaries	1,620	1,420	(200)	(174)	(26)
0	168		Non-Sal Exp	168	118	(50)	(39)	(11)
0	(722)		Income	(722)	(723)	(1)	(4)	3
0	1,066		Sub-Total	1,066	815	(251)	(217)	(34)
8,958	78	Admin. Directorate	Salaries	9,036	8,831	(205)	(114)	(91)
5,260	5		Non-Sal Exp	5,265	5,184	(81)	(79)	(2)
(3,187)	906		Income	(2,281)	(2,323)	(42)	(48)	6
11,031	989		Total	12,020	11,692	(328)	(241)	(87)

FINANCE (£305k underspend, £17k improvement)

55. The Finance Group is showing an under spend of £305k at Month 7, an improvement of £17k on Month 6. The improvement is largely due to delayed recruitment in the Internal Audit area. The majority of the under spend is due to an improved Housing Benefit subsidy position since the start of the year. The expenditure and income budgets across Revenues and Benefits are to be realigned as part of the 2015/16 MTF process.

Table 8: Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 7		Variance (+ adv / - fav)			
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 7) £'000	Variance (As at Month 6) £'000	Movement from Month 6 £'000	
537	0	Internal Audit	Salaries	537	516	(21)	(2)	(19)
56	0		Non-Sal Exp	56	73	17	9	8
0	0		Income	0	(10)	(10)	(10)	0
593	0		Sub-Total	593	579	(14)	(3)	(11)
2,050	0	Procurement	Salaries	2,050	2,053	3	7	(4)
150	0		Non-Sal Exp	150	175	25	18	7
(557)	13		Income	(544)	(555)	(11)	(11)	0
1,643	13		Sub-Total	1,656	1,673	17	14	3
3,299	0	Operation. Finance	Salaries	3,299	3,347	48	58	(10)
705	(26)		Non-Sal Exp	679	686	7	6	1
(963)	0		Income	(963)	(963)	0	0	0
3,041	(26)		Sub-Total	3,015	3,070	55	64	(9)
3,729	107	Revenues & Benefits	Salaries	3,836	3,826	(10)	(10)	0
154,439	187		Non-Sal Exp	154,626	154,626	0	0	0
(154,102)	(280)		Income	(154,382)	(154,753)	(371)	(371)	0
4,066	14		Sub-Total	4,080	3,699	(381)	(381)	0
1,445	(51)	Strategic Finance	Salaries	1,394	1,412	18	18	0
2,691	12		Non-Sal Exp	2,703	2,703	0	0	0
(166)	166		Income	0	0	0	0	0
3,970	127		Sub-Total	4,097	4,115	18	18	0
11,060	56	Finance Directorate	Salaries	11,116	11,154	38	71	(33)
158,041	173		Non-Sal Exp	158,214	158,263	49	33	16
(155,788)	(101)		Income	(155,889)	(156,281)	(392)	(392)	0
13,313	128		Total	13,441	13,136	(305)	(288)	(17)

56. A breakeven position is projected on the contingency for uninsured claims at Month 7.

Table 9: Development & Risk Contingency

Original Budget £'000	Budget Changes £'000	Development & Risk Contingency	Month 7		Variance (+ adv / - fav)		
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 7) £'000	Variance (As at Month 6) £'000	Movement from Month 6 £'000
400	0	Uninsured Claims	400	400	0	0	0
400	0	Current Commitments	400	400	0	0	0

RESIDENT SERVICES GENERAL FUND (£454k underspend, £73k favourable)

57. Residents Services directorate is showing a projected outturn underspend of £454k at Month 7, excluding pressure areas that have identified contingency provisions.

Table 10: Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 7		Variance (+ adv / - fav)			
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 7) £'000	Variance (As at Month 6) £'000	Movement from Month 6 £'000	
2,240	(39)	Asset Management	Salaries	2,201	2,278	77	77	0
8,681	260		Non-Sal Exp	8,941	9,212	271	271	0
(5,494)	(141)		Income	(5,635)	(5,152)	483	181	302
5,427	80		Sub-Total	5,507	6,338	831	529	302
8,451	(662)	Education (GF)	Salaries	7,789	7,641	(148)	(95)	(53)
11,182	(639)		Non-Sal Exp	10,543	10,632	89	62	27
(9,681)	(97)		Income	(9,778)	(9,869)	(91)	(97)	6
9,952	(1,398)		Sub-Total	8,554	8,404	(150)	(130)	(20)
1,641	(1)	Environ. Policy & Commun. Engage.	Salaries	1,640	1,579	(61)	(28)	(33)
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)	(5,332)	(71)	(38)	(33)
3,099	0	Housing (GF)	Salaries	3,099	3,141	42	42	0
9,048	0		Non-Sal Exp	9,048	8,995	(53)	(53)	0
(7,489)	0		Income	(7,489)	(7,496)	(7)	(7)	0
4,658	0		Sub-Total	4,658	4,640	(18)	(18)	0
17,347	(3,086)	ICT, Highways & Business Serv.	Salaries	14,261	14,130	(131)	(122)	(9)
9,805	278		Non-Sal Exp	10,083	9,999	(84)	(84)	0
(5,416)	(407)		Income	(5,823)	(5,819)	4	4	0
21,736	(3,215)		Sub-Total	18,521	18,310	(211)	(202)	(9)
7,674	(117)	Planning, Green Spaces & Culture	Salaries	7,557	7,467	(90)	(1)	(89)
6,389	(345)		Non-Sal Exp	6,044	6,084	40	40	0
(9,404)	336		Income	(9,068)	(9,196)	(128)	(128)	0
4,659	(126)		Sub-Total	4,533	4,355	(178)	(89)	(89)
13,800	19	Public Safety (GF)	Salaries	13,819	13,789	(30)	(15)	(15)
24,237	(181)		Non-Sal Exp	24,056	23,693	(363)	(363)	0
(11,965)	0		Income	(11,965)	(11,925)	40	40	0
26,072	(162)		Sub-Total	25,910	25,557	(353)	(338)	(15)
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	0	0	0	0
172	5,934	Residents Services Directorate	Salaries	6,106	5,802	(304)	(241)	(63)
(1,850)	289		Non-Sal Exp	(1,561)	(1,561)	0	0	0
10	(561)		Income	(551)	(551)	0	0	0
(1,668)	5,662		Sub-Total	3,994	3,690	(304)	(241)	(63)
56,197	1,591	Residents Services	Salaries	57,788	57,143	(645)	(383)	(262)
82,906	(769)		Non-Sal Exp	82,137	82,037	(100)	(127)	27
(73,138)	(371)		Income	(73,509)	(73,218)	291	(17)	308
65,965	451		Total	66,416	65,962	(454)	(527)	73

58. The overall underspend is a result of the closure of Victoria Road and staffing underspends across the group, offset by pressures on off-street parking income and facilities management. In addition, this month the group is reporting further pressures on buyers' premium income as a result of slippage in asset disposals into 2015/16.
59. 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.
60. At month 7 projected calls on contingency is £105k below provision, £32k adverse movement from month 6. 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 7		Variance (+ adv / - fav)		
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 7) £'000	Variance (As at Month 6) £'000	Movement from Month 6 £'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)	(178)	0
229	0	SEN transport	229	229	0	0	0
811	0	Waste Disposal Levy (Demand-led Tonnage Increases)	811	884	73	41	32
0	60	Poweday Public Enquiry	60	60	0	0	0
3,824	60	Current Commitments	3,884	3,779	(105)	(137)	32

61. 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 (no change).
62. Temporary Accommodation and housing advice data for the period July to October are shown below. 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, with September showing a marked increase to 131 from the figures in the summer months of June, July and August.

Table 12: Housing Needs performance data

	July	August	September	October
Homeless Threat, Priority Need & Eligible	112	113	131	150
Presenting As Homeless	59	46	57	44
Duty Accepted	26	22	34	23
Households in Temporary Accommodation	513	508	502	515
Households in B&B	157	154	146	155

63. Due to the lack of private sector properties to use as prevention on private sector discharge, the number of homeless accepted cases remains high at projected figures of around 350 this year. This figure is 3 times higher than the low figure achievable prior to changes in supply for the private sector.
64. The Housing Needs service is still experiencing a high level of demand in terms of homelessness presentations. At month 7, the projected call on contingency is £1,966k (no change). 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 the end of December 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.
65. 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.
66. At month 7 the latest modelling forecast remains at an overspend on contingency of £73k (£32k adverse movement) 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.
67. The contingency for the Carbon Reduction Commitment is for the estimated costs to purchase carbon allowances.
68. 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.
69. The service is currently reassessing the forecast against the assumed growth of 6% in the budget now that the new school year has commenced. Initial analysis of the data for the new cohort shows a lower than expected increase in pupil numbers with an associated small reduction in routes and reduction in schools served.
70. The reported position for month 7 continues to represent a prudent view of the expected outturn, given the increase in SEN population, increasing severity of need and possible further increases in numbers/routes over the remainder of the financial year.
71. 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 (£831k pressure, £302k adverse)

72. As previously reported, the service manages risks around the achievement of capital receipts and delivery of the capital programme. Achievement of buyers' premium income is volatile - slippage of one of the larger disposals in the schedule can lead to a material drop in revenue.
73. At Month 7 the service is reporting an adverse movement of £302k relating to a net reduction in buyers' premium income to £106k for the financial year. This relates to the slippage of major sites in the disposals programme into 2015/16.
74. 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 and hire of committee rooms, £20k.
75. 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.

