

COUNCIL BUDGET -2014/15 MONTH 9 REVENUE AND CAPITAL BUDGET MONITORING

Cabinet Member	Councillor Jonathan Bianco
Cabinet Portfolio	Finance, Property and Business Services
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Papers with report	Appendices

HEADLINE INFORMATION

Purpose of report	<p>This report provides the Council's forecast financial position and performance against the 2014/15 revenue budget and capital programme.</p> <p>A net in-year underspend of £3,964k is projected against 2014/15 General Fund revenue budgets as of November 2014 (Month 9). This represents an improvement of £1,078k on the position previously reported to Cabinet, and includes one-off exceptional income of £710k.</p> <p>The latest positions on other funds and the capital programme are detailed within the body of this report.</p>
Contribution to our plans and strategies	<p>Putting our Residents First: <i>Financial Management</i></p> <p>Achieving value for money is an important element of the Council's medium term financial plan.</p>
Financial Cost	N/A
Relevant Policy Overview Committee	Corporate Services and Partnerships
Ward(s) affected	All

RECOMMENDATIONS

That the Cabinet:

1. Note the forecast budget position for revenue and capital as at December 2014 (Month 9).
2. Note the treasury management update as at December 2014 at Appendix E.
3. Continue the delegated authority up until the 19 March 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 23 January 2015 and 12 February 2015 Cabinet meetings, detailed at Appendix F.

4. **Accept grant funding of £183k from the Cabinet Office to allocate to the Democratic Services budget in relation to the ongoing implementation of Individual Electoral Registration (IER).**
5. **Accept grant funding of £120k from the Departments of Communities & Local Government and Health to allocate to the Adult Social Care budgets in order to reduce the risk of avoidable hospital admissions.**
6. **Accept grant funding of £34k from the Arts Council to allocate to Residents Services budgets in order to support The StoryCamp initiative.**
7. **Agree to accept grant funding of £477k from the Department for Education in respect of Universal Infant Free School Meals (UIFSM).**
8. **Agree to the grant payment of £80k from the Mayors Air Quality Fund to the London Borough of Hounslow.**
9. **Approves the virement of £165.7k from the Housing Revenue Account to Street Scene Maintenance to fund and undertake repairs to areas of the un-adopted housing network for the 2015/16 financial year.**
10. **Agree to award a contract extension by single tender action to 'Skylakes' for the provision of the 'Managed Assessment Service' within Children and Young People's Services to Skylakes for up a an additional 12 months.**

INFORMATION

Reasons for Recommendations

1. The reason for the monitoring recommendation is to ensure that the Council achieves its budgetary objectives, providing Cabinet with an update on performance at outturn against budgets approved by Council on 20 February 2014.
2. Appendix E provides an update to Cabinet on Treasury Management performance during this financial year.
3. Recommendation 4 seeks authority to accept grant funding awarded to the Council in order to meet costs incurred in implementing Individual Electoral Registration, which includes upgrade of ICT systems and temporary staffing resource. Costs are expected to be incurred during 2014/15 and 2015/16 financial years.
4. Recommendation 5 seeks authority to accept £120k grant funding from the Departments of Communities & Local Government and Health to support initiatives which reduce the risk of avoidable admissions or readmissions into hospital, or to help people return to their home from hospital is appropriate to do so. This funding has been awarded to manage the additional demand arising from winter pressures, particularly in February and March 2015.
5. Recommendation 6 seeks authority to accept £34k of funding from the Arts Council to commission a pop up storytelling resource for the borough's arts and libraries services, to launch with a summer tour in 2015. This funding will be supplemented from £3k sponsorship and £3k from Council budgets to support his initiative.
6. Recommendation 7 - The nationwide Universal Infant Free School Meals (UIFSM) local authority bidding round was launched in October 2014 and the Council has been successful in obtaining funding totalling £477k for three schools. The funding will provide new hub kitchens at Frithwood Primary and Harefield Infant schools serving a total of six schools and also a new servery at Harlyn Primary School. The facilities are planned to be operational by the start of the new school year in September 2015.

7. Recommendation 8 - Hillingdon are budget holders for the Mayors Air Quality Fund which is a project to reduce road emissions around the Heathrow Area in partnership with London Borough of Hounslow, Heathrow Airport Ltd and Glaxo Smith-Kline. The funding is awarded by Transport for London and is held by Hillingdon on behalf of the partnership. It is proposed to release £80k from the fund to London Borough of Hounslow to facilitate the provision of a high quality segregated narrow kerb island cycle track between Boston Manor Station and the A4 and its key business locations. London Borough of Hounslow will supplement with a further £500k to complete the project.
8. Recommendation 9 seeks authority for a virement of £165.7k from the Housing Revenue Account to Street Scene Maintenance to fund and undertake repairs to areas of the unadopted housing network. This represents the continuation of the service provision and related budget virement that was approved by Cabinet for the 2013/14 financial year in February 2013. As a result of this recommendation the council's inhouse Street Scene Maintenance service will continue to undertake both inspections and repairs to the network of roads and footways that make up the Borough's housing assets during 2015/16. As in 2014/15 the sum is made up from the cost of 4 operatives, two lorries and road repair equipment to continue with the provision of 2 road repair teams and the associated supervision costs.
9. Recommendation 10 - The current contract for the 'managed service' within Children and Young Peoples services is due to end on the 12th March 2015. The initial high level evaluation has shown that the significant investment has been successful in ensuring that the Hillingdon Service has had the capacity to stabilise, improve performance and reduce backlogs.

