

# COUNCIL BUDGET -2014/15 MONTH 8 REVENUE AND CAPITAL BUDGET MONITORING

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<b>Cabinet Portfolio</b>	Finance, Property and Business Services
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<b>Papers with report</b>	Appendices

## HEADLINE INFORMATION

<b>Purpose of report</b>	<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 £2,886k is projected against 2014/15 General Fund revenue budgets as of November 2014 (Month 8). This represents an improvement of £248k 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>
<b>Contribution to our plans and strategies</b>	<p><b>Putting our Residents First: <i>Financial Management</i></b></p> <p>Achieving value for money is an important element of the Council's medium term financial plan.</p>
<b>Financial Cost</b>	N/A
<b>Relevant Policy Overview Committee</b>	Corporate Services and Partnerships
<b>Ward(s) affected</b>	All

## RECOMMENDATIONS

That the Cabinet:

1. Note the forecast budget position for revenue and capital as at November 2014 (Month 8).
2. Note the treasury management update as at November 2014 at Appendix E.
3. Approves the addition of £16k ADASS/Department of Health funding to support Care Act Implementation to Adult Social Care revenue budgets
4. Continue the delegated authority up until the 12 February 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 18 December 2014 and 22 January 2015 Cabinet meetings, detailed at Appendix F.

5. Approves the acceptance of gift funding of £69k from Cathedral Group to fund additional resources and expedite a series of planning applications, to be submitted for determination by the Council throughout the next 9 to 12 months on the major development site known as 'The Old Vinyl Factory, Blyth Road Hayes, in accordance with the provisions of Section 93 of the Local Government Act 2003.
6. Approves the acceptance of gift funding of £22,000 from Arora Developments to fund additional resources and expedite a planning application, to be submitted in relation to a 400 room, 5 storey hotel near Terminal 4 (Heathrow Airport).
7. Approves the block booking of the second floor of Point West, 1040 Uxbridge Road, Hayes for a further period of three months to March 2015 at a cost of £31k. The accommodation is used as interim accommodation for bed & breakfast and avoids booking expensive alternatives such as Travelodges.
8. Ratifies the Emergency Winter Decisions made by officers, with the agreement of the Leader of the Council, since the Cabinet meeting on 20 November 2014, as shown in Appendix G
9. In relation to Library Book Stock contracts:
  - a) Gives formal approval for the one year extension of Hillingdon's contract with the London Libraries Consortium, until 31 March 2015;
  - b) Delegates authority 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, for any necessary interim procurement and expenditure decisions required on the library book stock from 1 April 2015 and;
  - c) Notes that a report will be presented to Cabinet later in 2015 following a strategic procurement exercise in relation to the Council's book stock.

## **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 3 - Hillingdon has secured £16k of Department of Health funding available through the Association of Directors of Adult Social Services (ADASS) to facilitate effective implementation of the Care Act. This funding be used to implement a focused training programme to support assessment staff incorporate the requirement of the act effectively into their practice.
4. Recommendation 5 - The gift funding from Cathedral relates to pre-application advice and processing of subsequent reserved matters applications for six different parts of the wider Old Vinyl Factory site.

The developer has advised that they consider it essential to have dedicated planning staff to process their applications. The work is anticipated to take approximately 9 months, these proposals are complex and will require additional time and resource to process and additional resources are needed to support that function. The developer has offered to cover the cost of temporary staff to deal with the respective applications.

Officers also consider it essential to have dedicated staff to process these applications in order to prioritise and facilitate growth and development within the Borough. It is therefore considered appropriate that the Council engage additional staff to provide the discretionary services to the developers in exchange for gift funding which has been offered to cover the reasonable and justifiable costs of carrying out such discretionary services.

5. Recommendation 6 - For information, Members may also wish to note that the gift funding from Arora Developments relates to processing of a planning application for which outline planning permission has already been obtained.

The developer has advised that they consider it essential to have dedicated planning staff to process their application. The developer has offered to cover the cost of temporary staff to deal with the application and subsequent condition discharge applications.

Officers also consider it essential to have dedicated staff to process these applications in order to prioritise and facilitate growth and development within the Borough. It is therefore considered appropriate that the Council engage additional staff to provide the discretionary services to the developers in exchange for gift funding which has been offered to cover the reasonable and justifiable costs of carrying out such discretionary services.

6. Recommendation 7 seeks approval to block book the second floor of Point West, 1040 Uxbridge Road, Hayes for a period of three months at a cost of £31k. The accommodation is used as interim accommodation for bed & breakfast and avoids booking expensive alternatives such as Travelodges.
7. Recommendation 8 - To ensure responsive decision-making over the Winter season, Cabinet on 20 November 2014 agreed to delegate authority to officers, with the agreement of the Leader of the Council, any necessary urgent decisions (including those ordinarily reserved to the executive) to release funds, procure and incur expenditure in order to safeguard residents, deliver services and manage the effects of bad weather or incidents adversely affecting the Borough. 3 decisions were taken, and they are reported to Cabinet in Appendix G for both noting and ratification.
8. Recommendations 9 a) to c) - Cabinet approval is sought for a one year extension of Hillingdon's contractual participation in the London Libraries Consortium (LLC) until 31 March 2015, for the purchase of adult and children's fiction and nonfiction books to ensure the continuity of supply of new books to residents using Hillingdon Libraries. The majority of the adult and children's book stock is procured from a company called Bertram Library Services. The LLC contract was procured by the London Borough of Redbridge, with 9 London boroughs participating in the contract. The original contract was agreed, on Hillingdon's part, by Cabinet in September 2011. The cost of the 1 year contract extension is £373,500, which will be funded from within the existing approved revenue budget for the service.

Officers are currently negotiating with the LLC (and via the consortium, Bertrams), the potential book offer and contract costs post 1 April 2015. It is possible that any upcoming arrangements may be short-term or interim in nature. Therefore, to secure continued stock supply for the Borough's libraries and our residents, it is proposed to delegate authority to the Deputy Chief Executive, in consultation with Members, to enable swift decision-making on this.

For the medium to longer-term, Council officers are exploring strategic procurement options to ensure both continued quality and value for money in the Council's book stock. These will be presented to the Leader and Portfolio Cabinet Member in due course and subject to their approval, a report to Cabinet will be presented around the third quarter of the 2015/16 financial year, following the receipt of any satisfactory and compliant tenders.

## **Alternative options considered**

9. There are no other options proposed for consideration.

## **SUMMARY**

### **REVENUE**

10. An underspend of £2,886k is projected at Month 8 for General Fund revenue budgets, consisting of £1,100k of deferred capital financing costs, a £59k underspend on contingency budgets and a net underspend of £1,727k across Directorate Operating Budgets. This represents a net improvement of £248k, with £478k improvement on base budget positions being off-set by adverse movement within Development and Risk Contingency.
11. The 2014/15 revenue budget contains £16,491k of savings, including sums brought forward from 2013/14. £13,836k of this sum is reported as either on track for delivery in full or already banked with the remaining £2,655k classed as amber due to relating to more complex or harder to deliver projects. No savings are reported as being at risk of non-delivery.
12. General Fund balances are projected to reach £38,801k 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, remaining uncommitted General Fund balances will be £33,801k.
13. 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 £130k income pressure reported within the Parking Revenue Account. Within the Collection Fund, no movement is reported from the £2,197k surplus.

### **CAPITAL**

14. General Fund capital expenditure is projected to reach £80,302k at outturn, with underspends of £4,235k and £6,785k expected rephasing against a revised budget of £91,322k. Forecast outturn over the life of the General Fund programme for 2014/15 to 2018/19 is an under spend of £5,322k.
15. General Fund capital receipts of £5,981k are forecast for 2014/15 with receipts over the period to 2018/19 expected to reach £42,811k representing a favourable variance of £11,092k over the revised budget. The forecast level of receipts to be achieved for 2014/15 has increased from Month 7 to reflect progress on disposal of major sites.
16. Prudential borrowing is forecasting a favourable variance of £8,614k over the life of the programme due to the cost under spends of £5,322k and the improvement in the capital receipts forecast of £11,092k, being partly offset by a reduction of £7,800k in the forecast level of Community Infrastructure Levy that will be collected.

## FURTHER INFORMATION

### General Fund Revenue Budget

17. An underspend of £2,886k is projected on normal operating activities at Month 8, representing an improvement of £248k from Month 7. The Month 8 position incorporates a £1,727k net underspend across Directorate Operating Budgets, a £1,100k underspend on capital financing costs and a favourable variance of £59k on Development and Risk Contingency.
18. Movements from Month 7 on Directorate Operating budgets result in a net improvement of £478k, principally relating to staffing underspends within Adult Social Care and Residents Services and a reduced projection on Homecare costs within Adult Social Care. Adverse movement of £230k on contingency relates to an increase in demand for Homeless accommodation, the impact of the September school intake on SEN transport and the stepping down of Asylum funding for those clients reaching 18.
19. As previously reported, the position on Directorate Operating Budgets consists of a number of compensatory variances which will continue to be closely monitored and factored 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.
20. The Council's General Fund revenue budget contains £16,491k savings, including the £12,802k approved by Cabinet and Council in February 2014, of which 54% are already banked and further 30% on track for delivery in full. An element of risk associated with those savings at an earlier stage of delivery, totalling £2,655k remains.

**Table 1: General Fund Overview**

Original Budget	Budget Changes	Service	Month 8		Variance (+ adv / - fav)		
			Revised Budget	Forecast Outturn	Variance (As at Month 8)	Variance (As at Month 7)	Movement from Month 7
£'000	£'000		£'000	£'000	£'000	£'000	£'000
168,044	1,725	Directorate Operating Budgets	169,769	168,042	(1,727)	(1,249)	(478)
17,154	(1,625)	Corporate Operating Budgets	15,529	14,429	(1,100)	(1,100)	0
24,738	0	Development & Risk Contingency	24,738	24,679	(59)	(289)	230
2,252	(100)	Priority Growth	2,152	2,152	0	0	0
<b>212,188</b>	<b>0</b>	<b>Sub-total Normal Activities</b>	<b>212,188</b>	<b>209,302</b>	<b>(2,886)</b>	<b>(2,638)</b>	<b>(248)</b>
		<u>Exceptional Items</u>					
<b>212,188</b>	<b>0</b>	<b>Total Net Expenditure</b>	<b>212,188</b>	<b>209,302</b>	<b>(2,886)</b>	<b>(2,638)</b>	<b>(248)</b>
(212,188)	0	Budget Requirement	(212,188)	(212,188)	0	0	0
<b>0</b>	<b>0</b>	<b>Net Total</b>	<b>0</b>	<b>(2,886)</b>	<b>(2,886)</b>	<b>(2,638)</b>	<b>(248)</b>
(35,915)	0	Balances b/fwd	(35,915)	(35,915)			
<b>(35,915)</b>	<b>0</b>	<b>Balances c/fwd 31 March 2015</b>	<b>(35,915)</b>	<b>(38,801)</b>			

21. At 31 March 2014 General Fund Balances totalled £35,915k, with the projected underspend expected to reach £38,801k 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 (£1,727k underspend, £478k improvement on Month 7)

22. An overview of the forecast outturn on directorate operating budgets is contained in Table 2, with further detail for each directorate contained within Appendix A to this report. Variances

relating to those more volatile areas of activity being managed through Development and Risk Contingency are expanded upon below.