Education GF (£150k underspend, £21k favourable)

76. The Education Service is projecting an underspend of £150k as at Month 7, an improvement of £21k on the month 6 projections.
77. This consists of an underspend of £148k on staffing, an improvement of £53k on the month 6 position, due to vacancies across the School Improvement Service. An overspend of £89k on non staffing costs, an adverse movement of £27k on the month 6 position, due to reviewed projections of the Adult Learning Service and Youth Services non staffing spend.
78. A projected surplus of £92k on income streams, an adverse movement of £5k on the month 6 position, due to a reduction in the level of SLA income received from schools.

Environmental Policy & Community Engagement (£71k underspend, £33k favourable)

79. 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.
80. The service is also projecting an underspend on salaries of £61k , a favourable movement of £33k reflecting part year vacancies and delays to recruitment of vacant posts across Planning Policy and Road Safety.

Housing GF (£18k underspend, no change)

81. The service is expecting to produce a small underspend relating to non-salaries expenditure. This is currently projected at £38k, relating to an unallocated training budget.
82. There are projected underspends within team budgets of £4k for miscellaneous items including printing and stationary.
83. There is a £24k adverse variance due to £42k agency cost for two Homelessness Prevention Caseworkers, netted down by £18k favourable movement in PSL court fees (£11k) and rents & wayleaves (£7k).

ICT Highways & Business Services (£211k underspend, £9k favourable)

84. The service is reporting a £7k favourable movement in staffing underspends in a range of service areas across the group.

85. Within ICT, there is a favourable movement of £2k relating to a reduced projection for car allowances.

Planning Sport & Green Spaces (£178k underspend, £89k favourable)

86. Subsequent to bringing grounds maintenance in-house, budgets continue to undergo review. The service is still undergoing a restructure which should be concluded by December. As the service continues to bed down, efficiencies continue to be identified within the service as a result of it coming back in-house, including one-off underspends in transport costs and more efficient working practices. The current forecast is an underspend of £152k, a favourable movement of £55k from month 6. The underspend will continue to be monitored closely as the restructure concludes.
87. The Golf courses overspend has reduced from £46k to £12k (£34k favourable movement). This is a result of savings identified in the ongoing restructure and staffing underspends from vacant posts as well as a reduction in overtime payments.
88. Cabinet approved the increased contract fees in relation to planning applications on 20 November 2014. As at month 7, the service expects to be able to contain the additional costs within existing budgets.
89. 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 Health (nil variance, no change)

90. 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 £32k is anticipated for the year. It is anticipated that the Director of Public Health post will be filled from January this year. The Health Promotion Team is forecasting a £136k underspend against staffing costs, due to three positions being vacant which are considered unlikely to be filled this year.
91. BID and category reviews of Public Health services are underway, with new sexual health and school nursing contract arrangements in place. The National Chlamydia Screening Programme contract and the condom distribution contract with Terrence Higgins Trust have finished and a new contract with CNWL is now in place to provide these services, with savings of around £120k per annum contributing to the MTF.
92. The school nursing contract has been re-let with a saving of around £80k per annum. The new school nursing contract includes the school vision service that was previously contracted separately at a cost of £60k per annum. These will contribute to the existing 2014/15 procurement savings for Public Health.
93. The tender for drug and alcohol services is currently being prepared and it is anticipated that new contracting arrangements will be in place for July 2015.

Public Safety (£353k underspend, £15k favourable)

94. The off-street parking income at the Cedars and Grainges multi-storey car parks continues to experience pressure relating to the loss of season ticket income at both car parks. The most recent forecast is unchanged from month 6, resulting in an income pressure of £242k.

95. The off-street parking team is forecasting a staffing underspend of £15k due to only one of two vacant posts being filled for the remainder of this financial year.
96. Public Protection is forecasting the following staffing underspends: Trading Standards due to retirements and anticipated delays in the recruitment process (£47k, no change); Pollution Control is forecasting an underspend of £10k (no change) on staffing subsequent to the restructure and £8k on non-staffing costs. The service is also forecasting scrap metal additional licences income £3k (no change).
97. There is a forecast income overachievement of £47k for the sampling of soil products and a reduction in analyst fees of £41k. This is a prudent forecast variance for this volatile income stream which will continue to be closely monitored.
98. In Waste Services, there is a projected underspend of £357k which primarily relates to the impact of the closure of the Victoria Road CA site.
99. The remaining underspends of £67k relate to Waste Services previously reported at month 6. These relate to New Years Green Lane Civic Amenity site reporting net underspends of £57k and additional underspends of £10k relating to additional overtime/agency costs.

Residents Services Directorate (£304k underspend, £63k favourable)

100. 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 7 relating to these vacancies is a £304k underspend, a favourable movement of £63k from month 6 relating to the likely phasing of the restructures.

CHILDREN AND YOUNG PEOPLE'S SERVICES (£283k overspend, £197k adverse)

101. The Children and Young People's Service is projecting an overspend of £283k as at Month 7, an adverse movement of £197k on the month 6 projections, which is explained in more detail below.
102. The month 7 position is now reflecting an overspend of £464k on Salaries, an adverse movement of £175k on the month 6 projections, due to an increase in the number of agency staff having to be employed to cover vacant posts, recent staff resignations and increase in the forecast duration of a number of agency assignments. This overspend reflects the current position on the staffing establishment 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. The agency market for Social Workers remains highly competitive with a consequential pressure on pay rates in order to retain and attract good quality staff.
103. There is an overspend of £1k on non-staffing budgets, an adverse movement of £2k on the month 6 projections. Within this there is a projected increase in the cost of Secure/Remand placements, over which the Council has only limited control, and an increase in the cost of Adoption and Special Guardianship Order allowances and subsistence that is provided to clients. This is netted down by underspends across supplies and services, where the service is challenging and tightly controlling spending decisions.
104. There is a projected surplus of £183k on income, an adverse movement of £19k on the month 6 projections, due to a reduction in the anticipated income that will be received from other local authorities. The surplus of £183k relates to the funding received from a number of external partners, including Health, the Youth Justice Board and Education.
105. The projected variances at Month 7 are summarised in the following table, with more detail provided in the paragraphs below:

Table 13: Operating Budgets

Original Budget	Budget Changes	Service	Month 7		Variance (+ adv / - fav)			
			Revised Budget	Forecast Outturn	Variance (As at Month 7)	Variance (As at Month 6)	Movement from Month 6	
£'000	£'000		£'000	£'000	£'000	£'000	£'000	
1,033	31	Safeguarding Children	Salaries	1,064	1,340	276	305	(29)
1,356	126		Non-Sal Exp	1,482	1,636	154	152	2
(146)	(2)		Income	(148)	(213)	(65)	(64)	(1)
2,243	155		Sub-Total	2,398	2,763	365	393	(28)
1,711	366	Early Intervention Services	Salaries	2,077	1,765	(312)	(309)	(3)
288	(1)		Non-Sal Exp	287	284	(3)	(8)	5
(657)	0		Income	(657)	(712)	(55)	(48)	(7)
1,342	365		Sub-Total	1,707	1,337	(370)	(365)	(5)
3,355	(1,176)	Looked After Children	Salaries	2,179	1,908	(271)	(100)	(171)
1,056	(309)		Non-Sal Exp	747	646	(101)	(115)	14
(304)	(10)		Income	(314)	(315)	(1)	0	(1)
4,107	(1,495)		Sub-Total	2,612	2,239	(373)	(215)	(158)
9,970	(1,964)	Children's Resources	Salaries	8,006	8,778	771	393	378
12,394	(506)		Non-Sal Exp	11,888	11,840	(48)	(29)	(19)
(7,854)	469		Income	(7,385)	(7,447)	(62)	(91)	29
14,510	(2,001)		Sub-Total	12,509	13,171	661	273	388
16,069	(2,743)	Children's and Young Persons Directorate	Salaries	13,326	13,791	464	289	175
15,094	(690)		Non-Sal Exp	14,404	14,406	2	0	2
(8,961)	457		Income	(8,504)	(8,687)	(183)	(203)	20
22,202	(2,976)		Total	19,226	19,510	283	86	197

Safeguarding Children: (£365k overspend, £28k improvement)

106. The Safeguarding Children's service is projecting an overspend of £365k, an improvement of £28k on the month 6 projections, due to a revision in the forecast cost of agency staff covering vacant posts. The overall position comprises an overspend of £276k on staffing, due to a high level of agency staff and an overspend of £154k 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 £65k in income streams, due to additional funds being received from external partners.