The major benefit of the managed service was the pace it was able to provide the capacity required within the Hillingdon Service and improvements that created. The capacity the managed service has provided has been critical to the improvements the service has seen. These improvements have included average caseload per social worker from 31 in August 2014 to 20 in January 2015. This has allowed a significant reduction in the number of Child in Need Cases without an active plan, a reduction in late or no visits by social workers to Child Protection and Looked after Children and improved processes and tracking of public law outline cases which has contributed to more timely permanent outcomes for children.

The short term extension will provide the additional capacity for up to 12 months. This will facilitate the transition to re-establish the Children's Pathway. The contract will be flexible to enable it to be varied up or down as the service transitions to a permanent model of service delivery. The cost of the contract will therefore be variable and dependant on the transition plan agreed. However, there will be sufficient funding in place to fund the contract within the existing base budget, including contingency and any in-year underspend, as well as the £400k Social Care Initiatives Fund.

Alternative options considered

10. There are no other options proposed for consideration.

SUMMARY

REVENUE

11. An underspend of £3,964k is projected at Month 9 for General Fund revenue budgets, consisting of £1,287k of deferred capital financing costs and additional interest income, a £59k underspend on contingency budgets and a net underspend of £1,908k across Directorate Operating Budgets. This represents a net improvement of £1,078k, £1,059k of which relates to settlement of the compensation claim for the Moorbridge Farm / Terminal 5 Spur Road Compulsory Purchase Order. £710k of the settlement relates to compensation for loss of revenue from mineral royalties which has been presented as an exceptional item. £187k of statutory interest due on the compensation has been reflected in capital financing costs and a further £162k relating to legal costs recovered has been reflected in contingency (where costs to fund the claim were originally funded from).
12. The 2014/15 revenue budget contains £16,491k of savings, including sums brought forward from 2013/14. £14,319k of this sum is reported as either on track for delivery in full or already banked. A further £1,500k is covered by contingency which is being applied as part of the MTFF process leaving £672k as amber relating to more complex savings projects. No savings are reported as being at risk of non-delivery.
13. General Fund balances are projected to reach £39,879k at 31 March 2015, assuming that the remaining £2,066k of unallocated General Contingency and £1,352k 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 £34,879k.
14. In relation to other funds, there are no material adverse variances affecting the 2014/15 General Fund outturn, with actions being taken to review the £73k income pressure reported within the Parking Revenue Account. Within the Collection Fund, no movement is reported from the £2,197k surplus.

CAPITAL

15. As at Month 9 an under spend of £15,275k is reported on the 2014/15 capital programme budget from a revised budget of £92,279k. This is comprised of cost under spends of £4,569k and phasing variances of £10,706k. Forecast outturn over the life of the General Fund programme for 2014/15 to 2018/19 is an under spend of £5,656k.
16. General Fund capital receipts of £6,355k are forecast for 2014/15 with receipts over the period to 2018/19 expected to reach £44,994k representing a favourable variance of £13,275k over the revised budget.
17. Prudential borrowing is forecasting a favourable variance of £10,931k over the life of the programme due to the cost under spends of £5,656k and the improvement in the capital receipts forecast of £13,275k, partly offset by a reduction of £8,000k in the forecast level of Community Infrastructure Levy that will be collected.

FURTHER INFORMATION

General Fund Revenue Budget

18. An underspend of £3,254k is projected on normal operating activities at Month 9, representing an improvement of £368k from Month 8. The Month 9 position incorporates a £1,908k net underspend across Directorate Operating Budgets, a £1,287k underspend on capital financing

costs and a favourable variance of £59k on Development and Risk Contingency. In addition, an exceptional item of £710k has been recognised in relation to compensation for loss of mineral rights revenue relating to the Moorbridge Farm / Terminal 5 Spur Road Compulsory Purchase Order, bringing the total in-year underspend to £3,964k.

19. Movements from Month 8 on Directorate Operating Budgets include improvement on the majority of staffing budgets and Adult Social Care income, being off-set by an adverse movement on Children & Young People's Services staffing budgets. Improvement in Corporate Operating Budgets relates to the statutory interest associated with the exceptional item, while a number of movements on contingency have been off-set by a corresponding reduction in the forecast use of as yet uncommitted General Contingency.

20. 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.

21. 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 67% are already banked and further 20% on track for delivery in full. An element of risk associated with those savings at an earlier stage of delivery, totalling £672k remains.

Table 1: General Fund Overview

Original Budget £'000	Budget Changes £'000	Service	Month 9		Variance (+ adv / - fav)		
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 9) £'000	Variance (As at Month 8) £'000	Movement from Month 8 £'000
168,044	1,526	Directorate Operating Budgets	169,570	167,662	(1,908)	(1,727)	(181)
17,154	(1,426)	Corporate Operating Budgets	15,728	14,441	(1,287)	(1,100)	(187)
24,738	0	Development & Risk Contingency	24,738	24,679	(59)	(59)	0
2,252	(100)	Priority Growth	2,152	2,152	0	0	0
212,188	0	Sub-total Normal Activities	212,188	208,934	(3,254)	(2,638)	(368)
		<u>Exceptional Items</u>					
		Compulsory Purchase Order Compensation		(710)	(710)	0	(710)
212,188	0	Total Net Expenditure	212,188	208,224	(3,964)	(2,638)	(1,078)
(212,188)	0	Budget Requirement	(212,188)	(212,188)	0	0	0
0	0	Net Total	0	(3,964)	(3,964)	(2,638)	(1,078)
(35,915)	0	Balances b/fwd	(35,915)	(35,915)			
(35,915)	0	Balances c/fwd 31 March 2015	(35,915)	(39,879)			

22. At 31 March 2014 General Fund Balances totalled £35,915k, with the projected underspend expected to reach £39,879k 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 (£1,908k underspend, £181k improvement on Month 8)