**Table 2: Directorate Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service	Month 8		Variance (+ adv / - fav)			
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 8) £'000	Variance (As at Month 7) £'000	Movement from Month 7 £'000	
14,218	83	Admin.	Expenditure	14,301	13,945	(356)	(286)	(70)
(3,187)	906		Income	(2,281)	(2,330)	(49)	(42)	(7)
<b>11,031</b>	<b>989</b>		<b>Sub-Total</b>	<b>12,020</b>	<b>11,615</b>	<b>(405)</b>	<b>(328)</b>	<b>(77)</b>
169,100	330	Finance	Expenditure	169,430	169,524	94	87	7
(155,788)	(101)		Income	(155,889)	(156,292)	(403)	(392)	(11)
<b>13,312</b>	<b>229</b>		<b>Sub-Total</b>	<b>13,541</b>	<b>13,232</b>	<b>(309)</b>	<b>(305)</b>	<b>(4)</b>
139,103	792	Residents Services	Expenditure	139,895	138,969	(926)	(745)	(181)
(73,138)	(371)		Income	(73,509)	(73,204)	305	291	14
<b>65,965</b>	<b>421</b>		<b>Sub-Total</b>	<b>66,386</b>	<b>65,765</b>	<b>(621)</b>	<b>(454)</b>	<b>(167)</b>
31,163	(3,433)	Children & Young People's Service	Expenditure	27,730	28,142	412	466	(54)
(8,961)	544		Income	(8,417)	(8,577)	(160)	(183)	23
<b>22,202</b>	<b>(2,889)</b>		<b>Sub-Total</b>	<b>19,313</b>	<b>19,565</b>	<b>252</b>	<b>283</b>	<b>(31)</b>
68,691	13,642	Adult Social Care	Expenditure	82,333	82,612	279	383	(104)
(13,157)	(10,667)		Income	(23,824)	(24,747)	(923)	(828)	(95)
<b>55,534</b>	<b>2,975</b>		<b>Sub-Total</b>	<b>58,509</b>	<b>57,865</b>	<b>(644)</b>	<b>(445)</b>	<b>(199)</b>
<b>168,044</b>	<b>1,725</b>	<b>Total Directorate Operating Budgets</b>		<b>169,769</b>	<b>168,042</b>	<b>(1,727)</b>	<b>(1,249)</b>	<b>(478)</b>

23. An underspend of £405k 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 £77k since Month 7, principally due to posts being held vacant for longer.

24. A small improvement from Month 7 of £4k is reported on Finance budgets, with the reported underspend of £309k resulting from strong performance on the recovery of Housing Benefit overpayments and delayed recruitment in Internal Audit and Operational Finance.

25. An underspend of £621k is forecast within Residents Services, which represents an improvement of £167k from Month 7 due to a general improvement on staffing projections as a number of posts are expected to remain vacant for the remainder of the current financial year. Within the overall group position, an underspend attributable to the closure of Victoria Road Civic Amenity Site by the West London waste Alliance is off-set by previously reported pressures on facilities management, buyer's premium income and parking revenues. The buyer's premium variance relates to the timing of assets sales and does not represent an on-going issue.

26. An improvement of £31k is reported on Children & Young People's Services, resulting in a net pressure of £252k which is principally attributable to the use of agency staff to cover vacant posts across the service. Within the non-staffing position increased use of Special Guardianship Orders is resulting in marginal increase in costs, which is off-set by the expectation that more posts will remain vacant for the remainder of 2014/15.

27. Within Adult Social Care an improvement of £199k is reported, which includes reductions in homecare costs arising from the work of Skylakes in aligning support packages to need and revised staffing projections arising from the opening of Queenswalk Resource Centre. The underlying position across the service is principally driven by posts being held vacant.

## Progress on Savings

28. The Council's 2014/15 General Fund Revenue Budget contains £16,491k savings, with £12,802k new items approved by Cabinet and Council in February 2014 and a further £3,689k of items in progress brought forward from prior years. Delivery against these targets is closely monitored through the Council's Business Improvement Delivery Programme and regular updates presented to the Hillingdon Improvement Programme Steering Group.

29. As at Month 8, £13,836k (£13,405k at Month 7) is either on track for delivery or already banked, with the remaining £2,655k classed as amber due to being more complex or harder to deliver but are expected to continue being steadily upgraded to green in 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)	(3,092)	(2,484)	(551)	<b>(8,938)</b>	<b>54.2%</b>
G On track for delivery	0	(91)	(2,381)	(1,530)	(896)	<b>(4,898)</b>	<b>29.7%</b>
A Potential significant savings shortfall or a significant or risky project which is at an early stage;	(1,637)	0	(31)	(987)	0	<b>(2,655)</b>	<b>16.1%</b>
R Serious problems in the delivery of the saving	0	0	0	0	0	<b>0</b>	<b>0.0%</b>
<b>Total 2014/15 Savings</b>	<b>(3,000)</b>	<b>(1,539)</b>	<b>(5,504)</b>	<b>(5,001)</b>	<b>(1,447)</b>	<b>(16,491)</b>	<b>100%</b>

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

30. 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 8		Variance (+ adv / - fav)			
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 8) £'000	Variance (As at Month 7) £'000	Movement from Month 7 £'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
<b>9,888</b>	<b>(84)</b>		<b>Sub-Total</b>	<b>9,804</b>	<b>8,704</b>	<b>(1,100)</b>	<b>(1,100)</b>	<b>0</b>
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
<b>7,265</b>	<b>(1,540)</b>		<b>Sub-Total</b>	<b>5,725</b>	<b>5,725</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>17,153</b>	<b>(1,624)</b>	<b>Total Corporate Operating Budgets</b>		<b>15,529</b>	<b>14,429</b>	<b>(1,100)</b>	<b>(1,100)</b>	<b>0</b>

31. In line with the position at Month 7, 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 (£59k underspend, £230k adverse)

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

**Table 5: Development & Risk Contingency**

Original Budget £'000	Budget Changes £'000	Service	Month 8		Variance (+ adv / - fav)			
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 8) £'000	Variance (As at Month 7) £'000	Movement from Month 7 £'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	2,026	(118)	(178)	60
229	0		SEN transport	229	299	70	0	70
811	0		Waste Disposal Levy (Demand-led Tonnage Increases)	811	884	73	73	0
0	70		Compulsary 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	1,528	70	(30)
(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
<b>24,738</b>	<b>0</b>	<b>Total Development &amp; Risk Contingency</b>		<b>24,738</b>	<b>24,679</b>	<b>(59)</b>	<b>(289)</b>	<b>230</b>

33. An adverse movement of £60k is reported in relation to Homelessness from the Month 7 position as a result of higher than anticipated demand for accommodation between December and January being forecast. The level of demand is anticipated to return to current levels by February, resulting in a £118k favourable variance against the £2,144k contingency provision. The draft budget for 2015/16 reflects an expected reduction to £1,836k in the contingency requirement for Homelessness.

34. Projections on demand for SEN Transport have been increased by £70k to reflect the additional demand arising from the new intake of students from September 2014. This increased level of activity will continue to be monitored and reflected in the Council's Medium Term Financial Forecast as appropriate.
35. There has been no movement on Waste Levy projections from Month 7, with the previously reported pressure of £73k remaining. This variance is attributable to green waste and commercial waste tonnages, the on-going impact of which will be reflected in future revenue budgets.
36. An adverse movement of £100k is reported on Asylum, reflecting the step down of Home Office funding for those clients turning 18 over the coming months. As the level of support required by these clients should also reduce, this will be closely monitored over the coming months.
37. As in previous months the majority of volatility in relation to Social Care placement costs is being managed through ASC and CYPs operating budgets. Variances reported due to lower numbers of children transitioning into Adult Social Care and additional demand for services arising from the Winterborne View report are unchanged from Month 7.
38. There remains £2,370k uncommitted General Contingency balance which is available to manage emergent risks and cost pressures.

### Priority Growth

39. 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 November Cabinet.
40. 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 8 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)
<b>2,252</b>	<b>(100)</b>	<b>Total Priority Growth</b>	<b>2,252</b>	<b>163</b>	<b>(1,989)</b>

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

41. 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.
42. 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 £1,547k. There has been a £41k favourable movement on the position from Month 7 due to a minor reduction in the projected costs of SEN placements, with the remaining balance remaining available to support future investment in Borough's schools.

43. There is a £55k improvement on the month 7 position reported on the Parking Revenue Account (PRA), with shortfalls in income against historic targets resulting in a pressure of £130k. 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.
44. The projected outturn on Council Tax and Business Rates income within the Collection Fund is unchanged from Month 7, 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, at this stage, for an element of the expansion.
45. There is no change in the headline Collection Fund position reported from Month 7. 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 full rateable value of the new Heathrow Terminal 2. As such a significant element of Business Rate income remains at risk and will continue to be closely monitored.

### **Housing Revenue Account Budget**

46. An in year surplus of £5,135k is projected on Housing Revenue Account operations, a favourable movement of £755k from the position at Month 7 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 £27,955k by 31 March 2015, with further monies earmarked to support on-going investment in housing stock.

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

47. Appendix D to this report provides an update on the current capital programme, with a headline underspend of £5,322k 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.
48. Capital receipts are projected to reach £42,811k over the MTF period, representing an overachievement of £11,092k 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 £8,614k to £147,589k 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.
49. 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 (£405k underspend, £77k improvement)

50. The Administration Group is showing an underspend of £405k at Month 8, a £77k improvement on Month 7. The movement since month 7 is due to reduced salary expenditure in Legal Services and Performance 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 8		Variance (+ adv / - fav)			
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 8) £'000	Variance (As at Month 7) £'000	Movement from Month 7 £'000	
485	0	Directorate	Salaries	485	496	11	1	10
6	0		Non-Sal Exp	6	4	(2)	(2)	0
(58)	58		Income	0	0	0	0	0
<b>433</b>	<b>58</b>		<b>Sub-Total</b>	<b>491</b>	<b>500</b>	<b>9</b>	<b>(1)</b>	<b>10</b>
707	0	Corporate Comms	Salaries	707	721	14	14	0
159	(9)		Non-Sal Exp	150	139	(11)	(7)	(4)
(27)	9		Income	(18)	(18)	0	0	0
<b>839</b>	<b>0</b>		<b>Sub-Total</b>	<b>839</b>	<b>842</b>	<b>3</b>	<b>7</b>	<b>(4)</b>
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
<b>2,374</b>	<b>339</b>		<b>Sub-Total</b>	<b>2,713</b>	<b>2,774</b>	<b>61</b>	<b>61</b>	<b>0</b>
2,273	51	Human Resources	Salaries	2,324	2,267	(57)	(54)	(3)
639	12		Non-Sal Exp	651	655	4	0	4
(303)	0		Income	(303)	(272)	31	35	(4)
<b>2,609</b>	<b>63</b>		<b>Sub-Total</b>	<b>2,672</b>	<b>2,650</b>	<b>(22)</b>	<b>(19)</b>	<b>(3)</b>
1,871	0	Legal Services	Salaries	1,871	1,867	(4)	16	(20)
111	0		Non-Sal Exp	111	105	(6)	(4)	(2)
(575)	0		Income	(575)	(668)	(93)	(93)	0
<b>1,407</b>	<b>0</b>		<b>Sub-Total</b>	<b>1,407</b>	<b>1,304</b>	<b>(103)</b>	<b>(81)</b>	<b>(22)</b>
2,173	(1,593)	Policy & Partnerships	Salaries	580	587	7	6	1
2,463	(166)		Non-Sal Exp	2,297	2,264	(33)	(32)	(1)
(1,267)	1,222		Income	(45)	(64)	(19)	(18)	(1)
<b>3,369</b>	<b>(537)</b>		<b>Sub-Total</b>	<b>2,832</b>	<b>2,787</b>	<b>(45)</b>	<b>(44)</b>	<b>(1)</b>
0	1,620	Performance	Salaries	1,620	1,363	(257)	(200)	(57)
0	168		Non-Sal Exp	168	120	(48)	(50)	2
0	(722)		Income	(722)	(725)	(3)	(1)	(2)
<b>0</b>	<b>1,066</b>		<b>Sub-Total</b>	<b>1,066</b>	<b>758</b>	<b>(308)</b>	<b>(251)</b>	<b>(57)</b>
8,958	78	Admin. Directorate	Salaries	9,036	8,762	(274)	(205)	(69)
5,260	5		Non-Sal Exp	5,265	5,183	(82)	(81)	(1)
(3,187)	906		Income	(2,281)	(2,330)	(49)	(42)	(7)
<b>11,031</b>	<b>989</b>		<b>Total</b>	<b>12,020</b>	<b>11,615</b>	<b>(405)</b>	<b>(328)</b>	<b>(77)</b>

## FINANCE (£309k underspend, £4k improvement)

51. The Finance Group is showing an under spend of £309k at Month 8, an improvement of £4k on the Month 7 position. The improvement is largely due to delayed recruitment in the Operational Finance area. The majority of the under spend is due to an improved rent allowance subsidy position since the start of the year. Expenditure and income budgets across Revenues and Benefits will be realigned as part of the 2015/16 MTF process.