Early intervention (Youth Offending Service): (£371k underspend, £5k improvement)

107. This service is projecting an underspend of £371k, an improvement of £5k on the month 6 projections. This relates to an underspend of £312k on staffing, where there are a number of staff vacancies relating primarily to Key Worker posts, due to the impending implementation of the Early Support restructure, an underspend of £3k on non staffing budgets and a surplus of £55k on income, which is due to additional funds being received from external partners including the Youth Justice Board.

Looked After Children: (£373k underspend, £158k improvement)

108. This service is projecting an underspend of £373k, an improvement of £158k on the month 6 projections, due to a reduction in the projected cost of agency staff, which reflects the positive impact that the managed service is having and forecast to have on the Social Worker

caseloads. This relates to an underspend on staffing costs of £271k, due to a high level of vacant posts, some of which are not being covered by agency or permanent staff and an underspend of £101k on non staffing costs, where the service is incurring expenditure on essential items only.

Children's Resources: (£661k overspend, £388k adverse)

109. This service is projecting an overspend of £661k, an adverse movement of £388k on the month 6 projections as a result of an ongoing review of salary cost forecasts, where it has been assumed that the service will continue with agency appointments up to the 31 March 2015, whilst the service implements fully the Children's Pathway and faces ongoing challenges in permanent recruitment. The gross overspend on staffing costs is £771k, which reflects the cost differential of these agency staff, including a number of Senior Manager posts over this period, together with and sessional staff costs required to support Looked After Children contact, where the number of court instructions has increased significantly this year. This is netted down by an underspend of £48k on non staffing costs, where the service continues to control and challenge spend, and a surplus of £62k on income, which is due to additional funding being received from external partners. This latter variance 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 local provision, no longer require a contribution from education.

110. In terms of the placements budget, this is projecting a breakeven position, assuming the full draw down of contingency sums.

111. There are 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 £388k.
- There is an additional staffing cost within the Triage service due to additional resources being required to cover staff absence, as well as a high level of agency staff, resulting in a pressure of £159k.
- 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 £359k. 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

112. 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, primarily to provide some short term stability across the service and build in capacity to deal with a high volume of agency recruitment. This service has been monitored closely which has resulted in a revised delivery model being put in place with effect from 24 November 2014, which will focus on the assessment stage only. The latest caseload analysis indicates that the caseloads per Social Worker are moving closer to the optimum level as set out in the Munro report, which will allow the service to review the staffing resource requirement and start planning to reduce the

requirement for the appointment of additional agency staff. The month 7 monitoring staffing position reflects the planned slow down in the number of agency staff appointed, based on the current improvements that are being seen through the introduction of the managed service. This position will be monitored on a weekly basis to allow the service sufficient time to act and make decisions on future staffing resource requirements over the next five months up to 31 March 2015.

113. The Council is also considering implementing a similar temporary arrangement to support the Adoption and Fostering service, which is estimated to cost £423k over a period of 6 months, with an estimated cost of £257k in 2014/15 for the period mid December 2014 to 31 March 2015. This managed service is likely to have a direct impact on the number of children that will be adopted or be subject to a Special Guardianship Order as well as potentially increase the number of In House Foster Carers, thus reducing the need to use Independent Fostering Agencies, where the cost differential is approximately £20,000 per placement per annum. The impact of this service will also be monitored very closely.

114. It should be noted that these two items have not been accounted for within the month 7 monitoring position reported above. However, there is provision within earmarked reserves to fund these costs, where they cannot be met from the base budget.

Analysis of Placements

115. The following table sets out the number of current placements in October 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

October 2014 Projections	Projecte d 14/15 Numbers	%	Annualise d Cost £000	Cost %	2014/15 Projecte d £000	2014/15 Budget £000
Secure/Remand Accommodation	4	1%	416	4%	359	111
Residential	16	8%	3,139	30%	2,080	1,468
Semi Independent Living	26	12%	1,324	13%	687	409
Fostering Private	83	40%	3,987	38%	3,376	2,395
In House	81	39%	1,612	15%	1,397	1,722
Risk Contingency						1,860
Total October 2014	210	100 %	10,478	100 %	7,899	7,965
September 2014 Reported Position	208		10,266		7,993	7,965
Movement Between September and October 2014	2		212		(94)	0

116. This indicates that the projected cost is in line with the 2014/15 budget plus the risk contingency. The current split between In House and Independent Fostering still stands at 51% to 49% respectively, the aspiration is to move towards a 60% to 40% split.

Development & Risk Contingency (£30k overspend, £35k favourable)

117. 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 £'000	Budget Changes £'000	Development & Risk Contingency	Month 7		Variance (+ adv / - fav)		
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 7) £'000	Variance (As at Month 6) £'000	Movement from Month 6 £'000
1,458	0	Asylum Funding Shortfall	1,458	1,428	(30)	5	(35)
(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
3,118	0	Current Commitments	3,118	3,088	(30)	5	(35)

118. The Asylum Service is projecting an overspend of £1,428k, an improvement of £35k on the month 6 projections, due to the Home Office reinstating the proposed reduction in grant funding of £138k, netted down by an increase in the projected cost of accommodation. 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 £5,191k to cover the direct costs based on a unit rate for different age children.

119. 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 £1,428k being reported, for which a sum of £1,458k has been set aside in the Corporate Risk Contingency. This results in the underspend of £30k currently reported as not all of the contingency will need to be drawn down.

120. The following table provides an analysis of the gross Asylum service budget projected position for month 7:

Table 16: Asylum Expenditure

Original Budget £'000	Budget Changes £'000	Service	Month 7		Variance (+ adv / - fav)			
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 7) £'000	Variance (As at Month 6) £'000	Change from Month 6 £'000	
3,294	259	Asylum Services	Salaries	3,035	2,801	(234)	(70)	(164)
2,810	(259)		Non-Sal Exp	3,069	4,309	1,240	963	277
(6,104)	(0)		Income	(6,104)	(5,682)	422	570	(148)
0	(0)		Sub-Total	0	1,428	1,428	1,463	(35)

121. 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.

122. 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.

ADULT SOCIAL CARE (£445k underspend, £247k improvement)

123. The Adult Social Care directorate is projecting a forecast underspend £445k as at month 7, a favourable movement of £247k since the last month, when a projected underspend to year end of £198k was anticipated. The main areas of movement relate to a reduction in P&V placements and an increase in income. The month 7 movements for each service are reported in more detail below.

Table 17: Operating Budgets

Original Budget	Budget Changes	Service	Month 7		Variance (+ adv / - fav)			
			Revised Budget	Forecast Outturn	Variance (As at Month 7)	Variance (As at Month 6)	Movement from Month 6	
£'000	£'000		£'000	£'000	£'000	£'000	£'000	
2,329	305	All-Age Disabilities	Salaries	2,634	2,391	(243)	(202)	(41)
25,061	6,766		Non-Sal Exp	31,827	32,315	488	647	(159)
(3,802)	(409)		Income	(4,211)	(4,798)	(587)	(667)	80
23,588	6,662		Sub-Total	30,250	29,908	(342)	(222)	(120)
3,629	671	Social Work	Salaries	4,300	4,092	(208)	(233)	25
21,966	3,275		Non-Sal Exp	25,241	25,352	111	(6)	117
(8,281)	43		Income	(8,238)	(8,379)	(141)	124	(265)
17,314	3,989		Sub-Total	21,303	21,065	(238)	(115)	(123)
7,178	942	Early Intervention & Prevention	Salaries	8,120	8,031	(89)	(92)	3
2,914	681		Non-Sal Exp	3,595	3,967	372	379	(7)
(711)	(10,181)		Income	(10,892)	(10,904)	(12)	(22)	10
9,381	(8,558)		Sub-Total	823	1,094	271	265	6
2,292	(296)	Safeguarding, Quality & Partnerships	Salaries	1,996	1,905	(91)	(91)	0
4,753	(59)		Non-Sal Exp	4,694	4,666	(28)	(21)	(7)
(363)	92		Income	(271)	(325)	(54)	(51)	(3)
6,682	(263)		Sub-Total	6,419	6,246	(173)	(163)	(10)
1,539	(1,243)	Directorate & Support Services	Salaries	296	318	22	22	0
(2,970)	2,570		Non-Sal Exp	(400)	(351)	49	49	0
0	(125)		Income	(125)	(159)	(34)	(34)	0
(1,431)	1,202		Sub-Total	(229)	(192)	37	37	0
16,967	379	Adult Social Care Directorate Total	Salaries	17,346	16,737	(609)	(596)	(13)
51,724	13,233		Non-Sal Exp	64,957	65,949	992	1,048	(56)
(13,157)	(10,580)		Income	(23,737)	(24,565)	(828)	(650)	(178)
55,534	3,032		Total	58,566	58,121	(445)	(198)	(247)

124. The Council's 2014/15 Development and Risk Contingency contains provision for areas of expenditure within Adult Social Care for which there is a greater degree of uncertainty caused by the demographic changes in the number of adults requiring care and support for a range of care needs, and Children with Disabilities who transition into Adult Social Care on reaching adulthood. The current forecast expenditure against these contingencies is set out in Table 18 below.