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

Table 2: Directorate Operating Budgets

Original Budget	Budget Changes	Service	Month 9		Variance (+ adv / - fav)			
			Revised Budget	Forecast Outturn	Variance (As at Month 9)	Variance (As at Month 8)	Movement from Month 8	
£'000	£'000		£'000	£'000	£'000	£'000	£'000	
14,218	83	Admin.	Expenditure	14,301	13,882	(419)	(356)	(63)
(3,187)	640		Income	(2,547)	(2,556)	(9)	(49)	40
11,031	723		Sub-Total	11,754	11,326	(428)	(405)	(23)
169,100	279	Finance	Expenditure	169,379	169,461	82	94	(12)
(155,788)	19		Income	(155,769)	(156,198)	(429)	(403)	(26)
13,312	298		Sub-Total	13,610	13,263	(347)	(309)	(38)
139,103	792	Residents Services	Expenditure	139,895	138,867	(1,028)	(926)	(102)
(73,138)	(371)		Income	(73,509)	(73,250)	259	305	(46)
65,965	421		Sub-Total	66,386	65,617	(769)	(621)	(148)
31,163	(3,433)	Children & Young People's Service	Expenditure	27,730	28,322	592	412	180
(8,961)	543		Income	(8,418)	(8,603)	(185)	(160)	(25)
22,202	(2,890)		Sub-Total	19,312	19,719	407	252	155
68,691	13,642	Adult Social Care	Expenditure	82,333	82,700	367	279	88
(13,157)	(10,668)		Income	(23,825)	(24,963)	(1,138)	(923)	(215)
55,534	2,974		Sub-Total	58,508	57,737	(771)	(644)	(127)
168,044	1,526	Total Directorate Operating Budgets		169,570	167,662	(1,908)	(1,727)	(181)

24. An underspend of £428k is reported on Administration budgets due to posts being held vacant in advance of restructuring and additional income within the legal service, both of which are reflected in the recommended 2015/16 budget. A minor movement of £23k from Month 8 is due to increased staffing underspends offset by an adverse movement on income projections.

25. A net underspend of £347k on Finance is projected as a result of strong performance on recovery of overpaid housing benefit and court costs, which are partially off-set by temporary staffing pressures. Movement of £38k from Month 8 reflects a continuation of these previously reported trends.

26. The underspend of £769k projected within Residents Services is the result of underlying pressures on parking income and facilities management being off-set by the cost reduction resulting from closure of the Victoria Road Civic Amenity Site and posts being held vacant across the group. While this cost reduction will be reflected in full in 2015/16 budgets, cost pressures are expected to be managed out - partially through on-going investment in car parks and contract savings on the outsourced facilities management operation. Within this position, a one-off pressure on the buyer's premium in respect of asset sales in 2014/15 is off-set by a range of one-off underspends across the group. Improvement reported from Month 8 is principally due to reduction in staffing cost projections.

27. On Children & Young People's Services budgets, the reported pressure of £407k is primarily attributable to use of agency staff during the transition to a permanent establishment. This variance is expected to be transitional in nature and not impact upon 2015/16 budgets. The adverse movement from Month 8 is due to deferral of permanent recruitment and continued use of agency staff.

28. An underspend of £771k across Adult Social Care budgets is reported at Month 9, with savings from vacant posts across the group and an improved outlook on income off-setting difficulties in releasing cashable savings from a reduced transport requirement following the realignment of day centre provision. Movement from Month 8 reflects an improved outlook on income from partner organisations.

Progress on Savings

29. 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.

30. As at Month 9, £14,319k (£13,856k at Month 8) is either on track for delivery or already banked. A further £1,500k is covered by contingency which is being applied as part of the MTFP process leaving £672k classed as amber due to being more complex or harder to deliver. These remaining amber projects are expected to continue being steadily upgraded to green over the remainder of the year.

Table 3: Savings Tracker

2014/15 General Fund Savings Programme	Cross-cutting BID	Admin. & Finance	Resident s Services	Adult Social Care	Children & Young People's Services	Total Savings	
	£'000	£'000	£'000	£'000	£'000	£'000	%
B Banked	(1,363)	(1,499)	(4,275)	(3,251)	(578)	(10,966)	66.5%
G On track for delivery	0	(40)	(1,198)	(1,246)	(869)	(3,353)	20.3%
A Potential significant savings shortfall or a significant or risky project which is at an early stage;	(137)	0	(31)	(504)	0	(672)	4.1%
R Serious problems in the delivery of the saving	0	0	0	0	0	0	0.0%
Covered by contingency	(1,500)	0	0	0	0	(1,500)	9.1%
Total 2014/15 Savings	(3,000)	(1,539)	(5,504)	(5,001)	(1,447)	(16,491)	100%

Corporate Operating Budgets (£1,287k underspend, £187k improvement)

31. 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 9		Variance (+ adv / - fav)			
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 9) £'000	Variance (As at Month 8) £'000	Movement from Month 8 £'000	
0	0	Interest and Investment Income	Salaries	0	0	0	0	0
9,927	262		Non-Sal Exp	10,189	8,902	(1,287)	(1,100)	(187)
(39)	(376)		Income	(415)	(415)	0	0	0
9,888	(114)		Sub-Total	9,774	8,487	(1,287)	(1,100)	(187)
0	0	Levies and Other Corporate Budgets	Salaries	0	0	0	0	0
11,078	1,225		Non-Sal Exp	12,303	12,303	0	0	0
(3,812)	(2,537)		Income	(6,349)	(6,349)	0	0	0
7,266	(1,312)		Sub-Total	5,954	5,954	0	0	0
17,154	(1,426)	Total Corporate Operating Budgets		15,728	14,628	(1,287)	(1,100)	(187)

32. In line with the position at Month 8, an underspend of £1,100k is reported on core 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.