**Table 8: Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service	Month 8		Variance (+ adv / - fav)			
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 8) £'000	Variance (As at Month 7) £'000	Movement from Month 7 £'000	
537	0	Internal Audit	Salaries	537	515	(22)	(21)	(1)
56	0		Non-Sal Exp	56	81	25	17	8
0	0		Income	0	(10)	(10)	(10)	0
<b>593</b>	<b>0</b>		<b>Sub-Total</b>	<b>593</b>	<b>586</b>	<b>(7)</b>	<b>(14)</b>	<b>7</b>
2,050	0	Procurement	Salaries	2,050	2,058	8	3	5
150	100		Non-Sal Exp	250	277	27	25	2
(557)	13		Income	(544)	(566)	(22)	(11)	(11)
<b>1,643</b>	<b>113</b>		<b>Sub-Total</b>	<b>1,756</b>	<b>1,769</b>	<b>13</b>	<b>17</b>	<b>(4)</b>
3,299	0	Operational Finance	Salaries	3,299	3,332	33	48	(15)
704	(25)		Non-Sal Exp	679	686	7	7	0
(963)	0		Income	(963)	(963)	0	0	0
<b>3,040</b>	<b>(25)</b>		<b>Sub-Total</b>	<b>3,015</b>	<b>3,055</b>	<b>40</b>	<b>55</b>	<b>(15)</b>
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
<b>4,066</b>	<b>14</b>		<b>Sub-Total</b>	<b>4,080</b>	<b>3,699</b>	<b>(381)</b>	<b>(381)</b>	<b>0</b>
1,445	(60)	Strategic Finance	Salaries	1,385	1,411	26	18	8
2,691	21		Non-Sal Exp	2,712	2,712	0	0	0
(166)	166		Income	0	0	0	0	0
<b>3,970</b>	<b>127</b>		<b>Sub-Total</b>	<b>4,097</b>	<b>4,123</b>	<b>26</b>	<b>18</b>	<b>8</b>
11,060	47	Finance Directorate	Salaries	11,107	11,142	35	38	(3)
158,040	283		Non-Sal Exp	158,323	158,382	59	49	10
(155,788)	(101)		Income	(155,889)	(156,292)	(403)	(392)	(11)
<b>13,312</b>	<b>229</b>		<b>Total</b>	<b>13,541</b>	<b>13,232</b>	<b>(309)</b>	<b>(305)</b>	<b>(4)</b>

52. A breakeven position is projected on the contingency for uninsured claims at Month 8.

**Table 9: Development & Risk Contingency**

Original Budget £'000	Budget Changes £'000	Development & Risk Contingency	Month 8		Variance (+ adv / - fav)		
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 8) £'000	Variance (As at Month 7) £'000	Movement from Month 7 £'000
400	0	Uninsured Claims	400	400	0	0	0
<b>400</b>	<b>0</b>	<b>Current Commitments</b>	<b>400</b>	<b>400</b>	<b>0</b>	<b>0</b>	<b>0</b>

**RESIDENT SERVICES GENERAL FUND (£621k underspend, £167k favourable)**

53. Residents Services directorate is showing a projected outturn underspend of £621k at Month 8, excluding pressure areas that have identified contingency provisions.

**Table 10: Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service	Month 8		Variance (+ adv / - fav)			
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 8) £'000	Variance (As at Month 7) £'000	Movement from Month 7 £'000	
2,240	(39)	Asset Management	Salaries	2,201	2,278	77	77	0
8,681	260		Non-Sal Exp	8,941	9,234	293	271	22
(5,494)	(141)		Income	(5,635)	(5,152)	483	483	0
<b>5,427</b>	<b>80</b>		<b>Sub-Total</b>	<b>5,507</b>	<b>6,360</b>	<b>853</b>	<b>831</b>	<b>22</b>
8,451	(662)	Education (GF)	Salaries	7,789	7,597	(192)	(148)	(44)
11,182	(639)		Non-Sal Exp	10,543	10,597	54	89	(35)
(9,681)	(97)		Income	(9,778)	(9,853)	(75)	(91)	16
<b>9,952</b>	<b>(1,398)</b>		<b>Sub-Total</b>	<b>8,554</b>	<b>8,341</b>	<b>(213)</b>	<b>(150)</b>	<b>(63)</b>
1,641	(1)	Environ. Policy & Commun. Engage.	Salaries	1,640	1,566	(74)	(61)	(13)
1,013	(423)		Non-Sal Exp	590	590	0	0	0
(7,491)	0		Income	(7,491)	(7,501)	(10)	(10)	0
<b>(4,837)</b>	<b>(424)</b>		<b>Sub-Total</b>	<b>(5,261)</b>	<b>(5,345)</b>	<b>(84)</b>	<b>(71)</b>	<b>(13)</b>
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
<b>4,658</b>	<b>0</b>		<b>Sub-Total</b>	<b>4,658</b>	<b>4,640</b>	<b>(18)</b>	<b>(18)</b>	<b>0</b>
17,347	(3,086)	ICT, Highways & Business Serv.	Salaries	14,261	14,112	(149)	(131)	(18)
9,805	278		Non-Sal Exp	10,083	9,990	(93)	(84)	(9)
(5,416)	(407)		Income	(5,823)	(5,819)	4	4	0
<b>21,736</b>	<b>(3,215)</b>		<b>Sub-Total</b>	<b>18,521</b>	<b>18,283</b>	<b>(238)</b>	<b>(211)</b>	<b>(27)</b>
7,674	(117)	Planning, Green Spaces & Culture	Salaries	7,557	7,463	(94)	(90)	(4)
6,389	(345)		Non-Sal Exp	6,044	6,084	40	40	0
(9,404)	336		Income	(9,068)	(9,196)	(128)	(128)	0
<b>4,659</b>	<b>(126)</b>		<b>Sub-Total</b>	<b>4,533</b>	<b>4,351</b>	<b>(182)</b>	<b>(178)</b>	<b>(4)</b>
13,800	19	Public Safety (GF)	Salaries	13,819	13,789	(30)	(30)	0
24,237	(181)		Non-Sal Exp	24,056	23,700	(356)	(363)	7
(11,965)	0		Income	(11,965)	(11,927)	38	40	(2)
<b>26,072</b>	<b>(162)</b>		<b>Sub-Total</b>	<b>25,910</b>	<b>25,562</b>	<b>(348)</b>	<b>(353)</b>	<b>5</b>
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
<b>(34)</b>	<b>34</b>		<b>Sub-Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
172	5,904	Residents Services Directorate	Salaries	6,076	5,685	(391)	(304)	(87)
(1,850)	289		Non-Sal Exp	(1,561)	(1,561)	0	0	0
10	(561)		Income	(551)	(551)	0	0	0
<b>(1,668)</b>	<b>5,632</b>		<b>Sub-Total</b>	<b>3,964</b>	<b>3,573</b>	<b>(391)</b>	<b>(304)</b>	<b>(87)</b>
56,197	1,561	Residents Services	Salaries	57,758	56,947	(811)	(645)	(166)
82,906	(769)		Non-Sal Exp	82,137	82,022	(115)	(100)	(15)
(73,138)	(371)		Income	(73,509)	(73,204)	305	291	14
<b>65,965</b>	<b>421</b>		<b>Total</b>	<b>66,386</b>	<b>65,765</b>	<b>(621)</b>	<b>(454)</b>	<b>(167)</b>

54. 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. The group is also reporting continuing pressures on buyers' premium income as a result of slippage in asset disposals into 2015/16.
55. 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 11 below. At month 8 projected calls on contingency is £25k over provision, £130k adverse movement from month 7. 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 8		Variance (+ adv / - fav)		
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 8) £'000	Variance (As at Month 7) £'000	Movement from Month 7 £'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	2,026	(118)	(178)	60
229	0	SEN transport	229	299	70	0	70
811	0	Waste Disposal Levy (Demand-led Tonnage Increases)	811	884	73	73	0
0	60	Poweday Public Enquiry	60	60	0	0	0
0	70	Legal costs associated with compulsory land purchase	70	70		0	0
<b>3,824</b>	<b>130</b>	<b>Current Commitments</b>	<b>3,954</b>	<b>3,979</b>	<b>25</b>	<b>(105)</b>	<b>130</b>

56. 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 £2,026k, which gives a projected underspend of £118k against the contingency provision (£60k adverse).
57. Temporary Accommodation and housing advice data for the period August to November are shown below. Whilst B&B data still 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 an average of 134 over the last three autumnal months showing a marked increase from the demand experienced in the summer.

**Table 12: Housing Needs performance data**

	August	September	October	November
Homeless Threat, Priority Need & Eligible	113	131	150	120
Presenting As Homeless	46	57	44	41
Duty Accepted	22	34	23	32
<b>Households</b> in Temporary Accommodation	508	502	515	521
<b>Households</b> in B&B	154	146	155	155

58. 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.
59. The Housing Needs service is still experiencing a high level of demand in terms of homelessness presentations. At month 8, the projected call on contingency is £2,026k (£60k adverse).
60. The adverse movement is caused by a projected increase in B&B between mid December and January, before falling back to current levels in February. 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 22 hard to let HRA properties as shortlife gives a total of 122 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.
61. 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.
62. At month 8 the latest modelling forecast remains at an overspend on contingency of £73k (no change) 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.
63. The contingency for the Carbon Reduction Commitment is for the estimated costs to purchase carbon allowances.
64. 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.
65. The service has reassessed its forecast against the assumed growth of 6% in the budget now that the impact of the new school year and the associated changes in routes has bedded in. Current analysis of the data for the new cohort shows an increase in the projected cost of £70k, which includes provision for the new routes starting in January.
66. The reported position for month 8 allows for the continuing risk in this volatile area, given the projected increase in the SEN population to 1,645 by the end of the financial year (a 7% increase) reported in the Schools Budget section of this report.

67. 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 (£853k pressure, £22k adverse)**

68. 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. At Month 8 the service is reporting a net reduction in buyers' premium income to £106k for the financial year (no change). This relates to the slippage of major sites in the disposals programme into 2015/16.
69. 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.
70. 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.
71. There is a £22k adverse movement for month 8 in relation to costs for building maintenance contract costs.