Table 18: Development & Risk Contingency

Original Budget £'000	Budget Changes £'000	Development & Risk Contingency	Month 7		Variance (+ adv / - fav)		
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 7) £'000	Variance (As at Month 6) £'000	Movement from Month 6 £'000
2,406		Increase in Transitional Children due to Demographic Changes	2,406	1,816	(590)	(590)	0
		Total 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	4,207	436	436	0
		Clients With Mental Health Issues	1,965	1,965	0	0	0
14,396	0	Current Commitments	14,396	14,242	(154)	(154)	0

125. It is forecast, as at month 7, that the Development and Risk Contingency for demographic changes in the number of clients requiring care and support costs will underspend by a net £154k this year.

126. The actual contingency required for transitional children is still anticipated to underspend by £590k as reported in month 6 as the number of children transferring is less than originally forecast and those who do transfer have been assessed at a lower cost of care than forecast as they move into adulthood.

127. The pressure from the Winterbourne View report is still estimated at a cost of £436k.

All Age Disabilities (AAD) £342k underspend, £ 120k movement)

128. This service includes clients with physical and sensory disabilities for both Children and Adults, following the implementation of the recommendations from the BID review covering disabilities. This service currently shows an underspend of £342k being a favourable movement of £243k in salary expenditure due to the delay in filling vacancies at team leader level and a pressure of £488k on placement costs due to additional placements which are offset by additional client contributions of £421k and increased contributions from Education and HCCG of £164k for joint funded placements .

129. The pressure in Merrifields Resource Centre has reduced from £217k to £179k this reduction of £38k is from staffing due to different ways of working being implemented. Although the full pressure of £179k is currently covered within the forecast for the service, the review being undertaken is not complete and it is anticipated this pressure will be able to be mitigated further in this year.

130. The number of children with disabilities requiring care and support as they transition into adulthood is less than the original forecast built into the 2014/15 Development and Risk Contingency for transitional children due to lower number of clients transferring and lower

costs arising from the ongoing care and support needs of those who have transferred estimated to be £590k during this financial year, this is unchanged from month 6.

131. In terms of the impact of the placements arising from the Winterbourne View report, referenced in previous reports, there are 14 known service users who are likely to become the responsibility of the Council. So far, 4 service users have transferred which has led to a pressure on adult placements for disabilities and is reflected in the increased pressure on the Adult Social Care contingency as set out above. The financial pressure in this year is estimated at a gross cost of £479k, with income from the HCCG of £43k, creating a net cost to LBH of £436k. The full year impact of these transfers equate to a gross cost of £504k, potential CCG income of £56k and a net cost of £448k in a full year.
132. There are a further 10 service users who have been identified to transfer to the Council. The financial impact of these clients has been worked up using assumptions based upon the cost of the clients who have already transferred. The additional funding to cover this pressure is being considered as part of the refreshed MTF for 2015/2020

Social Work (£238k underspend, £123k improvement)

133. It is forecast that there is an underspend of £238k, which is an improvement of £123k from Month 6.
134. Non staff expenditure pressure has increased by £117k. The current forecast includes an increase of 10 Nursing placements of £217k which has in part been offset by a further reduction in forecast homecare costs of £100k. This continued reduction in homecare reflects the trend being seen in month 6 and is partly from the impact of the work of Skylakes to reassess client's needs and their support packages and the pro-active work within the service to manage the costs of the service.
135. The income forecast has increased by £266k arising from the partly from the increase in nursing placements referred to above.

Early Intervention and Prevention (£271k pressure, £6k adverse movement)

136. A pressure of £271k (an adverse movement of £6k from month 6) 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. This pressure is offset by underspends on staffing costs.
137. The saving is made up of staffing and transport costs arising from the closure of the Day Centres which were delayed due to a Judicial Review of the council's original decision. These closures have now been actioned and the new resource centre at Queenswalk has opened. 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. A review is being commenced to identify other opportunities to realise alternative savings to offset this outstanding target.

Safeguarding, Quality and Partnerships (£173k underspend, £10k improvement)

138. It is forecast that there will be an underspend of £173k 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 £145k which is being managed within the above forecast.

139. Expenditure on Deprivation of Liberty Safeguards (DOLS) cases is projected to be £235k, 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. This forecast is a reduction of £34k from month 6 which has now been adjusted to reflect current levels. So far, 165 cases have come through this financial year - this figure will continue to be monitored over the following months.

Directorate and Support (£37k pressure, no change)

140. There is a projected pressure of £37k, mainly arising as a result of the managed vacancy factor not being achieved.

141. The Care Act Implementation Grant has been included in the month 7 forecast and it is anticipated the full £125k will be spent in this financial year.

Appendix B – Other Funds

Schools Budget

Dedicated Schools Grant (£2,275k overspend, £93k adverse)

142. The Dedicated Schools Grant is projecting an in year overspend of £2,275k, an adverse movement of £93k on the month 6 projections, due to a further increase in the cost of SEN placements, where the estimated SEN pupil population is expected to grow by 7.2% in 2014/15. 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	Budget Changes	Funding Block	Month 7		Variance (+ adv / - fav)		Change from Month 6
			Revised Budget	Forecast Outturn	Variance (As at Month 7)	Variance (As at Month 6)	
			£'000	£'000	£'000	£'000	
(145,373)	0	Dedicated Schools Grant Income	(145,373)	(145,840)	(467)	(467)	0
113,606	0	Delegated to Schools	113,606	114,912	1,306	1,306	0
4,581	0	Early Years	4,523	4,871	348	331	17
3,604	0	Centrally Retained	3,604	3,918	314	313	1
23,582	0	Special Needs	23,640	24,414	774	698	76
0	0	Total Schools Budget	0	2,275	2,275	2,182	93
0	0	Balance Brought Forward 1 April 2014	(3,781)	(3,781)			
0	0	Balance Carried Forward 31 March 2015	(3,781)	(1,506)			

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

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

Delegated to Schools (£1,306k overspend, no change)

144. The overspend of £1,306k 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 (£348k overspend, £17k adverse)

145. The Early Years funding block is projecting an overspend of £348k, an adverse movement of £17k on the month 6 position. 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.

146. 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. Schools Forum at its meeting on 22 October

2014, agreed to release £347,378 for a new Two Year Old facility at Laurel Lane Primary School, leaving an unallocated balance of £1,063k.

Centrally Retained (£314k overspend, £1k adverse)

147. The centrally retained budgets are projecting an overspend of £314k, 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 (£774k overspend, £76k adverse)

148. The Special Needs budgets are projecting an overspend of £774k, an adverse movement of £76k on the month 6 position, due to an increase 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. The estimated growth in the SEN pupil population is 7.2%, within this there is a higher proportion of early years pupils that need additional support within early years settings, which is offset by a reduction in the number of post 16 pupils.

Year End Balances

149. 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 £1,506k.

PARKING REVENUE ACCOUNT (£93k in year deficit, £17k favourable)

150. 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.

Table 20: Parking Revenue Account

Original Budget	Budget Changes	Service	Month 7		Variance (+ adv / - fav)		
			Revised Budget	Forecast Outturn	Variance (As at Month 7)	Variance (As at Month6)	Movement from Month 6
£'000	£'000		£'000	£'000	£'000	£'000	£'000
(4,153)	0	Income	(4,153)	(3,855)	298	298	0
4,061	0	Expenditure	4,061	3,948	(113)	(96)	(17)
(92)	0	In-year (Surplus) / Deficit	(92)	93	185	202	(17)
76	0	Unallocated Balances b/fwd	76	76	0	0	0
(16)	0	Unallocated Balances C/fwd	(16)	169	185	202	(17)

151. An in-year deficit of £93k is forecast for the 2014/15 financial year. There is a total shortfall of income of £298k (no change from month 6). The overall position reflects the continued lower level of Penalty Charge Notice (PCN) income relative to the historic income target.
152. The income pressure is offset by compensating savings totalling £113k (£17k favourable movement), as well as the budgeted surplus of £92k.