33. Statutory interest in relation to settlement of the Compulsory Purchase Order issues in relation to the Moorbridge Farm / Terminal 5 Spur Road claim totals £187k and is expected to be received in full during 2014/15, accounting for the improved position reported on Corporate Operating Budgets.

Development & Risk Contingency (£59k underspend, £230k adverse)

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

Table 5: Development & Risk Contingency

Original Budget	Budget Changes	Service	Month 9		Variance (+ adv / - fav)			
			Revised Budget	Forecast Outturn	Variance (As at Month 9)	Variance (As at Month 8)	Movement from Month 8	
£'000	£'000		£'000	£'000	£'000	£'000	£'000	
400	0	Fin.	Uninsured Claims	400	400	0	0	0
240	0	Residents Services	Carbon Reduction Commitment	240	240	0	0	0
200	0		HS2 Challenge contingency	200	200	0	0	0
200	0		Heathrow Expansion Challenge Contingency	200	200	0	0	0
2,144	0		Impact of welfare reform on homelessness	2,144	2,026	(118)	(118)	0
229	0		SEN transport	229	409	180	70	110
811	0		Waste Disposal Levy (Demand-led Tonnage Increases)	811	829	18	73	(55)
0	70		Compulsory Purchase Order Legal Costs	70	70	0	0	0
0	0		Recovery of Legal Costs	0	(162)	(162)	0	(162)
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	70	0
(200)	0		Potential Extension of Asylum Gateway Agreement	(200)	(200)	0	0	0
1,860	0		Social Care Pressures (Children's)	1,860	2,271	411	0	411
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	2,066	(304)	0	(304)
24,738	0	Total Development & Risk Contingency		24,738	24,679	(59)	(59)	0

35. Further adverse movement of £110k is reported on the SEN Transport Contingency, reflecting the additional routes established to support new pupils in the January intake. This volatile position remains under review, with the medium term implications considered in the budget report on this agenda.

36. A favourable movement of £55k is reported on Waste Disposals costs, with tonnages being routed through West London Waste lower than previously anticipated and representing an £18k pressure against the contingency provision.
37. A favourable movement of £162k is reported in relation to the recovery of legal costs in relation to the dispute around the Compulsory Purchase Order on the Moorbridge Farm / Terminal 5 spur road.
38. A pressure of £411k is reported on Children's Social Care Placements, which relates to the increased use of Special Guardianship Orders and increased demand for secure/remand accommodation, which is principally driven by factors outside the Council's control. While Youth Justice Board funding is received for an element of secure/remand accommodation, this is insufficient to manage the total pressure.
39. The projected call on General Contingency has been reduced to off-set the net adverse movement on specific contingency items from Month 8, with scope for additional calls on the remaining £2,370k reducing as financial year end approaches.

Priority Growth

40. 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.
41. 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 £429k, leaving £509k available for new initiatives.

Table 6: Priority Growth

Original Budget £'000	Budget Changes £'000	Priority Growth	Revised Budget £'000	Month 9 Approved Allocations £'000	Unallocated Balance £'000
800	138	HIP Initiatives Budgets	938	429	(509)
0	(138)	B/fwd Funds	(138)	(138)	0
1,452	(100)	Unallocated Priority Growth	1,352	0	(1,352)
2,252	(100)	Total Priority Growth	2,252	163	(1,989)

Schools Budget, Parking Revenue Account and Collection Fund

42. Latest forecasts on other funds, except the Parking Revenue Account, indicate favourable positions at year end and therefore will not adversely impact upon the General Fund. The planned approach to managing any pressure on the Parking Revenue Account is set out below.
43. An in year pressure is reported within the Schools Budget at Month 8, reflecting the release of significant retained balances to individual schools within the Borough and resulting in projected year end balances of £2,241k. There has been a £694k favourable movement on the position from Month 8 as funding earmarked for expansion of two year old provision not to be utilised during 2014/15, with the remaining balance remaining available to support future investment in Borough's schools.

44. There is a £57k improvement on the month 8 position reported on the Parking Revenue Account (PRA), with shortfalls in income against historic targets resulting in a pressure of £73k. 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.
45. The projected outturn on Council Tax and Business Rates income within the Collection Fund is unchanged from Month 8, 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. The net surplus will be released to the General Fund in 2015/16.

Housing Revenue Account Budget

46. An in year surplus of £4,948k is projected on Housing Revenue Account operations, a minor adverse favourable movement of £187k from the position at Month 8. As previously noted, the majority of the overall variance is due to the rephasing of planned maintenance expenditure and underspends within housing management services. Uncommitted balances are projected to reach £27,768k 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 £5,656k 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 £44,994k over this period, representing an overachievement of £13,275k against budget as a result of increased valuations on two key sites. Taking account of the expected shortfall of £8,000k 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 £10,931k to £145,272k on the current programme. The 2015/16 - 2019/20 Budget Report on this agenda considers the medium term implications of the refreshed capital programme recommended for approval by Cabinet and Council.
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 (£428k underspend, £23k improvement)