**Education GF (£213k underspend, £63k favourable)**

72. The Education Service is projecting an underspend of £213k as at Month 8, an improvement of £63k on the month 7 projections. This consists of an underspend of £191k on staffing, an improvement of £44k on the month 7 position, due to a reduced projection for Early Years and Youth Services. An overspend of £55k on non staffing costs, an improvement of £35k on the month 7 position, due to a further review of planned expenditure.
73. A projected surplus of £76k on income streams, an adverse movement of £16k on the month 7 position, due to a reduction in the level of SLA income received from schools.

**Environmental Policy & Community Engagement (£84k underspend, £13k favourable)**

74. 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.
75. The service is also projecting an underspend on salaries of £74k , a favourable movement of £13k reflecting part year vacancies and delays to recruitment of vacant posts across Planning Policy and Road Safety.

**Housing GF (£18k underspend, no change)**

76. 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. In addition, there are projected underspends within team budgets of £4k for miscellaneous items including printing and stationary.
77. 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 (£238k underspend, £27k favourable)**

78. The service is reporting a £18k favourable movement in staffing underspends in a range of service areas across the group.
79. Within Highways, there are favourable movements of £7k relating to a reduced projection for training and £2k for building activity licences.

## **Planning Sport & Green Spaces (£182k underspend, £4k favourable)**

80. The Golf courses overspend has reduced from £12k to £8k (£4k 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.
81. Cabinet approved the increased contract fees in relation to planning applications on 20 November 2014. As at month 8, the service expects to be able to contain the additional costs within existing budgets.
82. 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)**

83. 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 £46k (£14k favourable) 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 £141k underspend against staffing costs (£5k favourable), due to three positions being vacant which are considered unlikely to be filled this year.
84. 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 MTFP.
85. 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.
86. Bids for the drug and alcohol services tender have now been received and are being evaluated. It is anticipated that new contracting arrangements will be in place for July 2015.

## **Public Safety (£348k underspend, £5k favourable)**

87. 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 7, resulting in an income pressure of £242k.
88. 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.
89. Public Protection is forecasting staffing underspends in Trading Standards due to retirements and anticipated delays in the recruitment process (£47k, no change), and in Pollution Control

a forecast underspend of £10k (no change) due to the restructure. There is also an £8k underspend on non-staffing costs. The service is also forecasting scrap metal additional licences income £3k (no change).

90. There is a forecast income overachievement of £49k (£2k favourable) for the sampling of soil products and a reduction in analyst fees of £53k (£12k favourable). This is a prudent forecast variance for this volatile income stream which will continue to be closely monitored.
91. 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.
92. The remaining underspends of £48k (£19k adverse) relate to Waste Services previously reported at month 7. 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. This underspend is offset by the purchase of additional bulk bins in trade waste (£19k).

**Residents Services Directorate (£391k underspend, £87k favourable)**

93. 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 8 relating to these vacancies is an underspend of £391k.
94. The favourable movement consists of a £57k improvement from month 7 relating to the anticipated phasing of the restructures and a £30k improvement relating to the transfer of the full year costs of a member of staff seconded into a role in social care.

## **CHILDREN AND YOUNG PEOPLE'S SERVICES (£252k overspend, £31k improvement)**

95. The Children and Young People's Service is projecting an overspend of £252k as at Month 8, an improvement of £31k on the month 7 projections, which is explained in more detail below.
96. The month 8 position is now reflecting an overspend of £363k on Salaries, an improvement of £101k on the month 7 projections, due to a line by line review of the number of agency staff required to cover vacant posts, where senior management are ensuring that agency staff are appointed only where there is a defined need, resulting in a reduction in the projected cost of agency. However, the overspend still 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.
97. There is an overspend of £49k on non-staffing budgets, an adverse movement of £47k on the month 7 projections. Within this there is a further 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.
98. There is a projected surplus of £160k on income, an adverse movement of £23k on the month 7 projections, due to a reduction in the anticipated income that will be received from the Dedicated Schools Grant for joint funded placements. The surplus of £160k relates to the funding received from a number of external partners, including Health, the Youth Justice Board and Education.
99. The projected variances at Month 8 are summarised in the following table, with more detail provided in the paragraphs below.

**Table 13: Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service	Month 8		Variance (+ adv / - fav)			
			Revised Budget	Forecast Outturn	Variance (As at Month 8)	Variance (As at Month 7)	Movement from Month 7	
			£'000	£'000	£'000	£'000	£'000	
1,033	31	Safeguarding Children	Salaries	1,064	1,342	278	276	2
1,356	126		Non-Sal Exp	1,482	1,637	155	154	1
(146)	(2)		Income	(148)	(211)	(63)	(65)	2
<b>2,243</b>	<b>155</b>		<b>Sub-Total</b>	<b>2,398</b>	<b>2,768</b>	<b>370</b>	<b>365</b>	<b>5</b>
1,711	366	Early Intervention Services	Salaries	2,077	1,769	(308)	(312)	4
288	(1)		Non-Sal Exp	287	294	7	(3)	10
(657)	0		Income	(657)	(731)	(74)	(55)	(19)
<b>1,342</b>	<b>365</b>		<b>Sub-Total</b>	<b>1,707</b>	<b>1,332</b>	<b>(375)</b>	<b>(370)</b>	<b>(5)</b>
3,355	(1,176)	Looked After Children	Salaries	2,179	1,912	(267)	(271)	4
1,056	(309)		Non-Sal Exp	747	678	(69)	(101)	32
(304)	(10)		Income	(314)	(315)	(1)	(1)	0
<b>4,107</b>	<b>(1,495)</b>		<b>Sub-Total</b>	<b>2,612</b>	<b>2,275</b>	<b>(337)</b>	<b>(373)</b>	<b>36</b>
9,970	(1,964)	Children's Resources	Salaries	8,006	8,667	661	771	(110)
12,394	(506)		Non-Sal Exp	11,888	11,843	(45)	(48)	3
(7,854)	556		Income	(7,298)	(7,320)	(22)	(62)	40
<b>14,510</b>	<b>(1,914)</b>		<b>Sub-Total</b>	<b>12,596</b>	<b>13,190</b>	<b>594</b>	<b>661</b>	<b>(67)</b>
16,069	(2,743)	Children's and Young Persons Directorate	Salaries	13,326	13,690	364	464	(100)
15,094	(690)		Non-Sal Exp	14,404	14,452	48	2	46
(8,961)	544		Income	(8,417)	(8,577)	(160)	(183)	23
<b>22,202</b>	<b>(2,889)</b>		<b>Total</b>	<b>19,313</b>	<b>19,565</b>	<b>252</b>	<b>283</b>	<b>(31)</b>

**Safeguarding Children: (£370k overspend, £5k adverse)**

100. The Safeguarding Children's service is projecting an overspend of £370k, an adverse movement of £5k on the month 7 projections. The overall position comprises an overspend of £278k on staffing, due to a high level of agency staff and an overspend of £155k 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 £63k in income streams, due to additional funds being received from external partners.

**Early intervention (Youth Offending Service): (£375k underspend, £5k improvement)**

101. This service is projecting an underspend of £375k, an improvement of £5k on the month 7 projections. This relates to an underspend of £309k 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 overspend of £7k on non staffing budgets and a surplus of £74k on income, which is due to additional funds being received from external partners including the Youth Justice Board.

**Looked After Children: (£337k underspend, £36k adverse)**

102. This service is projecting an underspend of £337k, an adverse movement of £36k on the month 7 projections, due to an increase in client support costs. This relates to an underspend on staffing costs of £267k, due to a high level of vacant posts, some of which are not being covered by agency or permanent staff and an underspend of £69k on non staffing costs, where the service is incurring expenditure on essential items only.

## **Children's Resources: (£594k overspend, £67k improvement)**

103. This service is projecting an overspend of £594k, an improvement of £67k on the month 7 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 £661k, which reflects the cost differential of agency staff, including a number of Senior Manager posts, over this period, together with 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 £45k on non staffing costs, where the service continues to control and challenge spend, and a surplus of £22k 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.
104. In terms of the placements budget, this is projecting a breakeven position, assuming the full draw down of contingency sums.
105. There are an additional number of emerging pressures which are having a direct impact on the projected year end position. These relate to the following:
- An increase in activity relating to Looked After Children contact, where the Council is experiencing a high volume of requests and instructions from the Courts, which requires an officer to accompany the child. The current mechanism has been to employ sessional staff to undertake this duty. This is currently being reviewed to determine whether there is a different, more cost effective, model that could be developed. Based on current projections this is creating a budget pressure of £312k.
  - 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 £382k. 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**

106. 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 8 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 four months up to 31 March 2015.

107. The Council has also entered into a similar temporary arrangement to support the Adoption and Fostering service, which will be phased in over December 2014 and 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.
108. It should be noted that these two items have not been accounted for within the month 8 monitoring position reported above. However, there is provision within earmarked reserves and contingency to fund these costs, where they cannot be met from the base budget.

### Analysis of Placements

109. 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**

November 2014 Projections	Projecte d 14/15		Annualise d Cost	Cost	2014/15	2014/15
	Numbers	%	£000	%	Projecte d £000	Budget £000
Secure/Remand Accommodation	4	1%	416	4%	382	111
Residential	14	7%	3,139	30%	2,122	1,468
Semi Independent Living	25	13%	1,324	13%	692	409
Fostering Private	76	39%	3,987	38%	3,210	2,395
In House	78	40%	1,612	15%	1,353	1,722
Risk Contingency						1,860
<b>Total November 2014</b>	<b>197</b>	<b>100%</b>	<b>10,478</b>	<b>100%</b>	<b>7,760</b>	<b>7,965</b>

<b>October 2014 Reported Position</b>	<b>210</b>		<b>10,478</b>		<b>7,899</b>	<b>7,965</b>
<b>Movement Between October and November 2014</b>	<b>-13</b>		<b>0</b>		<b>-139</b>	<b>0</b>

110. 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 now stands at 49% to 51% respectively, and is starting to move towards the desired 60% to 40% split.
111. It should be noted that the numbers reported do not take account of the impact of the managed service, where more up to date data is indicating that the Looked After Children numbers are beginning to increase.

### Development & Risk Contingency (£70k overspend, £100k adverse)

112. 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 £200,000 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 8		Variance (+ adv / - fav)		
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 8) £'000	Variance (As at Month 7) £'000	Movement from Month 7 £'000
1,458	0	Asylum Funding Shortfall	1,458	1,528	70	(30)	100
(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
<b>3,118</b>	<b>0</b>	<b>Current Commitments</b>	<b>3,118</b>	<b>3,188</b>	<b>70</b>	<b>(30)</b>	<b>100</b>

113. The Asylum Service is projecting an overspend of £1,528k, an adverse movement of £100k on the month 7 projections, due to a high number of children turning 18 in this financial year, which attracts less grant funding from the Home Office. 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 £4,562k to cover the direct costs based on a unit rate for different age children.

114. 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 £1,528k being reported, for which a sum of £1,458k has been set aside in the Corporate Risk Contingency. This results in the overspend of £70k currently reported.