COLLECTION FUND (£2,197k surplus, no movement)

153. 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. No change is reported from Month 6, with strong collection rates for Council Tax off-setting a projected shortfall 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.
154. Overall performance within the collection fund remains strong, with a net surplus of £2,197k reported as a Council Tax surplus of £2,697k is partially off-set by a relatively minor £500k 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 7		Variance (+ adv / - fav)			
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month7) £'000	Variance (As at Month 6) £'000	Movement from Month 5 £'000	
(114,070)	0	Council Tax	Gross Income	(114,070)	(115,534)	(1,464)	(1,464)	0
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)	(2,697)	0
(105,485)	(911)	Business Rates	Gross Income	(106,396)	(106,283)	113	113	0
(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	500	0	
(148,109)	0	Total Collection Fund	(148,109)	(150,306)	(2,197)	(2,197)	0	

155. Council Tax revenues continue to grow strongly with the £1,464k additional yield arising from new development in the Borough and strong performance on collection. 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.
156. 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. Continuing delays by the Valuation Office Agency in

adding the new premises to the rating list mean that 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. To date only Phases 1 and 2 have been added to the Valuation List, resulting in a risk of a potential income shortfall in 2014/15 if this is not addressed.

157. 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. 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.
158. 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

159. The Housing Revenue Account (HRA) is forecast to generate an in-year net operating surplus of £4,380k, with the movement of £160k from Month 6 principally attributable to a revised forecast due to further movement in the phasing of the planned maintenance to stock programme and revisions to the support charges and other budgets.

Table 22: Housing Revenue Account

Original Budget	Budget Changes	Service	Month 7		Variance (+ adv / - fav)		
			Revised Budget	Forecast Outturn	Variance (As at Month 7)	Variance (As at Month 6)	Movement from Month6)
£'000	£'000		£'000	£'000	£'000	£'000	£'000
(56,975)		Rent Income	(56,975)	(56,789)	186	202	(16)
(5,717)	(513)	Other Income	(6,230)	(6,074)	156	(160)	316
(62,692)	(513)	Net Income	(63,205)	(62,863)	342	42	300
13,813	(198)	Housing Management	13,616	12,560	(1,055)	(917)	(138)
5,607	334	Tenant Services	5,941	5,340	(601)	(407)	(194)
4,801	351	Repairs	5,152	5,142	(10)	(28)	18
5,798	25	Planned Maintenance	5,823	3,179	(2,644)	(2,498)	(146)
15,691		Contribution to Works to Stock	15,691	15,691	0	0	0
15,412		Interest & Investment Income	15,412	15,000	(412)	(412)	0
1,570		Development & Risk Contingency	1,570	1,570	0	0	0
62,692	513	Operating Costs	63,205	58,483	(4,722)	(4,262)	(460)
0		(Surplus) / Deficit	(0)	(4,380)	(4,380)	(4,220)	(160)
(25,083)		General Balance 01/04/2014	(22,820)	(22,820)			
(25,083)		General Balance 31/03/2015	(22,820)	(27,200)	(4,380)		

Rental Income

160. The projected loss in dwellings rental income of £186k 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.

161. The net projected loss in other income of £156k is mainly due to lower than expected major works income recoverable from leaseholders. This is partially offset by additional income retained from RTB capital receipts to cover transaction costs offset by under recovery projected.

Housing Management & Tenant Services

162. The Housing Management & Tenant Services budgets reflect a net underspend of £1,656k. This is mainly due to the reduction in forecast for support charges, recharges.

163. Further inflation provision not required due to the slippage in the planned maintenance and the reduced activity levels. Other areas of underspend include savings from the new leaseholders building insurance contract and staffing vacancies from the Caretaking, Careline and Leasehold services.
164. The underspend is partially offset by shortfall in fee income recoverable from capital works and higher valuation costs for the RTB sales.

Repairs

165. The repairs forecast is a net underspend (excluding any capital related works) of £10k which includes an estimated voids overspend of £254k, fully offset by underspend from staffing vacancies in the DLO and back office functions. Projections also include an estimated £200k works on Short term lets, and Mears management and ICT implementation costs of £453k.
166. Efficiency savings anticipated from the Mears management of the Internal repairs team are now being realised through improvements in productivity levels following the implementation of the new works order management system, mobile working and initial structure changes. Some initial changes to the staffing structure have also contributed to performance improvements. It is expected that as the service improvements are fully embedded further savings will be established and implemented and these will be reflected in the MTFF going forward.

Planned Maintenance

167. The Planned Maintenance forecast is a net underspend of £2,644k. This includes £223k for the estimated corrective works relating to defects arising from a recent major construction project. In addition, the Maintenance Service Contract budget is to increase by £25k plus £9k for Environmental works.
168. The Cyclical Decoration programme has slipped £1,296k to next year as the programme is to be re-phased. The Gas Maintenance budget is to underspend by £200k as a result of the new gas contract which commenced in June so the estimated spend for the year have been revised downward to reflect the delayed start of the programme.
169. Other key areas of programme slippages include Plumbing Upgrades, Roofing and Wall Installation, Subsidence Repairs and Security of £1,146k. The balance of the variance is made up of a range smaller forecast underspend for other programme and schemes such as Better Neighbourhood, Minor Adaptations, Lift Refurbishment, Subsistence Survey, and Fencing.

Appendix D –GENERAL FUND CAPITAL PROGRAMME

170. Table 23 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.

Table 23 – General Fund Capital Programme Summary

	2014/15 £'000	Future Years 2015/16- 2018/19 £'000	Total Project £'000	Movement from Month 6 £'000
Original Budget	119,832	271,275	391,107	-
Revised Budget	111,965	286,042	398,007	297
Forecast Outturn	83,118	312,008	395,126	(717)
Total Capital Programme Variance	(28,847)	25,966	(2,881)	(1,014)
Analysis of Programme Variances:				
Civic Centre Works Programme	(671)	-	(671)	(421)
Schools Expansions Programme	(1,948)	100	(1,848)	(243)
Property Works Programme	(220)	-	(220)	(220)
Libraries Refurbishment - Central Lib	62	-	62	(73)
South Ruislip Plot A	(30)	-	(30)	(30)
Childrens Centres	(25)	-	(25)	(25)
Libraries Refurbishment	-	-	-	(22)
Private Sector Renewal Grants	(35)	-	(35)	20
Hayes End Library Development	90	-	(90)	-
New Years Green Lane	(119)	-	(119)	-
Yiewsley Health Centre & Sports Facility	-	695	695	-
Hillingdon Sports & Leisure Centre	-	530	530	-
Rural Activities Garden Centre	(115)	-	(115)	-
Disabled Facilities Grants	(995)	-	(995)	-
Adaptations for Adopted Children	(200)	-	(200)	-
Cost Variance	(4,206)	1,325	(2,881)	(1,014)
Proposed Re-phasing at Month 7	(20,543)	20,543	-	-
Potential Re-phasing at year end	(4,098)	4,098	-	-
Total Capital Programme Variance	(28,847)	25,966	(2,881)	(1,014)
Financing Variance:				
Council Resourced Variance	(29,876)	26,995	(2,881)	(1,014)
External Grants & Contributions Variance	1,029	(1,029)	-	-
Total Capital Programme Variance	(28,847)	25,966	(2,881)	(1,014)
Movement from Month 6	(6,985)	5,971	(1,014)	

171. Actual capital expenditure is £42,664k for the seven months to 31 October 2014.

172. The revised budget has increased by £297k from Month 6 due partly to revenue contributions from schools to both the Schools Expansions programme and Free School Meals. In addition, there is £50k new grant towards Better Homes and £60k Section 106 monies allocated to a new Highways scheme (Stockley Close public transport improvements).

173. The main programme shows a favourable variance of £2,881k. The following paragraphs provide details of the reasons for movements in the cost variances in the above table:

- Central Library Refurbishment - the over spend of £62k 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. The forecast over spend on the overall library refurbishment programme has reduced by £95k after review of remaining commitments.

- Civic Centre Works Programme - due to under spends on existing schemes and works not currently required there is an overall under spend of £671k forecast on the budget.
- Childrens Centres Programme - there is a forecast under spend of £25k on completion of the children's centres refurbishment programme which commenced in previous years.
- South Ruislip Plot A development - further recommissioning and servicing works have been carried out on the flats with a £30k under spend on the remaining budget for this scheme.
- Property Works Programme - an element of the £600k budget remains unallocated and although new schemes are being developed it is forecast that £220k will not be spent this financial year.
- Private Sector Renewal Grants - the forecast spend has increased by £20k due to a slight increase in the forecast level of activity for the year.