50. The Administration Group is showing an underspend of £428k at Month 9, a £23k improvement on Month 8. The movement since month 8 is due to reduced salary expenditure as a result of delayed recruitment to posts in Performance and reduced salary expenditure forecast across Human Resources and Democratic Services. 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 9		Variance (+ adv / - fav)			
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 9) £'000	Variance (As at Month 8) £'000	Movement from Month 8 £'000	
485	0	Directorate	Salaries	485	496	11	11	0
6	0		Non-Sal Exp	6	4	(2)	(2)	0
(58)	58		Income	0	0	0	0	0
433	58		Sub-Total	491	500	9	9	0
707	0	Corporate Comms	Salaries	707	718	11	14	(3)
159	(9)		Non-Sal Exp	150	134	(16)	(11)	(5)
(27)	9		Income	(18)	(21)	(3)	0	(3)
839	0		Sub-Total	839	831	(8)	3	(11)
1,449	0	Democr. Services	Salaries	1,449	1,455	6	12	(6)
1,882	0		Non-Sal Exp	1,882	1,888	6	14	(8)
(957)	339		Income	(618)	(558)	60	35	25
2,374	339		Sub-Total	2,713	2,785	72	61	11
2,273	51	Human Resources	Salaries	2,324	2,262	(62)	(57)	(5)
639	12		Non-Sal Exp	651	633	(18)	4	(22)
(303)	0		Income	(303)	(253)	50	31	19
2,609	63		Sub-Total	2,672	2,642	(30)	(22)	(8)
1,871	0	Legal Services	Salaries	1,871	1,867	(4)	(4)	0
111	0		Non-Sal Exp	111	105	(6)	(6)	0
(575)	(266)		Income	(841)	(934)	(93)	(93)	0
1,407	(266)		Sub-Total	1,141	1,038	(103)	(103)	0
2,173	(1,593)	Policy & Partnerships	Salaries	580	586	6	7	(1)
2,463	(166)		Non-Sal Exp	2,297	2,265	(32)	(33)	1
(1,267)	1,222		Income	(45)	(65)	(20)	(19)	(1)
3,369	(537)		Sub-Total	2,832	2,786	(46)	(45)	(1)
0	1,620	Performance	Salaries	1,620	1,354	(266)	(257)	(9)
0	168		Non-Sal Exp	168	115	(53)	(48)	(5)
0	(722)		Income	(722)	(725)	(3)	(3)	0
0	1,066		Sub-Total	1,066	744	(322)	(308)	(14)
8,958	78	Admin. Directorate	Salaries	9,036	8,738	(298)	(274)	(24)
5,260	5		Non-Sal Exp	5,265	5,144	(121)	(82)	(39)
(3,187)	640		Income	(2,547)	(2,556)	(9)	(49)	40
11,031	723		Total	11,754	11,326	(428)	(405)	(23)

FINANCE (£347k underspend, £4k improvement)

51. The Finance Group is showing an under spend of £347k at Month 9, an improvement of £38k on Month 8. The improvement is largely due to delayed recruitment in Procurement. The majority of the under spend is due to an improved rent allowance subsidy position since the start of the year. The expenditure and income budgets across Revenues and Benefits are to be realigned as part of the 2015/16 MTFF process.

Table 8: Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 9		Variance (+ adv / - fav)			
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 9) £'000	Variance (As at Month 8) £'000	Movement from Month 8 £'000	
537	0	Internal Audit	Salaries	537	514	(23)	(22)	(1)
56	0		Non-Sal Exp	56	84	28	25	3
0	0		Income	0	(10)	(10)	(10)	0
593	0		Sub-Total	593	588	(5)	(7)	2
2,050	0	Procurement	Salaries	2,050	2,031	(19)	8	(27)
150	100		Non-Sal Exp	250	280	30	27	3
(557)	376		Income	(181)	(203)	(22)	(22)	0
1,643	476		Sub-Total	2,119	2,108	(11)	13	(24)
3,299	0	Operation. Finance	Salaries	3,299	3,340	41	33	8
704	(25)		Non-Sal Exp	679	686	7	7	0
(963)	0		Income	(963)	(964)	(1)	0	(1)
3,040	(25)		Sub-Total	3,015	3,062	47	40	7
3,729	107	Revenues & Benefits	Salaries	3,836	3,826	(10)	(10)	0
154,439	187		Non-Sal Exp	154,626	154,626	0	0	0
(154,102)	(280)		Income	(154,382)	(154,753)	(371)	(371)	0
4,066	14		Sub-Total	4,080	3,699	(381)	(381)	0
1,445	4	Strategic Finance	Salaries	1,449	1,477	28	26	2
2,691	(94)		Non-Sal Exp	2,597	2,597	0	0	0
(166)	(77)		Income	(243)	(268)	(25)	0	(25)
3,970	(167)		Sub-Total	3,803	3,806	3	26	(23)
11,060	111	Finance Directorate	Salaries	11,171	11,188	17	35	(18)
158,040	168		Non-Sal Exp	158,208	158,273	65	59	6
(155,788)	19		Income	(155,769)	(156,198)	(429)	(403)	(26)
13,312	298		Total	13,610	13,263	(347)	(309)	(38)

52. A breakeven position is projected on the contingency for uninsured claims at Month 9.

Table 9: Development & Risk Contingency

Original Budget £'000	Budget Changes £'000	Development & Risk Contingency	Month 9		Variance (+ adv / - fav)		
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 9) £'000	Variance (As at Month 8) £'000	Movement from Month 8 £'000
400	0	Uninsured Claims	400	400	0	0	0
400	0	Current Commitments	400	400	0	0	0

RESIDENT SERVICES GENERAL FUND (£769k underspend, £148k favourable)

53. Residents Services directorate is showing a projected outturn underspend of £769k at Month 9, excluding pressure areas that have identified contingency provisions.