The following table provides an analysis of the gross Asylum service budget projected position for month 8:

**Table 16: Asylum Expenditure**

Original Budget £'000	Budget Changes £'000	Service	Month 8		Variance (+ adv / - fav)		
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 8) £'000	Variance (As at Month 7) £'000	Change from Month 7 £'000
3,294	259	Asylum Services	3,035	2,680	(355)	(234)	(121)
2,810	(259)		3,069	4,001	932	1,240	(308)
(6,104)	(0)		(6,104)	(5,153)	951	422	529
<b>0</b>	<b>(0)</b>	<b>Sub-Total</b>	<b>0</b>	<b>1,528</b>	<b>1,528</b>	<b>1,428</b>	<b>100</b>

115. 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.

116. 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 (£632k underspend, £187k improvement)

117. The Adult Social Care directorate is projecting a forecast underspend £632k as at month 8, a favourable movement of £187k since the last month, when a projected underspend to year end of £445k was anticipated. The main areas of movement relate to a reduction in staffing forecast and increased income forecast. Further details of these movements are detailed below.

**Table 17: Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service		Month 8		Variance (+ adv / - fav)		
				Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 8) £'000	Variance (As at Month 7) £'000	Movement from Month 7 £'000
2,329	305	All-Age Disabilities	Salaries	2,634	2,375	(259)	(243)	(16)
25,061	6,766		Non-Sal Exp	31,827	32,395	568	488	80
(3,802)	(496)		Income	(4,298)	(4,948)	(650)	(587)	(63)
<b>23,588</b>	<b>6,575</b>		<b>Sub-Total</b>	<b>30,163</b>	<b>29,822</b>	<b>(341)</b>	<b>(342)</b>	<b>1</b>
3,629	671	Social Work	Salaries	4,300	4,088	(212)	(208)	(4)
21,966	3,275		Non-Sal Exp	25,241	25,277	36	111	(75)
(8,281)	43		Income	(8,238)	(8,384)	(146)	(141)	(5)
<b>17,314</b>	<b>3,989</b>		<b>Sub-Total</b>	<b>21,303</b>	<b>20,981</b>	<b>(322)</b>	<b>(238)</b>	<b>(84)</b>
7,178	920	Early Intervention & Prevention	Salaries	8,098	7,968	(129)	(89)	(40)
2,914	733		Non-Sal Exp	3,647	3,967	320	372	(52)
(711)	(10,181)		Income	(10,892)	(10,930)	(38)	(12)	(26)
<b>9,381</b>	<b>(8,528)</b>		<b>Sub-Total</b>	<b>853</b>	<b>1,005</b>	<b>153</b>	<b>271</b>	<b>(118)</b>
2,292	(296)	Safeguarding, Quality & Partnerships	Salaries	1,996	1,900	(96)	(91)	(5)
4,753	(59)		Non-Sal Exp	4,694	4,674	(20)	(28)	8
(363)	92		Income	(271)	(314)	(43)	(54)	11
<b>6,682</b>	<b>(263)</b>		<b>Sub-Total</b>	<b>6,419</b>	<b>6,260</b>	<b>(159)</b>	<b>(173)</b>	<b>14</b>
1,539	(1,243)	Directorate & Support Services	Salaries	296	319	22	22	0
(2,970)	2,570		Non-Sal Exp	(400)	(351)	49	49	0
0	(125)		Income	(125)	(159)	(34)	(34)	0
<b>(1,431)</b>	<b>1,202</b>		<b>Sub-Total</b>	<b>(229)</b>	<b>(191)</b>	<b>37</b>	<b>37</b>	<b>0</b>
16,967	357	<b>Adult Social Care Directorate Total</b>	Salaries	17,324	16,650	(674)	(609)	(65)
51,724	13,285		Non-Sal Exp	65,009	65,962	953	992	(39)
(13,157)	(10,667)		Income	(23,824)	(24,735)	(911)	(828)	(83)
<b>55,534</b>	<b>2,975</b>		<b>Total</b>	<b>58,509</b>	<b>57,877</b>	<b>(632)</b>	<b>(445)</b>	<b>(187)</b>

118. 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 2 below.

**Table 18: Development & Risk Contingency**

Original Budget	Budget Changes	Development & Risk Contingency	Month 8		Variance (+ adv / - fav)		
			Revised Budget	Forecast Outturn	Variance (As at Month 8)	Variance (As at Month 7)	Movement from Month 7
£'000	£'000		£'000	£'000	£'000	£'000	£'000
2,406		Increase in Transitional Children due to Demographic Changes	2,406	1,816	(590)	(590)	0
		<b>Total Social Care Demographic Pressures for Care and Support:</b>					
		Older People	6,254	6,254	0	0	0
		Clients With Disabilities	3,771	4,207	436	436	0
11,990	0	Clients With Mental Health Issues	1,965	1,965	0	0	0
<b>14,396</b>	<b>0</b>	<b>Current Commitments</b>	<b>14,396</b>	<b>14,242</b>	<b>(154)</b>	<b>(154)</b>	<b>0</b>

119. It is forecast, as at month 8, 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.

120. The actual contingency required for transitional children is still anticipated to underspend by £590k as reported in month 7 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.

121. The pressure from the Winterbourne View report is still estimated at a cost of £436k in this year. No further cases have been agreed to transfer this month.

**All Age Disabilities(AAD): (£341k underspend, £1k movement)**

122. 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 £341k (£16k improvement) in salary expenditure due to the delay in filling vacancies at team leader level. A pressure of £568k (£80k increase) on placement costs due to additional placements, the increase in month 8 is due to increase costs for health clients and provisional forecast of £50k for the lift to be installed at the new Church Road supported living scheme due to change in client accommodation from MH to LD. This is offset by additional client contributions of £190k and increased contributions from Education and HCCG of £460k for joint funded placements.

123. The pressure in Merrifields Resource Centre remains unchanged at £179k. Although this pressure is 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.

124. 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 7.

125. 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.
126. 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 included as contingency in the MTF for 2015/2020.

### **Social Work (£322k underspend, £84k improvement)**

127. It is forecast that there is an underspend of £322k, which is an improvement of £84k from Month 7.
128. Non staff expenditure pressure has reduced £75k. The current forecast includes an increase of 2 Nursing placements of £66k which has impart been offset by a further reduction in forecast homecare costs of £141k. This continued reduction in homecare reflects the trend being seen in month 7 and is partly from the impact of the work of Skylakes to reassess client's needs and their support packages and the continuing pro-active work within the service to manage the demand and cost of the service.

### **Early Intervention and Prevention (£153k pressure, £118k improvement)**

129. A pressure of £153k (an improvement of £118k from month 7) 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 currently offset by underspends on staffing costs. A review has commenced to identify other opportunities to realise alternative savings to offset this outstanding target.
130. The improvement on staffing (£41k) and non staffing (£52k) this month in the main are due to revised forecasts for LD Day Services as costs relating to the opening of Queenswalk and closure of Woodside and Phoenix are more certain.

### **Safeguarding, Quality and Partnerships (£159k underspend, £14k movement)**

131. It is forecast that there will be an underspend of £159k mainly arising from staff savings as a result of current vacancies. Expenditure incurred in supporting identified service users with no recourse to public funds remains unchanged from Month 7 at a pressure of £145k which is being managed within the above forecast.
132. 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 remains unchanged from month 7. So far, 189 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)**

133. There is a projected pressure of £37k, mainly arising as a result of the managed vacancy factor not being achieved.
134. The Care Act Implementation Grant has been included in the month 8 forecast and it is currently anticipated the full £125k will be spent in this financial year. Work is continuing to ensure compliance with the Care Act from April 2015 and the ICT solution for the Advice and Information service is in the process of being purchased.

## Appendix B – Other Funds

### Schools Budget

#### Dedicated Schools Grant (£2,234k overspend, £41k adverse)

135. The Dedicated Schools Grant is projecting an in year overspend of £2,234k, a slight improvement of £41k on the month 7 projections, due to a slight reduction in the projected cost of SEN placements. The overspend on the DSG, in the main, reflects the planned use of the surplus balance that was carried forward from 2013/14, where additional resources totalling £1,294k were delegated to schools above the actual amount of DSG and £300k was earmarked to fund early years initiatives, with the remainder relating to a pressure on SEN placement costs. 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 8		Variance (+ adv / - fav)		Change from Month 7
			Revised Budget	Forecast Outturn	Variance (As at Month 8)	Variance (As at Month 7)	
£'000	£'000		£'000	£'000	£'000	£'000	£'000
(145,373)	0	<b>Dedicated Schools Grant Income</b>	(145,373)	(145,840)	(467)	(467)	0
113,606	0	<b>Delegated to Schools</b>	113,606	114,900	1,294	1,306	(12)
4,581	0	<b>Early Years</b>	4,523	4,874	350	348	3
3,604	0	<b>Centrally Retained</b>	3,604	3,919	315	314	0
23,582	0	<b>Special Needs</b>	23,640	24,381	742	774	(32)
<b>0</b>	<b>0</b>	<b>Total Schools Budget</b>	<b>0</b>	<b>2,234</b>	<b>2,234</b>	<b>2,275</b>	<b>(41)</b>
0	0	Balance Brought Forward 1 April 2014	(3,781)	(3,781)			
0	0	Balance Carried Forward 31 March 2015	(3,781)	(1,547)			

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

136. 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 (£1,294k overspend, £12k improvement)

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

#### Early Years (£350k overspend, £3k adverse)

138. The Early Years funding block is projecting an overspend of £350k, an adverse movement of £3k on the month 7 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.

139. 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 (£315k overspend, £1k adverse)

140. 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 (£742k overspend, £32k improvement)

141. The Special Needs budgets are projecting an overspend of £742k, an improvement of £32k on the month 7 position, due to a slight decrease 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%, 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. The following table sets out the change in the number of pupils with an SEN statement over the last 4 years:

Difficulty	Actuals 31/3/11	Actuals 31/3/12	Actuals 31/3/13	Actuals 31/3/14	Actuals 30/11/14	Yr end projection
Autistic Spectrum disorder	315	355	405	440	481	492
Behaviour, Emotional and Social Difficulty	152	143	149	129	129	129
Hearing Impairment	37	31	38	42	41	45
Mild Learning Difficulty	295	290	298	298	300	305
Multi-Sensory Impairment	7	7	6	6	6	6
Other ie: (Medical/mental health)	34	32	37	39	37	39
Physical Disability	76	85	89	90	89	94
Profound & Multiple learning diffs	29	33	32	30	32	35
Speech Language and Communication Needs	237	247	259	272	275	282
Severe Learning Difficulty	108	115	114	117	120	118
Specific Learning Difficulty	23	28	32	37	37	38
Visual Impairment	18	18	21	26	29	27
Unclassified	9	3		8	11	35
<b>Total</b>	<b>1,340</b>	<b>1,387</b>	<b>1,480</b>	<b>1,534</b>	<b>1,587</b>	<b>1,645</b>
Change - Numbers		47	93	54	53	111
Change - Percentage		3.51%	6.71%	3.65%	3.46%	6.99%

## Year End Balances

142. 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 £1,547k.

**PARKING REVENUE ACCOUNT (£38k in year deficit, £55k favourable)**

143. 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 £'000	Budget Changes £'000	Service	Month 8		Variance (+ adv / - fav)		
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 8) £'000	Variance (As at Month 7) £'000	Movement from Month 7 £'000
(4,153)	0	Income	(4,153)	(3,879)	274	298	(24)
4,061	0	Expenditure	4,061	3,917	(144)	(113)	(31)
<b>(92)</b>	<b>0</b>	<b>In-year (Surplus) / Deficit</b>	<b>(92)</b>	<b>38</b>	<b>130</b>	<b>185</b>	<b>(55)</b>
76	0	Unallocated Balances b/fwd	76	76	0	0	0
<b>(16)</b>	<b>0</b>	<b>Unallocated Balances C/fwd</b>	<b>(16)</b>	<b>114</b>	<b>130</b>	<b>185</b>	<b>(55)</b>

144. An in-year deficit of £38k is forecast for the 2014/15 financial year. There is a total shortfall of income of £274k (£24k favourable from month 7). The favourable movement relates to improved income collection from bailiffs. The overall position reflects the continued lower level of Penalty Charge Notice (PCN) income relative to the historic income target.