174. The variance on the Schools Expansions programme is covered in the Schools section later in this report. A summary of the capital programme by type of project is provided in Table 24 below:

Table 24 - 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 6 £'000
Main Programme	66,905	55,918	(2,085)	(8,902)	85,485	84,725	(760)	(393)
Programme of Works	28,843	22,572	(2,121)	(4,150)	78,026	75,905	(2,121)	(621)
Future Projects	14,958	3,369	-	(11,589)	198,308	198,308	-	
Total Main Programme	110,706	81,859	(4,206)	(24,641)	361,819	358,938	(2,881)	(1,014)
Development & Risk Contingency								
General Contingency	1,259	1,259			7,259	7,259		
Provision for Additional Schools Funding	-	-			28,929	28,929		
Total Capital Programme	111,965	83,118	(4,206)	(24,641)	398,007	395,126	(2,881)	(1,014)
Movement from Month 6	297	(6,687)	(1,014)	(5,971)	297	(717)	(1,014)	

175. There are general contingency funds totalling £7,259k 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 general contingency has reduced by £171k in 2014/15 due to the allocation of funds towards Adult Education ICT provision within the ICT Single Development Plan. The provision for additional secondary schools funding is anticipated to be required for future schools developments. The detailed General Fund capital programme by scheme is presented in Appendix 1 to this report. The proposed re-phasing at Month 7 of £20,543k into future years is presented by scheme within this Appendix. There is potential further re-phasing of £4,098k for other schemes however it is not proposed to re-phase these budgets

at this stage as a review of the level of committed budget for these schemes will be undertaken at financial year end to ensure the necessary level of budget is carried forward. Details of performance for key projects and programmes of works are detailed in the paragraphs below:

MAIN PROGRAMME (SCHOOLS)

176. Over the life of the existing programme there is a forecast under spend of £1,849k 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 position has improved by £243k from Month 6 due mainly to a final account being agreed on Ruislip Gardens primary school (phase 2) with an under spend. The key issues and risks on performance of the overall Schools Expansions programme are outlined below.

Primary Schools

Phase 2

177. Cherry Lane - an overspend of £106k is forecast due to costs for a multi use games area and floodlighting, however, this is offset by under spends elsewhere within the programme.
178. Glebe - the school is fully operational however a number of outstanding defect works remain which are being progressed but are not expected to be completed until January 2015. External cladding panels are required to be reinstalled however this will be completed over a longer timescale to minimise disruption

Phase 3 - New Schools

179. John Locke Academy - outstanding remedial items are scheduled to be completed shortly.
180. Lake Farm Park Academy - highways works were finished in October and construction works are complete. Snagging and external landscaping works remain.
181. Laurel Lane, Yiewsley - works are progressing on site for delivery on schedule for August 2015.

Special Educational Needs

182. Temporary classrooms have been provided at Hedgewood Primary School and Meadow Secondary School for the new term. Planning consent has been granted for the installation of a modular SRP unit at Cherry Lane for the spring term in January 2015. An amount of £414k is forecast rephasing into next year for future needs that may arise.
183. 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. There have been contributions from two schools totalling £44k towards the programme.

FUTURE PROJECTS (SCHOOLS)

Secondary Schools - Expansions Programme

184. The forecast of future demand for secondary school places predicts a shortfall in places commencing from 2016/17. Officers are undertaking feasibility studies of twelve potential secondary school sites and five sites have so far been identified as suitable for expansion. More detailed feasibility work will commence on these five sites. The forecast spend for this year is £500k and this is shown as a phasing variance from the budget currently phased into 2015/16.

Secondary Schools - Replacement Programme

185. Northwood Academy - design work is underway and site investigation surveys have been commissioned. The construction phase of the project is not expected to commence this financial year and hence there is a £631k rephasing variance in 2014/15.
186. Abbotsfield School - the Education Funding Agency (EFA) are managing this project through the Priority Schools Building Programme (PSBP) with the Council making a contribution of £7,166k towards the overall costs. There will also be commitments for infrastructure works, furnishings fittings and equipment. Design work is due to commence shortly.

PROGRAMMES OF WORKS (SCHOOLS)

187. Schools Conditions Programme - works at four schools were completed during the October half term period. A number of potential new schemes are being assessed however to avoid disruption during term time the majority of these are unlikely to be completed until next financial year resulting in £1,422k projected re-phasing. 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)

188. 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). After evaluation of tenders for the construction works there is a forecast over spend of £977k (inclusive of £282k on the supported housing element reported in the HRA). Negotiations are ongoing with the NHS around the Health Centre lease before works commence on site which are not anticipated to commence until March 2015 resulting in rephasing of £2,588k expenditure into next financial year.
189. 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.
190. 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.
191. New Years Green Lane Civic Amenity Site - the final account has been reviewed and the project is forecast to be completed with a £119k under spend.
192. Highways Programme - a major programme of road improvements is underway across the Borough. Currently approved works will be completed this financial year.

193. Car Park Resurfacing - a budget of £920k was originally earmarked this year for resurfacing works at Cedars & Grainges car park. However, these works are now on hold as plans are being developed for a more extensive improvement of the car park which serves the Pavilions shopping centre.
194. ICT Migration to Windows 7 Project - the project is complete and is forecast to be within budget.
195. ICT Single Development Plan - The programme consists of several projects which are in various stages of progress. An amount of £175k is projected re-phasing to complete a small number of projects in 2015/16 including the Adult Education Phase 2 upgrade.
196. Vehicle Replacement Programme - The programme is forecasting slippage of £641k 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.
197. Eastcote House & Gardens - works are progressing on site for this refurbishment project which is mainly funded by the Heritage Lottery Fund. An estimated £100k slippage is forecast as the works will not be completed until early in the next financial year.
198. Queenswalk Development - construction works on site have been completed and the resource centre and sensory garden have opened. Negotiations on the final account are underway, however, the project is expected to be within budget. An amount of £75k is reported as re-phasing for retentions not payable until next financial year.
199. Harlington Road Depot - refurbishment works have commenced on site and are expected to be complete by the end of February within budget. The completion of this project will allow for the sale of another depot site within the capital receipts programme.
200. 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 was issued in October for public safety cameras in Hayes. 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.
201. Whiteheath Farmhouse Refurbishment - works are complete on replacement of doors and windows at the farmhouse but structural works are on hold resulting in slippage of £260k.
202. 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.
203. Telecareline Equipment - a re-phasing under spend of £400k is forecast as there is currently low demand for this equipment however it is anticipated this will increase as the project is progressed.

PROGRAMMES OF WORKS (NON-SCHOOLS)

204. 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.

205. 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 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.
206. Transport for London Programme - The 2014/15 programme is underway and further schemes are being developed.
207. 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 £539k (including TfL Major Scheme funding). Shop front grant schemes totalling £99k at Harefield Village Centre will be rolled out this year. Remaining funding of £206k is reported as rephasing as this will not be spent this financial year.
208. Chrysalis Programme - the majority of this year's budget has been allocated to new schemes a number of which are being tendered. Some schemes will not be completed until next financial year resulting in £500k rephasing.

FUTURE PROJECTS (NON SCHOOLS)

209. ICT Infrastructure - works are to commence shortly to implement WiFi in specific areas of the Civic Centre. Rephasing of £160k is forecast as an element of the budget is to be allocated.
210. 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 £800k slippage.
211. St Andrew's Park Theatre - a feasibility study is commencing for a new theatre in Uxbridge. An amount of £350k is forecast as re-phasing into next financial year as work is in early stages.
212. 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. An amount of £1,517k re-phasing is forecast as construction works will not commence this financial year.
213. 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 re-phasing of £1,215k is forecast as development work is in early stages.
214. Bowls Club Refurbishment - contractors for the refurbishment of Cowley and Bessingby bowls clubs have been appointed. Works are planned to commence in November after the end of the bowling season and are expected to be complete before the end of the financial year subject to winter weather conditions.