Table 10: Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 9		Variance (+ adv / - fav)			
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 9) £'000	Variance (As at Month 8) £'000	Movement from Month 8 £'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	293	0
(5,494)	(274)		Income	(5,768)	(5,317)	451	483	(32)
5,427	(53)		Sub-Total	5,374	6,195	821	853	(32)
8,451	(662)	Education (GF)	Salaries	7,789	7,597	(192)	(192)	0
11,182	(639)		Non-Sal Exp	10,543	10,550	7	54	(47)
(9,681)	36		Income	(9,645)	(9,724)	(79)	(75)	(4)
9,952	(1,265)		Sub-Total	8,687	8,423	(264)	(213)	(51)
1,641	(1)	Environ. Policy & Commun. Engage.	Salaries	1,640	1,559	(81)	(74)	(7)
1,013	(423)		Non-Sal Exp	590	590	0	0	0
(7,491)	0		Income	(7,491)	(7,501)	(10)	(10)	0
(4,837)	(424)		Sub-Total	(5,261)	(5,352)	(91)	(84)	(7)
3,099	0	Housing (GF)	Salaries	3,099	3,141	42	42	0
9,048	0		Non-Sal Exp	9,048	8,995	(53)	(53)	0
(7,489)	0		Income	(7,489)	(7,496)	(7)	(7)	0
4,658	0		Sub-Total	4,658	4,640	(18)	(18)	0
17,347	(3,086)	ICT, Highways & Business Serv.	Salaries	14,261	14,056	(205)	(149)	(56)
9,805	278		Non-Sal Exp	10,083	9,974	(109)	(93)	(16)
(5,416)	(407)		Income	(5,823)	(5,819)	4	4	0
21,736	(3,215)		Sub-Total	18,521	18,211	(310)	(238)	(72)
7,674	(117)	Planning, Green Spaces & Culture	Salaries	7,557	7,482	(75)	(94)	19
6,389	(345)		Non-Sal Exp	6,044	6,158	114	40	74
(9,404)	336		Income	(9,068)	(9,230)	(162)	(128)	(34)
4,659	(126)		Sub-Total	4,533	4,410	(123)	(182)	59
13,800	19	Public Safety (GF)	Salaries	13,819	13,789	(30)	(30)	0
24,237	(181)		Non-Sal Exp	24,056	23,787	(269)	(356)	87
(11,965)	0		Income	(11,965)	(11,903)	62	38	24
26,072	(162)		Sub-Total	25,910	25,673	(237)	(348)	111
1,773	(457)	Public Health (PHA)	Salaries	1,316	1,316	0	0	0
14,401	(8)		Non-Sal Exp	14,393	14,393	0	0	0
(16,208)	499		Income	(15,709)	(15,709)	0	0	0
(34)	34		Sub-Total	0	0	0	0	0
172	5,904	Residents Services Directorate	Salaries	6,076	5,529	(547)	(391)	(156)
(1,850)	289		Non-Sal Exp	(1,561)	(1,561)	0	0	0
10	(561)		Income	(551)	(551)	0	0	0
(1,668)	5,632		Sub-Total	3,964	3,417	(547)	(391)	(156)
56,197	1,561	Residents Services	Salaries	57,758	56,747	(1,011)	(811)	(200)
82,906	(769)		Non-Sal Exp	82,137	82,120	(17)	(115)	98
(73,138)	(371)		Income	(73,509)	(73,250)	259	305	(46)
65,965	421		Total	66,386	65,617	(769)	(621)	(148)

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.
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 2 below. At month 9 projected calls on contingency is £80k over provision, £55k adverse movement from month 8. The table below shows the breakdown for each contingency item.

Table 11: Development and Risk Contingency

Original Budget	Budget Changes	Development & Risk Contingency	Month 9		Variance (+ adv / - fav)		
			Revised Budget	Forecast Outturn	Variance (As at Month 9)	Variance (As at Month 8)	Movement from Month 8
£'000	£'000		£'000	£'000	£'000	£'000	£'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)	(118)	0
229	0	SEN transport	229	409	180	70	110
811	0	Waste Disposal Levy (Demand-led Tonnage Increases)	811	829	18	73	(55)
0	60	Poweday Public Enquiry	60	60	0	0	0
0	70	Legal costs associated with compulsory land purchase	70	70			0
3,824	130	Current Commitments	3,954	4,034	80	25	55

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 (no change).
57. Temporary Accommodation and housing advice data for the period September to December are shown below. Whilst B&B data compares favourably to levels seen in 2013/14, sustained levels of demand is being experienced within the service as shown by the Homeless Threat, priority need & eligible indicator below. The data continues to show each month above the 13/14 average of 106, with an average of 156 over the last three months of the calendar year showing a marked increase from the demand experienced in the summer.

Table 12: Housing Needs performance data

	September	October	November	December
Homeless Threat, Priority Need & Eligible	131	150	120	104
Presenting As Homeless	57	44	41	44
Duty Accepted	34	23	32	19
Households in Temporary Accommodation	502	515	521	520
Households in B&B	146	155	155	157

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. There has been no change in the B&B forecast between months 8 and month 9. The month 8 projection included an allowance for B&B numbers to increase between mid December and Mid January before falling back to pre Christmas levels in February. This increase in numbers has been seen in early January.
60. The month 9 projection includes a reduction in numbers over February due to the introduction of two new permanent housing schemes, Bourne Court and Bentleys introducing 40 new units into the supply model that can be accessed directly by clients currently in B&B accommodation or provide move on opportunities for clients elsewhere in TA.
61. The forecast also allows for a further 17 In House PSL units being available from March 15, again increasing the supply of alternative accommodation. There were a total of 124 shortlife properties in use by the end of December 2014. This figure is not expected to increase further this financial year. 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.
62. 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.
63. At month 9 the latest modelling forecast has been revised following the Q3 return received from WLWA. The overspend against the contingency is now projected at £18k (£55k favourable). The prevailing adverse variance is 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 is in common with other WLWA boroughs.
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 £110k, owing to new routes commencing in January.
66. The reported position for month 9 represents the continuing demographic pressures in the SEN population as referenced in the DSG section of this report.
67. The HS2 and Heathrow expansion challenge contingencies provide resources to enable the Council to respond to the continuing threat of these projects to residents.