145. The income pressure is offset by compensating savings totalling £144k (£31k favourable movement), as well as the budgeted surplus of £92k. The favourable movement reported relates to a reduced projection for non-staffing costs (ICT equipment) and private contractors costs.

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

146. 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 7, 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.

147. 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	Budget Changes	Service	Month 8		Variance (+ adv / - fav)			
			Revised Budget	Forecast Outturn	Variance (As at Month 8)	Variance (As at Month 7)	Movement from Month 7	
£'000	£'000		£'000	£'000	£'000	£'000	£'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
<b>(102,937)</b>	<b>0</b>		<b>Sub-Total</b>	<b>(102,937)</b>	<b>(105,634)</b>	<b>(2,697)</b>	<b>(2,697)</b>	<b>0</b>
(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
<b>(45,172)</b>	<b>0</b>		<b>Sub-Total</b>	<b>(45,172)</b>	<b>(44,672)</b>	<b>500</b>	<b>500</b>	<b>0</b>
<b>(148,109)</b>	<b>0</b>	<b>Total Collection Fund</b>	<b>(148,109)</b>	<b>(150,306)</b>	<b>(2,197)</b>	<b>(2,197)</b>	<b>0</b>	

148. 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.
149. 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 full 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.
150. 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.
151. 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

152. The Housing Revenue Account (HRA) forecast is a surplus of £5,135k, a movement of £755k from the previous month, principally attributable to a revised forecast due to further movement in the phasing of the planned maintenance to stock programme. The table below presents key variances by service areas:

**Table 22: Housing Revenue Account**

Original Budget	Budget Changes	Service	Month 8		Variance (+ adv / - fav)		
			Revised Budget	Forecast Outturn	Variance (As at Month 8)	Variance (As at Month 7)	Movement from Month7)
£'000	£'000		£'000	£'000	£'000	£'000	£'000
(56,975)		Rent Income	(56,975)	(56,782)	193	186	7
(5,717)	(513)	Other Income	(6,230)	(6,066)	164	156	8
<b>(62,692)</b>	<b>(513)</b>	<b>Net Income</b>	<b>(63,205)</b>	<b>(62,848)</b>	<b>357</b>	<b>342</b>	<b>15</b>
13,813	(198)	Housing Management	13,616	12,272	(1,343)	(1,055)	(288)
5,607	334	Tenant Services	5,941	5,340	(601)	(601)	0
4,801	351	Repairs	5,152	5,142	(10)	(10)	0
5,798	25	Planned Maintenance	5,823	2,697	(3,126)	(2,644)	(482)
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
<b>62,692</b>	<b>513</b>	<b>Operating Costs</b>	<b>63,205</b>	<b>57,713</b>	<b>(5,492)</b>	<b>(4,722)</b>	<b>(770)</b>
<b>0</b>		<b>(Surplus) / Deficit</b>	<b>(0)</b>	<b>(5,135)</b>	<b>(5,135)</b>	<b>(4,380)</b>	<b>(755)</b>
(25,083)		General Balance 01/04/2014	(22,820)	(22,820)			
<b>(25,083)</b>		<b>General Balance 31/03/2015</b>	<b>(22,820)</b>	<b>(27,200)</b>	<b>(5,135)</b>		

### Rental Income

153. The projected loss in dwelling rental income has increased to £193k due to a revised projection of 175 sales for the year (the original forecast was for 165 sales). There were 138 sales to the end of November and the indications are that the strong sales will continue for the remainder of the year. The MTFE will be adjusted accordingly to reflect this change.

154. The net projected loss in other income of £8k is due to estimated leaseholder charges for external decoration works being projected at a higher level than actual charges but being partly offset by additional income from RTB capital receipts for transaction costs.

### Housing Management & Tenant Services

155. The Housing Management budgets shows a net underspend of £1,343k, a decrease of £288k from Month 7. The £288k is money earmarked by the Senate to spend on prioritised new initiatives and it is anticipated that this spend will now slip into 2015/16. When Hillingdon Homes was closed down it was agreed with tenants that a portion of estimated savings would be invested in housing estates. There was no spend in 2013/14 on this initiative and the

£300k budget was transferred into the MRR intended to be used in 2014/15 but remains unspent. The £288k slippage in 2014/15 could also be transferred to the MRR which would then total £588k for tenant initiatives to be spent in 2015/16.

156. Tenancy Services shows a net underspend of £601k mainly due to savings from the new leaseholders building insurance contract, plus staffing vacancies within a number of services.

### **Repairs**

157. 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 an 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.
158. 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.

### **Planned Maintenance**

159. The Planned Maintenance forecast is a net underspend of £3,126k, a decrease of £482k on the Month 7 position. The main variances are shown below:

- A reduction of £140k on lift consultancy/servicing to reflect actual work likely to be completed within the year;
- Cyclical decorations forecast is reduced to zero (a £200k reduction) due to the need for a retendering of the contract, and pending the results of the revised stock condition survey;
- A number of projects within the structural repairs budgets have slipped (including Victoria Road, Green Lane, Hale End and Waterloo Road) resulting in a projected £178k underspend in 2014/15;
- Slippage in Better Neighbourhoods Team (BNT) planned maintenance schemes (including street works to Avondale estate) has reduced the forecast by £61k. This is a tenant led budget;
- An appraisal of the fencing forecast has resulted in a reduction of £63k due to slippage;
- A stock condition survey has been commissioned at a cost of £184k.

## Appendix D –GENERAL FUND CAPITAL PROGRAMME

160. 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 7 £'000
Original Budget	119,832	271,510	<b>391,342</b>	-
Revised Budget	91,322	306,725	<b>398,047</b>	40
Forecast Outturn	80,302	312,423	<b>392,725</b>	(2,401)
<b>Total Capital Programme Variance</b>	<b>(11,020)</b>	<b>5,698</b>	<b>(5,322)</b>	<b>(2,441)</b>
Analysis of Programme Variances:				
Schools Expansions Programme	(2,121)	(2,312)	<b>(4,433)</b>	(2,585)
Disabled Facilities Grants	(995)	-	<b>(995)</b>	-
Civic Centre Works Programme	(671)	-	<b>(671)</b>	-
Property Works Programme	(200)	-	<b>(200)</b>	20
Adaptations for Adopted Children	(200)	-	<b>(200)</b>	-
New Years Green Lane	(119)	-	<b>(119)</b>	-
Rural Activities Garden Centre	(115)	-	<b>(115)</b>	-
Private Sector Renewal Grants	(35)	-	<b>(35)</b>	-
South Ruislip Plot A	(30)	-	<b>(30)</b>	-
Grounds Maintenance	(26)	-	<b>(26)</b>	(26)
Childrens Centres	(25)	-	<b>(25)</b>	-
Central Library Refurbishment	62	-	<b>62</b>	-
Hayes End Library Development	90	-	<b>90</b>	-
Harlington Road Depot Refurbishment	150	-	<b>150</b>	150
Hillingdon Sports & Leisure Centre	-	530	<b>530</b>	-
Yiewsley Health Centre & Sports Facility	-	695	<b>695</b>	-
Cost Variance	(4,235)	(1,087)	<b>(5,322)</b>	<b>(2,441)</b>
Projected Re-phasing	(6,785)	6,785	-	-
<b>Total Capital Programme Variance</b>	<b>(11,020)</b>	<b>5,698</b>	<b>(5,322)</b>	<b>(2,441)</b>
Financing Variance:				
Council Resourced Variance	(9,498)	4,176	<b>(5,322)</b>	(2,441)
External Grants & Contributions Variance	(1,522)	1,522	-	-
<b>Total Capital Programme Variance</b>	<b>(11,020)</b>	<b>5,698</b>	<b>(5,322)</b>	<b>(2,441)</b>
<b>Movement from Month 7</b>	<b>17,827</b>	<b>(20,268)</b>	<b>(2,441)</b>	

161. Actual capital expenditure is £45,648k for the eight months to 30 November, whilst the revised budget has increased by £40k from Month 7 due to Section 106 monies allocated to a new Highways scheme phased into 2015/16.

162. The main programme shows a favourable variance of £5,322k. The following paragraphs provide details of the reasons for movements in the other cost variances in the above table:

- Schools Expansions Programme - the forecast under spend on the Primary Schools Expansions programme has increased by £2,585k due mainly to consequential improvements works not being required on various completed schools within Phase 2 as energy efficiency standards have been met. There are also elements of contingency budgets on completed schemes that are not required to be used.

- Harlington Road Depot - refurbishment works have commenced on site and are now expected to be complete by the end of March which is a further delay due to additional works arising while on site. This is resulting in a forecast over spend of £150k. The completion of this project will allow for the sale of another depot site within the capital receipts programme.
- Grounds Maintenance vehicles - there is an under spend of £26k arising on tendered prices for the purchase of 35 ground maintenance vehicles.
- Property Works Programme - an element of the £600k budget remains unallocated and although a new scheme is being implemented it is forecast that £200k will not be spent this financial year.

163. 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 7 £'000
Main Programme	59,794	54,646	(2,134)	(3,014)	85,485	82,264	(3,221)	(2,461)
Programme of Works	26,650	22,395	(2,101)	(2,154)	78,067	75,966	(2,101)	20
Future Projects	3,619	2,002	-	(1,617)	198,307	198,307	-	
<b>Total Main Programme</b>	<b>90,063</b>	<b>79,043</b>	<b>(4,235)</b>	<b>(6,785)</b>	<b>361,859</b>	<b>356,537</b>	<b>(5,322)</b>	<b>(2,441)</b>
Development & Risk Contingency								
General Contingency	1,259	1,259			7,259	7,259		
Provision for Additional Schools Funding	-	-			28,929	28,929		
<b>Total Capital Programme</b>	<b>91,322</b>	<b>80,302</b>	<b>(4,235)</b>	<b>(6,785)</b>	<b>398,047</b>	<b>392,725</b>	<b>(5,322)</b>	<b>(2,441)</b>
<b>Movement from Month 7</b>	<b>(20,643)</b>	<b>(2,816)</b>	<b>(29)</b>	<b>17,856</b>	<b>40</b>	<b>(2,401)</b>	<b>(2,441)</b>	

164. The revised budget for 2014/15 has reduced by £20,643k due to re-phasing of budgets into later years to reflect latest spend profiles on various schemes. 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 provision for additional secondary schools funding is anticipated to be required for future schools developments.

165. The detailed General Fund capital programme by scheme is presented in Appendix 1 to this report. Projected re-phasing of £6,785k into future years is presented by scheme within this Appendix. Details of performance for key projects and programmes of works are detailed in the paragraphs below.

## **MAIN PROGRAMME (SCHOOLS)**

166. Over the life of the existing programme there is a forecast under spend of £4,433k due mainly to savings on completed schemes within Phase 2 of Primary Schools Expansions. Final accounts have been agreed or proposed for several schemes. The key issues and risks on performance of the overall Schools Expansions programme are outlined below with further information in the Schools Capital Programme update report.