CAPITAL FINANCING - GENERAL FUND

215. Table 25 sets out the latest capital financing forecast.

Table 25: 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 6 £'000
Council Resource Requirement	60,183	30,307	(29,876)	212,178	209,297	(2,881)	(1,014)
Financed By:							
Capital Receipts	15,647	5,271	(10,376)	31,719	42,511	10,792	520
CIL	3,000	200	(2,800)	23,000	15,200	(7,800)	-
Prudential Borrowing	41,536	24,836	(16,700)	157,459	151,586	(5,873)	(1,534)
Total Council Resources	60,183	30,307	(29,876)	212,178	209,297	(2,881)	(1,014)
Grants & Contributions	51,782	52,811	1,029	185,829	185,829	-	-
Total Programme	111,965	83,118	(28,847)	398,007	395,126	(2,881)	(1,014)

216. Forecast General Fund capital receipts are £5,271k 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 two major sales in excess of £1,000k that are included in the forecast for this year.
217. There is an element of risk in the timing of receipts that will be achieved this year which is reflected in the current year forecast reducing by £4,880k as two major sales are now expected in next financial year.
218. 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.
219. Due to the length of time new developments after 1 August become liable for paying CIL the forecast for the current year has reduced to £200k. There is a significant risk that borrowing will have to increase to meet the funding gap. The forecast over the life of the programme has been reduced by £5,000k as it is anticipated that CIL receipts will be low in the short term due to the time lag between planning approvals and developments commencing and the removal of the sui generis charging band.
220. The prudential borrowing forecast over the life of the programme shows a favourable variance of £5,873k due mainly to the overall cost under spends and increase in the capital receipts forecast, partially offset by the CIL reduction. Although forecast Council resourced expenditure has reduced by £3,282k in 2014/15 prudential borrowing has increased by £1,598k because of the reduction in capital receipts to be received this year.

HOUSING REVENUE ACCOUNT (HRA) CAPITAL PROGRAMME

221. The forecast outturn on the HRA capital programme is set out in Table 26 below:

Table 26 - 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 6 £000
Dwelling Components	9,657	4,024		(5,633)	43,319	43,319		
Estates / Blocks	2,586	766		(1,820)	8,916	8,916		
Welfare	2,540	1,254		(1,286)	11,632	11,632		
Other Projects	2,378	966	(1,412)		11,890	10,478	(1,412)	
Total Works to Stock	17,161	7,011	(1,412)	(8,738)	75,757	74,345	(1,412)	
Purchase & Repair	2,088	4,750		2,662	9,766	9,766		
Council New Build	1,000	250		(750)	37,376	37,376		
Supported Housing	2,876	527		(2,349)	13,042	5,474	(7,568)	393
Total Major Projects	5,964	5,527		(437)	60,184	52,616	(7,568)	393
Former New Build Schemes	227	245	18		227	1,144	917	
Total	23,352	12,783	(1,394)	(9,175)	136,168	128,105	(8,063)	393
Movement from Month 6		(916)	(899)	(17)		393	393	

222. The Works to Stock programme is forecasting a phasing under spend of £8,738k as numerous schemes will not be completed this financial year. This is a reduction of £187k from the previous forecast.

223. Dwelling Components - forecast expenditure has been reduced by £110k because the electrical upgrades and kitchen replacement programmes are yet to commence.

224. Estates and Block Renewal - the forecast has reduced by £130k due to works on three schemes that will not be completed this financial year.

225. Welfare - underspends are reported on sheltered scheme upgrades and conversions based on the number of projects that have currently been identified. The forecast has increased slightly by £53k based on identified schemes.

226. Other Projects - the tender for 57 housing fleet vehicles has been approved and a further nine vehicles are anticipated to be required resulting in a total estimated cost of £966k. There are no commitments for the remainder of the budget resulting in an under spend of £1,412k.

227. Purchase and Repair Programme - this scheme has been given approval to proceed. Homeowners who have expressed interest have been contacted. Valuations are being made for up to 25 properties and estimates to bring them up to standard for letting purposes. The projection is based on an average cost of £190k per property however this may change once valuations are completed.

228. Supported Housing Programme - the original programme included seven sites however the strategy has changed significantly and the current proposed in house new build programme retains only three sites from the original plan plus three new sites which are being taken into account in the Council's budget review. The above forecast includes only the three sites in the current approved budget resulting in a significant under spend of £7,568k. However, this will be subject to change once the new strategy is finalised and approved by Council.
229. The forecast over spend of £917k 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. The forecast has been re-phased to 2015/16 as the arbitration process will not be finished until then.

HRA Capital Receipts

230. There have been 119 Right to Buy sales of council dwellings for the year as at end of October 2014 for a value of £12,177k and a total of 165 sales are forecast totalling approximately £16,500k in 2014/15.
231. 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.
232. Table 27 below sets out the time limits for the retention of Right to Buy receipts since the commencement of the agreement. A further £4,128k receipts have been retained for the quarter ending 30 September and a total of £18,990k retained receipts have now been generated which require to be spent or committed by the deadlines set out in the table, up to September 2017.

Table 27: 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	Sept 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
2014/15 Quarter 2 Actual	49	4,128	63,300	Sept 2017
Total Retained Receipts	244	18,990	63,300	

233. 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 £63,300k by September 2017. The regulations also allow 50% of the cost of purchase and repairs expenditure to be financed from retained receipts however this is capped at 6.5% of the total level of receipts.

234. The current approved budget for housing major projects programmes includes £18,055k in Right to Buy receipts to be utilised and there is now a higher level of retained receipts available. The programmes are being reviewed to maximise the use of Right to Buy receipts within allowable timescales.
235. There have been £74k in HRA non dwelling receipts for the year to date and the sale of a HRA site in Ruislip for residential development has recently been approved which may result in a further £1,000k to be received this financial year. 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	Proposed Re-phasing to future years at Month 7	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	£'000
	Main Programme										
86,411	Primary School Expansions	48,528	44,051	(4,477)	(2,529)	61,250	59,401	(1,849)	19,703	29,353	10,344
3,910	Purchase of Vehicles	2,258	1,617	(641)	(641)	3,458	3,458	0	3,458	0	0
144	Yiewsley Health Centre & Sports Facility Development	3,052	464	(2,588)	(2,588)	7,631	8,326	695	8,326	0	0
9,254	Libraries Refurbishment	248	310	62	0	248	310	62	310	0	0
1,138	Queenswalk Redevelopment	1,664	1,589	(75)	(75)	1,664	1,664	0	1,664	0	0
3,565	South Ruislip Development - Plot A	64	34	(30)	0	64	34	(30)	34	0	0
11	Harlington Road Depot Refurbishment	1,276	1,276	0	0	1,341	1,341	0	1,341	0	0
65	Car Park Resurfacing	1,079	159	(920)	0	1,079	1,079	0	1,079	0	0
5	Eastcote House Buildings and Gardens	1,242	1,142	(100)	(100)	1,242	1,242	0	0	1,112	130
251	Grounds Maintenance	777	777	0	0	777	777	0	777	0	0
722	ICT Single Development Plan - Migration to Windows 7	1,067	1,067	0	0	1,067	1,067	0	1,067	0	0
0	Telecare Equipment	600	200	(400)	0	600	600	0	29	571	0
0	Free School Meals Projects	609	609	0	0	609	609	0	0	565	44
124	CCTV Programme	363	53	(310)	0	363	363	0	288	0	75
0	West Drayton Cemetery & Resurfacing	522	522	0	0	522	522	0	522	0	0
0	Sports & Cultural Projects	625	63	(562)	(562)	625	625	0	317	0	308
0	Whiteheath Farm Refurbishment	310	50	(260)	0	310	310	0	310	0	0
0	Rural Agricultural Garden Centre	340	225	(115)	0	340	225	(115)	225	0	0
0	Youth Centres Kitchen Replacements / Upgrades	143	143	0	0	143	143	0	0	113	30
0	Kings College Pavilion Running Track	230	230	0	0	230	230	0	0	0	230
0	Natural England Fencing & Gating	15	0	(15)	(15)	29	29	0	0	29	0
52,847	Major Projects from previous years	1,893	1,337	(556)	(502)	1,893	2,372	479	2,339	0	33
158,447	Total Main Programme	66,905	55,918	(10,987)	(7,012)	85,485	84,726	(759)	41,788	31,743	11,194

ANNEX 1b - Programme of Works

Total Project Cost (incl. Prior Years)	Project	2014/15 Revised Budget	2014/15 Forecast	2014/15 Variance	Proposed Re-phasing to future years at Month 7	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	£'000
	Programme of Works										
N/A	Leader's Initiative	437	245	(192)	0	1,237	1,237	0	1,237	0	0
N/A	Chrysalis Programme	1,895	1,395	(500)	0	5,895	5,895	0	5,158	0	737
N/A	Civic Centre Works Programme	1,387	716	(671)	0	2,887	2,216	(671)	2,216	0	0
N/A	Formula Capital Devolved to Schools	1,957	1,957	0	0	4,097	4,097	0	0	3,264	833
N/A	Highways Programme	6,169	5,196	(973)	0	11,001	11,001	0	9,951	0	1,050
N/A	ICT Single Development Plan	604	429	(175)	(88)	2,604	2,604	0	2,604	0	0
N/A	Property Works Programme	600	380	(220)	0	3,000	2,780	(220)	2,780	0	0
N/A	Road Safety	250	250	0	0	1,250	1,250	0	1,250	0	0
N/A	Street Lighting	180	180	0	0	900	900	0	875	0	25
N/A	Town Centre Initiatives	1,183	799	(384)	(178)	2,483	2,483	0	2,141	300	42
N/A	Transport for London	4,258	3,845	(413)	(413)	14,669	14,669	0	0	14,084	585
N/A	Urgent Building Condition Works	5,358	3,936	(1,422)	(1,422)	10,390	10,390	0	2,811	7,032	546
N/A	Disabled Facilities Grants	2,300	1,305	(995)	0	11,500	10,505	(995)	3,080	7,425	0
N/A	Adaptations for Adopted Children	200	0	(200)	0	1,000	800	(200)	0	800	0
N/A	Private Sector Renewal Grants	1,282	1,247	(35)	0	4,330	4,295	(35)	2,215	2,080	0
N/A	GF Supported Housing Programme	210	210	0	0	210	210	0	210	0	0
N/A	Section 106 Projects	573	482	(91)	(91)	573	573	0	0	0	573
	Total Programme of Works	28,843	22,572	(6,271)	(2,192)	78,026	75,905	(2,121)	36,528	34,985	4,391