Asset Management (£821k pressure, £32k favourable)

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.

69. At Month 9 the service is reporting an increase in buyers' premium income to £138k for the financial year (£32k favourable). This relates to revised forecasts of expected income relating to the disposals programme in 2014/15.
70. There are no other changes to the forecast, however Facilities Management budgets will be kept under close scrutiny.

Education GF (£264k underspend, £51k favourable)

71. The Education Service is projecting an underspend of £264k as at Month 9, an improvement of £51k on the month 8 projections.
72. This consists of an underspend of £191k on staffing, no change from the month 8 position, an overspend of £7k on non staffing costs, an improvement of £47k on the month 8 position, due to a further revision of forecast spend. A projected surplus of £80k on income streams, an improvement of £4k on the month 8 position.

Environmental Policy & Community Engagement (£91k underspend, £7k favourable)

73. 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.
74. The service is also projecting an underspend on salaries of £81k , a favourable movement of £7k reflecting part year vacancies and delays to recruitment of vacant posts across Planning Policy and Road Safety.

Housing GF (£18k underspend, no change)

75. 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. There are projected underspends within team budgets of £4k for miscellaneous items including printing and stationary.
76. 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 (£310k underspend, £72k favourable)

77. The service is reporting a £56k favourable movement in staffing underspends in a range of service areas across the group.
78. This consists of a favourable variance of £8k in Emergency Planning due to secondment, plus favourable variances of £23k and £25k in ICT/Highways owing to delays in recruitment.
79. There is a favourable movement of £16k regarding non-salary costs. Within Highways, there is a favourable movement of £10k relating to a reduced projection for street furniture, whilst ICT is projecting a £6k favourable movement for ICT equipment maintenance.

Planning Sport & Green Spaces (£123k underspend, £59k adverse)

80. For month 9, the service is reporting a net £22k favourable movement following a revised projection for the Ice Rink held outside the Civic centre.

81. Greenspaces are reporting adverse movements of £62k this month, relating to a revised projection of costs across the service, including various maintenance works and equipment purchases.
82. The Greenspaces restructure is complete, with most posts are now filled. There is a £19k adverse movement following a revised projection for staffing costs owing to the revised phasing of new starters - five additional apprentice posts (£15k) and two horticulturalists (£4k).

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. 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 MTFE.
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 (£237k underspend, £111k adverse)

87. There is an adverse movement of £83k relating to the purchase of additional clear recycling bags. The revised forecast is due to the continuing high level of demand for this popular service. There is a £4k adverse movement to report relating to the repair of a broken car park barrier.
88. 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 income projection forecasts a pressure of £266k (£24k adverse).

Residents Services Directorate (£547k underspend, £156k favourable)

89. There are a number of vacant posts across Technical Admin and Business Support teams that have been consolidated into Residents Services. There are a number of vacant posts that will not be recruited to this financial year as restructuring is finalised across the service. The current projection at month 9 is a £547k underspend, a favourable movement of £156k from month 8.
90. There is an associated saving proposed in the MTFE for this area in 2015/16 of £284k, owing to the restructuring activity that is being finalised.

CHILDREN AND YOUNG PEOPLE'S SERVICES (£407k overspend, £155k adverse)

91. The Children and Young People's Service is projecting an overspend of £407k as at Month 9, an adverse movement of £155k on the month 8 projections, which is explained in more detail below.
92. The month 9 position is reflecting an overspend of £540k on Salaries, an adverse movement of £176k on the month 8 projections, as the service has put on hold permanent recruitment pending the outcome of a major review of the service. Senior management are continuing to ensure that agency staff are appointed only where there is a defined need. This approach has enabled the service to stabilise agency staff turnover to a point where most agency staff have now been employed for more than 36 weeks in Hillingdon. 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 a high level of sessional staff 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.
93. There is an overspend of £52k on non-staffing budgets, an adverse movement of £4k on the month 8 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.
94. There is a projected surplus of £185k on income, an improvement of £25k on the month 8 projections. This relates to the funding received from a number of external partners, including Health, the Youth Justice Board and Education.
95. The projected variances at Month 9 are summarised in the following table, with more detail provided in the paragraphs below:

Table 13: Operating Budgets

Original Budget	Budget Changes	Service	Month 9		Variance (+ adv / - fav)			
			Revised Budget	Forecast Outturn	Variance (As at Month 9)	Variance (As at Month 8)	Movement from Month 8	
			£'000	£'000	£'000	£'000	£'000	
1,033	56	Safeguarding Children	Salaries	1,089	1,359	270	278	(8)
1,356	126		Non-Sal Exp	1,482	1,636	154	155	(1)
(146)	(2)		Income	(148)	(196)	(48)	(63)	15
2,243	180		Sub-Total	2,423	2,799	376	370	6
1,711	366	Early Intervention Services	Salaries	2,077	1,772	(305)	(308)	3
288	(1)		Non-Sal Exp	287	297	10	7	3
(657)	0		Income	(657)	(731)	(74)	(74)	0
1,342	365		Sub-Total	1,707	1,338	(369)	(375)	6
3,355	(1,176)	Looked After Children	Salaries	2,179	1,997	(182)	(267)	85
1,056	(309)		Non-Sal Exp	747	679	(68)	(69)	1
(304)	(10)		Income	(314)	(315)	(1)	(1)	0
4,107	(1,495)		Sub-Total	2,612	2,361	(251)	(337)	86
9,970	(1,964)	Children's Resources	Salaries	8,006	8,763	757	661	96
12,394	(531)		Non-Sal Exp	11,863	11,819	(44)	(45)	1
(7,854)	555		Income	(7,299)	(7,361)	(62)	(22)	(40)
14,510	(1,940)		Sub-Total	12,570	13,221	651	594	57
16,069	(2,718)	Children's and Young Persons Directorate	Salaries	13,351	13,891	540	364	176
15,094	(715)		Non-Sal Exp	14,379	14,431	52	48	4
(8,961)	543		Income	(8,418)	(8,603)	(185)	(160)	(25)
22,202	(2,890)		Total	19,312	19,719	407	252	155