### **Primary Schools**

#### **Phase 2**

167. Cherry Lane - an over spend 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.
168. 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**

169. John Locke and Lake Farm Park Academies - outstanding remedial items are scheduled to be completed shortly at both sites. There is an overall forecast under spend of £418k on these schemes due to savings on professional fees and highways works.
170. St Martin's, Laurel Lane - there is a change of scope to the works to provide a 3FE primary school to meet the requirements of the Education Funding Agency. Construction works are progressing on site for delivery by August 2015.

### **Special Educational Needs**

171. Temporary classrooms have been provided at Hedgewood Primary School and Meadow Secondary School for the new term. An under spend of £204k is reported on completion of these works. Planning consent has been granted for the installation of a modular SRP unit at Cherry Lane for the spring term in January 2015.
172. 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. A bid has been submitted to the Department for Education for additional grant funding for seven schools and the announcement is expected in January.

## **FUTURE PROJECTS (SCHOOLS)**

### **Primary Schools - Expansions Programme**

173. An initial review has been undertaken of primary school sites in the north of the Borough where there is excess demand for additional school places. The existing programme contains budget provision of £13,500k for the next phase of primary school expansions.

### **Secondary Schools - Expansions Programme**

174. The forecast of future demand for secondary school places predicts a shortfall in places commencing from 2016/17. Detailed feasibility work will commence on the sites that have been identified as potentially suitable for expansion.

## **Secondary Schools - Replacement Programme**

175. Northwood Academy - the design of the new 6FE school is underway and a planning application will be submitted in January. The construction phase of the project is not expected to commence this financial year and hence there is a further £400k re-phasing variance in 2014/15.
176. Abbotsfield School - the Education Funding Agency (EFA) are managing the re-building of this school through the Priority Schools Building Programme (PSBP) with the Council making a contribution of £7,166k towards the overall costs. The Council is also funding an additional 12 place SRP and new vocational training centre. There will also be commitments for infrastructure works, furnishings fittings and equipment. Construction works are not anticipated to commence until next year.

## **PROGRAMMES OF WORKS (SCHOOLS)**

177. Schools Conditions Programme - the current year programme has largely been completed within budget. Roofing works at Hedgewood and Oak Farm are scheduled to be complete by the end of December. A number of schemes have been identified for the 2015/16 programme which are currently under review. There is an agreement from the schools to make contributions to the cost of works no greater than 20% of their reserves.

## **MAIN PROGRAMME (NON-SCHOOLS)**

178. 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 will not be until next financial year resulting in a further re-phasing of £364k.
179. Hayes End Library Development - there have been contractual issues leading to an arbitration process that is proceeding slowly and the impact on the Council is uncertain. There is a forecast remaining capital over spend of £90k to close out finishing works in 2014/15. The final liability will depend on the outcome of the dispute proceedings which are not expected to take place until next financial year.
180. Hillingdon Sports & Leisure Centre - the forecast over spend is £530k due to the additional costs around remedial and defect works to finally close the project. The contractual issues around this scheme are not expected to be resolved until next financial year.
181. Rural Activities Garden Centre - the new modular building and path works have been completed and a welfare facility is to be installed. There is a forecast under spend of £115k as there are no identified requirements for the remainder of the budget.
182. 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.
183. Highways Programme - a major programme of road improvements is underway across the Borough. Currently approved works will be completed this financial year.
184. 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.

185. ICT Migration to Windows 7 Project - the project is complete and is forecast to be within budget.
186. ICT Single Development Plan - the programme consists of several projects which are in various stages of progress. An amount of £87k is projected re-phasing to complete a small number of projects in 2015/16.
187. Vehicle Replacement Programme - the programme is forecasting further slippage of £667k. Several vehicles will not be purchased until next financial year as specifications require to be completed.
188. Eastcote House & Gardens - works are progressing on site for this refurbishment project which is mainly funded by the Heritage Lottery Fund. An estimated £150k slippage is forecast as the works will not be completed until early in the next financial year.
189. 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.
190. CCTV Programme - the third phase of the programme consists of providing new mobile cameras at nine sites and upgrading the Civic Centre control room. An amount of £310k is forecast as slippage as the bulk of the programme will not be completed until next year.
191. 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.
192. 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.
193. 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.
194. 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.
195. 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.
196. 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.

#### **PROGRAMMES OF WORKS (NON-SCHOOLS)**

197. Civic Centre Works Programme - due to the level of activity at this stage of the financial year there is an overall under spend of £671k forecast on the budget.
198. Disabled Facilities Grants & Private Sector Renewal Grants - the forecast under spend of £1,230k (including Adaptations for Adopted Children) represents the forecast level of uncommitted funding after taking into account potential increases in clients this year.

199. 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.
200. Transport for London Programme - the 2014/15 programme is underway and further schemes are being implemented. The Council's annual spending submission for the 2015/16 Local Implementation Plan has been approved by TFL who have also announced indicative allocations for Crossrail Complementary Measures.
201. Town Centres Initiatives Programme - the Initiatives at Northwood Hills and Ruislip Manor are close to completion. Works on site will be commencing early next year at Hayes Town Centre as part of a major three year project to revitalise the town centre. Shop front grants totalling £99k at Harefield Village Centre will be rolled out this year. Funding of £255k is reported as re-phasing for completion of shop front grant schemes next year.
202. Chrysalis Programme - the majority of this year's budget has been allocated to new schemes. Some schemes will not be completed until next financial year resulting in £500k re-phasing.

### **FUTURE PROJECTS (NON SCHOOLS)**

203. ICT Infrastructure - works are to commence shortly to implement WiFi in specific areas of the Civic Centre. Re-phasing of £220k is forecast as an element of the budget is to be allocated.
204. 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.
205. St Andrew's Park Theatre - a feasibility study is commencing for a new theatre in Uxbridge. An amount of £75k is forecast as further re-phasing into next financial year.
206. 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 £75k further re-phasing is forecast as construction works will not commence this financial year.
207. Youth Centres - the project relates to the building of three new youth centres. There is one currently identified site at Ash Grove and development work is in very early stages resulting in further slippage of £150k.
208. Bowls Club Refurbishment - works have commenced to refurbish Cowley and Bessingby bowls clubs and are expected to be complete before the end of the financial year subject to winter weather conditions.
209. Local Plan Requirement - there is forecast re-phasing of £197k as these works are not anticipated to be carried out this financial year.
210. Community Safety Assets - the budget of £250k is forecast as re-phasing as there are currently no existing commitments.

## CAPITAL FINANCING - GENERAL FUND

211. 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 7 £'000
Council Resource Requirement	38,137	28,639	(9,498)	210,922	205,600	(5,322)	(2,441)
Financed By:							
Capital Receipts	15,647	5,981	(9,666)	31,719	42,811	11,092	300
CIL	3,000	200	(2,800)	23,000	15,200	(7,800)	-
Prudential Borrowing	19,490	22,458	2,968	156,203	147,589	(8,614)	(2,741)
<b>Total Council Resources</b>	<b>38,137</b>	<b>28,639</b>	<b>(9,498)</b>	<b>210,922</b>	<b>205,600</b>	<b>(5,322)</b>	<b>(2,441)</b>
Grants & Contributions	53,185	51,663	(1,522)	187,125	187,125	-	-
<b>Total Programme</b>	<b>91,322</b>	<b>80,302</b>	<b>(11,020)</b>	<b>398,047</b>	<b>392,725</b>	<b>(5,322)</b>	<b>(2,441)</b>

212. Forecast General Fund capital receipts are £5,981k for 2014/15. Actual capital receipts achieved this year as at the end of November 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 and one of these is close to completion. 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.
213. 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.
214. 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.
215. Over the life of the programme the prudential borrowing forecast shows a favourable variance of £8,614k due mainly to the overall cost under spends and increase in the capital receipts forecast, partially offset by the CIL reduction. The revised borrowing budget has reduced by £1,258k as additional grant is available to finance the latter year of the existing Schools Expansions Programme.

## HOUSING REVENUE ACCOUNT (HRA) CAPITAL PROGRAMME

216. 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 7 £000
Dwelling Components	9,657	2,711		(6,946)	43,319	43,319		
Estates / Blocks	2,586	547		(2,039)	8,916	8,916		
Welfare	2,540	887		(1,653)	11,632	11,632		
Other Projects	2,378	684	(1,424)	(270)	11,890	10,466	(1,424)	(12)
<b>Total Works to Stock</b>	<b>17,161</b>	<b>4,829</b>	<b>(1,424)</b>	<b>(10,908)</b>	<b>75,757</b>	<b>74,333</b>	<b>(1,424)</b>	<b>(12)</b>
Purchase & Repair	2,088	1,365		(723)	9,766	9,766		
Council New Build	1,000	24		(976)	37,376	37,376		
Supported Housing	2,876	519		(2,357)	13,042	5,474	(7,568)	
<b>Total Major Projects</b>	<b>5,964</b>	<b>1,908</b>		<b>(4,056)</b>	<b>60,184</b>	<b>52,616</b>	<b>(7,568)</b>	
Former New Build Schemes	227	245	18		227	1,144	917	
<b>Total</b>	<b>23,352</b>	<b>6,982</b>	<b>(1,406)</b>	<b>(14,964)</b>	<b>136,168</b>	<b>128,093</b>	<b>(8,075)</b>	<b>(12)</b>
<b>Movement from Month 7</b>		(5,801)	(12)	(5,789)		(12)	(12)	

217. The Works to Stock programme is forecasting a phasing under spend of £10,908k as numerous schemes will not be completed this financial year. This is a reduction of £2,170k spend from the previous forecast.

218. Dwelling Components - forecast expenditure has been reduced by £1,313k because a number of roofing projects will not commence until next year. Also the electrical upgrades and kitchen replacement programmes are yet to commence.

219. Estates and Block Renewal - the forecast has reduced by £219k due to works on four schemes that will not be completed this financial year.

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

221. 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 £954k. There are no commitments for the remainder of the budget resulting in an under spend of £1,424k.

222. Purchase and Repair Programme - valuations are being made for up to 25 properties and estimates to bring them up to standard for letting purposes. It is anticipated that the repurchase of a maximum of 7 properties can be completed by the end of the financial year based on the timescales required to obtain agreement between the parties, complete the legal formalities and to gain vacant possession. Repurchase of the remaining properties will

occur in 2015/16 once agreements are reached. The projection is based on an average cost of £195k per property however this may change once valuations are completed.