ANNEX 1c - Future Projects & Contingency

Total Project Cost (incl. Prior Years)	Project	2014/15 Revised Budget	2014/15 Forecast	2014/15 Variance	Proposed Re-phasing to future years at Month 7	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	£'000
	Future Projects										
N/A	Secondary Schools Expansions (Expansion)	0	500	500	500	76,900	76,900	0	19,205	56,346	1,349
N/A	Secondary Schools Expansions (Replacement)	8,679	882	(7,797)	(7,797)	44,171	44,171	0	32,654	11,516	0
N/A	St Andrew's Park Theatre	500	150	(350)	(350)	44,000	44,000	0	42,950	0	1,050
N/A	New Primary School Expansions	0	0	0	0	13,500	13,500	0	4,049	9,451	0
N/A	New Years Green Lane EA Works	0	0	0	0	6,490	6,490	0	3,244	3,246	0
N/A	Youth Centres	1,615	400	(1,215)	(1,215)	5,100	5,100	0	5,100	0	0
N/A	Community Safety Assets	250	0	(250)	0	250	250	0	250	0	0
N/A	ICT Infrastructure	600	440	(160)	(160)	1,200	1,200	0	1,200	0	0
N/A	Uxbridge Cemetery Gatehouse & Anglican Chapel	950	150	(800)	(800)	1,000	1,000	0	1,000	0	0
N/A	St Andrew's Park Museum	1,667	150	(1,517)	(1,517)	5,000	5,000	0	4,250	0	750
N/A	Bowls Clubs Refurbishment	500	500	0	0	500	500	0	500	0	0
N/A	Local Plan Requirement Works	197	197	0	0	197	197	0	197	0	0
N/A	Total Future Projects	14,958	3,369	(11,589)	(11,339)	198,308	198,308	0	114,599	80,559	3,149
	Development & Risk Contingency										
N/A	General Contingency	1,259	1,259	0	0	7,259	7,259	0	7,259	0	0
N/A	Provision for Additional Secondary Schools Funding	0	0	0	0	28,929	28,929	0	9,123	19,807	0
	Total Development & Risk Contingency	1,259	1,259	0	0	36,188	36,188	0	16,382	19,807	0
	Total Programme of Works	111,965	83,118	(28,847)	(20,543)	398,007	395,126	(2,881)	209,297	167,094	18,734

Appendix E – Treasury Management Report as at 31 October 2014

Outstanding Deposits - Average Rate of Return on Deposits: 0.55%

	Actual £m	Actual %	Bench-mark %
Up to 1 Month	53.4	43.13	35.00
1-2 Months	10.5	8.48	0.00
2-3 Months	7.0	5.65	10.00
3-6 Months	29.9	24.16	10.00
6-9 Months	0.0	0.00	10.00
9-12 Months	12.8	10.34	15.00
12-18 Months	4.4	3.55	15.00
18-24 Months	5.0	4.04	5.00
Subtotal	123.0	99.37	100.00
Unpaid Maturities	0.8	0.65	0.00
Total	123.8	100.00	100.00

236. 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, BlackRock MMF, Goldman Sachs MMF, 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, Monmouthshire County Council, Moray Council, Redditch Borough Council, Salford City Council, and Wolverhampton City Council. The Council also currently holds four Certificates of Deposit with three with Standard Chartered and one with Barclays.
237. During October fixed-term deposits continued to mature in line with cashflow requirements. As cashflow allowed there were three fixed medium term deposits placed in October. To maintain liquidity all other surplus cash was placed in instant access accounts and fixed term deposits with maturities of up to four days.

Outstanding Debt - Average Interest Rate on Debt: 2.99%

	Actual £m	Actual %
General Fund		
PWLB	69.38	21.01
Long-Term Market	15.00	4.54
HRA		
PWLB	212.82	64.46
Long-Term Market	33.00	9.99
Total	330.20	100.00

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

Ongoing Treasury Management Strategy and Recommended amendments

239. 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

240. 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						
Planning Enforcement Officer	22-Apr-13	08-Dec-14	05-Jun-15	97	26	123
Architect	01-Jul-13	17-Nov-14	17-May-15	68	27	95
Adult Social Care						
Team Manager	01-Apr-14	01-Dec-14	28-Feb-14	95	8	103
Head of Service - ASC		01-Dec-14	30-Jun-15	114	57	171
Residential Care Worker	01-Apr-12	01-Dec-14	04-Jan-15	69	2	71
Residential Care Worker	04-Sep-12	01-Dec-14	28-Feb-15	49	1	50
Social Worker (Care Manager)	12-Aug-13	01-Dec-14	28-Feb-15	54	5	59
Social Worker (Care Manager)	05-Aug-13	01-Dec-14	28-Feb-15	53	5	58
Service Manager	07-Jul-14	01-Dec-14	04-Jan-15	56	13	69
Team Leader	01-Apr-14	01-Dec-14	31-Mar-15	46	7	53
Lead Approved Mental Health Practitioner	01-Jun-12	01-Dec-14	28-Feb-15	87	6	93
Occupational Therapist	07-Oct-13	01-Dec-14	28-Feb-15	68	6	74
Team Manager	03-Feb-14	01-Dec-14	05-Dec-14	67	6	73
Children & Young People's Services						
Deputy Team Manager	17-Dec-14	01-Dec-14	04-Jan-15	44	8	52
Service Manager Children in Care	07-Jul-14	01-Dec-14	04-Jan-15	48	15	63
Social Worker	30-Apr-12	01-Dec-14	04-Jan-15	46	7	53
Social Worker	08-May-14	01-Dec-14	04-Jan-15	46	7	53
Team Manager	09-Sep-13	01-Dec-14	04-Jan-15	50	9	59
Social Worker	02-Dec-13	01-Dec-14	04-Jan-15	44	7	51

Waking Night Residential Care Worker	01-Apr-13	01-Dec-14	04-Jan-15	122	2	124
Social Worker	20-Jan-14	01-Dec-14	04-Jan-15	49	6	55
Case Progression Manager	07-Apr-14	01-Dec-14	04-Jan-15	63	8	71
Quality Assurance Auditor (Social Work Cases)	08-May-14	01-Dec-14	04-Jan-15	43	8	51
Assistant Director Children in Care and Children's Resources	30-Jun-14	01-Dec-14	04-Jan-15	111	20	131
MASH Manager	13-Jan-14	01-Dec-14	04-Jan-15	57	13	70
Independent Reviewing Officer	12-May-14	01-Dec-14	04-Jan-15	43	8	51
Independent Reviewing Officer	27-May-14	01-Dec-14	04-Jan-15	42	8	50

Appendix G – Supporting information on Recommendations 12 - 14

241. Members will recall in January 2014, delegated authority was granted by Cabinet to speed up the delivery of a number of playground improvements and also for the construction of outdoor gyms at a number of sites across the Borough.
242. Similarly in 2015, the Cabinet Member for Community, Commerce and Regeneration has proposed, as part of the popular Chrysalis Programme, to fund the following projects:
- Queenswalk Playground refurbishment (Cavendish)
 - Berkeley meadows Playground refurbishment (Heathrow Villages)
 - Northwood Playground refurbishment (Northwood)
 - Stockley Outdoor Gym (West Drayton)
 - Barra Hall Park Outdoor Gym (Townfield)
243. Individual projects will be funded from the annual £1m Chrysalis capital budget.
244. In early January, tenders are to be returned and by providing delegated authority specifically to the Deputy Chief Executive, with the informal agreement of the Leader and Portfolio Cabinet Member, this will enable any procurement, capital release and related decisions to be fast-tracked so they can be completed by the target completion dates in March 2015.
245. To maintain transparency and provide due public record in the decisions the Council makes, along with keeping residents and Ward Councillors well informed, Cabinet is also being asked that the delegated decisions be reported back to Cabinet at a later date for information.