223. Council New Build - no further spend is forecast this financial year as schemes are in development and construction work is not anticipated to commence until next year.
224. 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.
225. 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

226. There have been 138 Right to Buy sales of Council dwellings for the year as at end of November 2014 for a value of £13,742k and a total of 175 sales are forecast totalling approximately £17,500k in 2014/15.
227. 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.
228. 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
<b>Total Retained Receipts</b>	<b>244</b>	<b>18,990</b>	<b>63,300</b>	

229. 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.
230. 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.
231. 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 is expected to result in further receipts 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

Prior Year Cost	Project	2014/15 Revised Budget	2014/15 Forecast	2014/15 Variance	Project Re-phasing to future years	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
	<b>Main Programme</b>										
86,411	Primary School Expansions	45,900	43,943	(1,957)	164	61,250	56,817	(4,433)	17,176	29,353	10,287
3,910	Purchase of Vehicles	1,617	950	(667)	(667)	3,458	3,458	0	3,458	0	0
144	Yiewsley Health Centre & Sports Facility Development	464	100	(364)	(364)	7,631	8,326	695	8,326	0	0
9,254	Libraries Refurbishment	248	310	62		248	310	62	310	0	0
1,138	Queenswalk Redevelopment	1,589	1,589	0		1,664	1,664	0	1,664	0	0
3,565	South Ruislip Development - Plot A	64	34	(30)		64	34	(30)	34	0	0
11	Harlington Road Depot Refurbishment	1,276	1,426	150		1,341	1,491	150	1,491	0	0
65	Car Park Resurfacing	1,079	159	(920)	(920)	1,079	1,079	0	1,079	0	0
5	Eastcote House Buildings and Gardens	1,142	1,092	(50)	(50)	1,242	1,242	0	0	1,112	130
251	Grounds Maintenance	777	751	(26)		777	751	(26)	751	0	0
722	ICT Single Development Plan - Migration to Windows 7	1,067	1,067	0		1,067	1,067	0	1,067	0	0
0	Telecare Equipment	600	200	(400)	(400)	600	600	0	29	571	0
0	Free School Meals Projects	609	609	0		609	609	0	0	565	44
124	CCTV Programme	363	53	(310)	(310)	363	363	0	288	0	75
0	West Drayton Cemetery & Resurfacing	522	522	0		522	522	0	522	0	0
0	Sports & Cultural Projects	63	63	0		625	625	0	317	0	308
0	Whiteheath Farm Refurbishment	310	50	(260)	(260)	310	310	0	310	0	0
0	Rural Agricultural Garden Centre	340	225	(115)		340	225	(115)	225	0	0
0	Youth Centres Kitchen Replacements / Upgrades	143	143	0		143	143	0	0	113	30
0	Kings College Pavilion Running Track	230	230	0		230	230	0	0	0	230
0	Natural England Fencing & Gating	0	0	0		29	29	0	0	29	0
52,847	Major Projects from previous years	1,391	1,130	(261)	(207)	1,893	2,371	476	2,339	0	30
<b>158,447</b>	<b>Total Main Programme</b>	<b>59,794</b>	<b>54,646</b>	<b>(5,148)</b>	<b>(3,014)</b>	<b>85,485</b>	<b>82,265</b>	<b>(3,221)</b>	<b>39,385</b>	<b>31,744</b>	<b>11,134</b>

## ANNEX 1b - Programme of Works

Prior Year Cost	Project	2014/15 Revised Budget	2014/15 Forecast	2014/15 Variance	Project Re-phasing to future years	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
	<b>Programme of Works</b>										
N/A	Leader's Initiative	437	245	(192)	(192)	1,237	1,237	0	1,237	0	0
N/A	Chrysalis Programme	1,895	1,395	(500)	(500)	5,895	5,895	0	5,315	0	580
N/A	Civic Centre Works Programme	1,387	716	(671)		2,887	2,216	(671)	2,216	0	0
N/A	Formula Capital Devolved to Schools	1,957	1,957	0		4,097	4,097	0	0	3,264	833
N/A	Highways Programme	6,169	5,196	(973)	(973)	11,001	11,001	0	9,951	0	1,050
N/A	ICT Single Development Plan	516	429	(87)	(87)	2,604	2,604	0	2,604	0	0
N/A	Property Works Programme	600	400	(200)		3,000	2,800	(200)	2,800	0	0
N/A	Road Safety	250	250	0		1,250	1,250	0	1,250	0	0
N/A	Street Lighting	180	180	0		900	900	0	875	0	25
N/A	Town Centre Initiatives	1,005	750	(255)	(255)	2,483	2,483	0	2,141	300	42
N/A	Transport for London	3,845	3,845	0		14,669	14,669	0	0	14,084	585
N/A	Urgent Building Condition Works	3,935	3,841	(94)	(94)	10,390	10,390	0	2,813	7,032	546
N/A	Disabled Facilities Grants	2,300	1,305	(995)		11,500	10,505	(995)	3,080	7,425	0
N/A	Adaptations for Adopted Children	200	0	(200)		1,000	800	(200)	0	800	0
N/A	Private Sector Renewal Grants	1,282	1,247	(35)		4,330	4,295	(35)	2,215	2,080	0
N/A	GF Supported Housing Programme	210	210	0		210	210	0	210	0	0
N/A	Section 106 Projects	482	429	(53)	(53)	614	614	0	0	0	614
	<b>Total Programme of Works</b>	<b>26,650</b>	<b>22,395</b>	<b>(4,255)</b>	<b>(2,154)</b>	<b>78,067</b>	<b>75,966</b>	<b>(2,101)</b>	<b>36,707</b>	<b>34,985</b>	<b>4,275</b>

## ANNEX 1c - Future Projects & Contingency

Prior Year Cost	Project	2014/15 Revised Budget	2014/15 Forecast	2014/15 Variance	Project Re-phasing to future years	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
	<b>Future Projects</b>										
N/A	Secondary Schools Expansions (Expansion)	500	250	(250)	(250)	76,900	76,900	0	17,733	57,604	1,563
N/A	Secondary Schools Expansions (Replacement)	882	482	(400)	(400)	44,170	44,170	0	32,654	11,516	0
N/A	St Andrew's Park Theatre	150	75	(75)	(75)	44,000	44,000	0	42,950	0	1,050
N/A	New Primary School Expansions	0	0	0		13,500	13,500	0	4,049	9,451	0
N/A	New Years Green Lane EA Works	0	0	0		6,490	6,490	0	3,244	3,246	0
N/A	Youth Centres	400	250	(150)	(150)	5,100	5,100	0	5,100	0	0
N/A	Community Safety Assets	250	0	(250)	(250)	250	250	0	250	0	0
N/A	ICT Infrastructure	440	220	(220)	(220)	1,200	1,200	0	1,200	0	0
N/A	Uxbridge Cemetery Gatehouse & Anglican Chapel	150	150	0		1,000	1,000	0	1,000	0	0
N/A	St Andrew's Park Museum	150	75	(75)	(75)	5,000	5,000	0	4,250	0	750
N/A	Bowls Clubs Refurbishment	500	500	0		500	500	0	500	0	0
N/A	Local Plan Requirement Works	197	0	(197)	(197)	197	197	0	197	0	0
N/A	<b>Total Future Projects</b>	<b>3,619</b>	<b>2,002</b>	<b>(1,617)</b>	<b>(1,617)</b>	<b>198,307</b>	<b>198,307</b>	<b>0</b>	<b>113,127</b>	<b>81,817</b>	<b>3,363</b>
	<b>Development &amp; Risk Contingency</b>										
N/A	General Contingency	1,259	1,259	0		7,259	7,259	0	7,259	0	0
N/A	Provision for Additional Secondary Schools Funding	0	0	0		28,929	28,929	0	9,123	19,807	0
	<b>Total Development &amp; Risk Contingency</b>	<b>1,259</b>	<b>1,259</b>	<b>0</b>		<b>36,188</b>	<b>36,188</b>	<b>0</b>	<b>16,382</b>	<b>19,807</b>	<b>0</b>
	<b>Total Capital Programme</b>	<b>91,322</b>	<b>80,302</b>	<b>(11,020)</b>	<b>(6,785)</b>	<b>398,047</b>	<b>392,725</b>	<b>(5,322)</b>	<b>205,600</b>	<b>168,353</b>	<b>18,772</b>

## Appendix E – Treasury Management Report as at 30 November 2014

### Outstanding Deposits - Average Rate of Return on Deposits: 0.56%

	Actual £m	Actual %	Bench-mark %
Up to 1 Month	32.8	31.94	35.00
1-2 Months	5.0	4.87	0.00
2-3 Months	13.0	12.66	10.00
3-6 Months	28.9	28.14	10.00
6-9 Months	0.0	0.00	10.00
9-12 Months	14.8	14.41	15.00
12-18 Months	2.4	2.34	15.00
18-24 Months	5.0	4.87	5.00
<b>Subtotal</b>	<b>101.9</b>	<b>99.23</b>	<b>100.00</b>
Unpaid Maturities	0.8	0.77	0.00
<b>Total</b>	<b>102.7</b>	<b>100.00</b>	<b>100.00</b>

1. 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, 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 three Certificates of Deposit, two with Standard Chartered and one with Barclays.
2. During November fixed-term deposits continued to mature in line with cashflow requirements. As cashflow allowed, a three month deposit was placed in November. To maintain liquidity all other surplus cash was placed in instant access accounts and fixed term deposits with maturities of up to two days.

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

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

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

### Ongoing Strategy

4. 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. Opportunities to place longer term deposits will be monitored.

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

232. 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
<b>Residents Services</b>						
Programme Co-Ordinator, General Construction	22-Apr-13	08-Dec-14	07-Jun-15	103	21	124
Tech Admin Officer	01-Jul-13	22-Dec-14	19-Jan-15	48	2	50
Tech Admin Officer	03-Mar-14	22-Dec-14	19-Jan-15	59	2	61
Building Control Surveyor	04-Mar-13	29-Dec-14	27-Mar-15	79	10	89
Project Manager	14-Jul-13	22-Dec-14	22-May-15	105	48	153
<b>Adult Social Care</b>						
Occupational Therapist	02-Feb-14	05-Jan-15	28-Feb-15	49	5	54
Occupational Therapist	02-Feb-14	05-Jan-15	28-Feb-15	48	5	53
<b>Children &amp; Young People's Services</b>						
Residential Placements Manager	07-Jul-13	01-Feb-15	30-Jun-15	131	8	139
Social Worker	20-Jan-14	01-Feb-15	28-Feb-15	52	4	56
Quality Assurance Auditor (Social Work Cases)	08-May-14	01-Feb-15	28-Feb-15	51	6	57
Education Key Worker	14-Oct-13	01-Feb-15	28-Feb-15	49	3	52
Independent Reviewing Officer	12-May-14	01-Feb-15	28-Feb-15	50	6	56
Independent Reviewing Officer	27-May-14	01-Feb-15	28-Feb-15	45	6	51

## Appendix G - Emergency Winter Decisions 2014/15

Cabinet on 20 November 2014 agreed that "During the 2014/2015 winter season, with the full agreement of the Leader of the Council (or Deputy Leader if unavailable), the Chief Executive or the Deputy Chief Executive and Corporate Director of Resident Services are both authorised to take all necessary urgent decisions (including those ordinarily reserved to the executive) to release funds, procure and incur expenditure in order to safeguard residents, deliver services and manage the effects of bad weather or incidents adversely affecting the Borough. Such decisions taken, that would have required Cabinet or Cabinet Member approval, are to be reported to a subsequent Cabinet meeting for formal ratification."

The following decisions were taken under this interim authority and are reported to Cabinet below for noting and ratification.

<b>Nature of Decision</b>	<b>Decision Type</b>	<b>Cost</b>	<b>Date approved</b>	<b>Decision-makers (where applicable on behalf of the CEO or DCE)</b>
Essential Repairs Grant: Provision of new, condensing combination boiler and new radiators for a property on Rodwell Close, Eastcote.	Capital release	£3k	27 November 2014	Leader of the Council and Deputy Director, Housing
Essential Repairs Grant: New condensing boiler, radiators and hot water tank for a property on Collingwood Road, Uxbridge.	Capital release	£4k	27 November 2014	Leader of the Council and Deputy Director, Housing
Essential Repairs Grant: urgent heating works for a property on Moray Avenue, Hayes.	Capital release	£3k	9 December 2014	Leader of the Council and Deputy Director, Housing

Essential Repair Grants are means tested grants to owner-occupiers on benefits or low income to assist with essential work where it is deemed the property is prejudicial to health, or there is an imminent or direct risk to health.

The capital funds above released were within the approved Private Sector Renewals Grant Capital Budget and implemented using approved contractors in line with the Council's procurement policies.