Safeguarding Children: £376k overspend, £6k adverse

96. The Safeguarding Children's service is projecting an overspend of £376k, an adverse movement of £6k on the month 8 projections, due to a slight reduction in external income. The overall position comprises an overspend of £270k on staffing, due to a high level of agency staff and an overspend of £154k on non staffing costs, where there are projected pressures in the Local Safeguarding Children's Board budget (which provides amongst other things, training for outside organisations including Health and schools) and the Corporate Parenting budget. This is offset by a surplus of £49k in income streams, due to a slight reduction in the funds that will be received from external partners.

Early intervention (Youth Offending Service): £369k underspend, £6k adverse

97. This service is projecting an underspend of £369k, an adverse movement of £6k on the month 8 projections. This relates to an underspend of £305k 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 £10k 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: £251k underspend, £86k adverse

98. This service is projecting an underspend of £251k, an adverse movement of £86k on the month 8 projections, due to an increase in agency staffing costs as the service puts on hold permanent recruitment whilst undertaken a major review of the service. This relates to an underspend on staffing costs of £182k, due to a high level of vacant posts, some of which are

not being covered by agency or permanent staff and an underspend of £68k on non staffing costs, where the service is incurring expenditure on essential items only.

Children's Resources: £651k overspend, £57k adverse

99. This service is projecting an overspend of £651k, an adverse movement of £57k on the month 8 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 undertakes a major review of the service. Over the last few months, the service has been able to position itself to move towards a steady state as it has been able to secure longer term agency appointments (now running at an average period of 36 weeks) and reduce caseloads more in line with standard operating models.
100. The gross overspend on staffing costs is £757k, 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 £44k on non staffing costs, where the service is incurring costs on essential items only and a surplus of £62k on income, which is due to additional funding being received from external partners. This latter variance more than offsets the reduced contribution that will be received from the Dedicated Schools Grant, as the majority of the residential placements that have been converted to local provision, no longer require a contribution from education.
101. In terms of the placements budget, this is projecting that an additional £411k will be required on top of the full draw down of the £1,860k contingency sum, which takes into account the increased cost of Special Guardianship Orders.
102. 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 more cost effective model that could be developed. Based on current projections this is creating a budget pressure of £295k.
 - There are increased staffing costs 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 £172k.
 - 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 £365k. 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

103. On 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 and resulted in a revised delivery model being put in place with effect from 24 November 2014, to focus on the assessment stage only. Over the last few months, the number of contacts and referrals has increased. However, due to the revised

delivery model being introduced, the service has been able to cope with this increase through implementing new ways of working across the service and being more consistent in applying thresholds. These improvements have ensured that the number of cases moving through the service have been resolved at an earlier stage. This has been supported by the establishment of a new interim management team, and increasing stability in key practice management and social workers posts, together with a focus on enhancing performance management processes.

104. As a result of this progress, the latest analysis indicates that the caseloads per Social Worker are moving closer to the recommended operating level for a Council of this size. This will allow the service to review the staffing resource requirement and start planning the recruitment of suitably experienced and qualified staff, which would in turn lead to a reduction in the number of agency staff. It is anticipated that this will not become effective until the new financial year 2015/16.
105. The Council has also entered into a similar temporary arrangement to support the Adoption and Fostering service, which started in 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 increasing the number of In House Foster Carers. This should reduce 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 continue to be monitored closely.
106. It should be noted that these two items, totalling £1,406k, are not included in the month 9 position reported above as they will be funded from earmarked reserves.

Analysis of Placements

107. The following table sets out the number of current placements in December 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

December 2014 Projections	Projected 14/15 Numbers	%	2014/15 Projected £000	2014/15 Budget £000
Secure/Remand Accommodation	1	1%	365	111
Residential	16	8%	2,224	1,468
Semi Independent Living	37	18%	1,012	409
Fostering Private	72	35%	3,220	2,395
In House	77	38%	1,364	1,722
Special Guardianship Orders			191	0
Risk Contingency				1,860
Total December 2014	203	100%	8,376	7,965

November 2014 Reported Position	197		7,760	7,965
Movement Between November and December 2014	6		616	0

108. The table now includes the pressure relating to the increase in Special Guardianship Orders and is indicating that the projected cost is £411k above the budget plus the risk contingency budget. The current split between In House and Independent Fostering now stands at 52% to 48% respectively, and is starting to move towards the desired 60% to 40% split.

109. It should be noted that the Looked After Children numbers are beginning to increase as the service moves towards a steady state.

Development & Risk Contingency (£481k underspend, £411k adverse)

110. The Corporate Risk Contingency holds three budgets; one relating to growth in Looked After Children placement numbers (£1,860,000) another relating to a provision for the shortfall in grant funding for the Asylum service (£1,458,000) with the final one relating to an anticipated additional funding of £200,000 from the Home Office to reflect the financial burden of Heathrow. The following table summarises the required draw down from each of these items:

Table 15: Development & Risk Contingency

Original Budget	Budget Changes	Development & Risk Contingency	Month 9		Variance (+ adv / - fav)		
			Revised Budget	Forecast Outturn	Variance (As at Month 9)	Variance (As at Month 8)	Movement from Month 8
£'000	£'000		£'000	£'000	£'000	£'000	£'000
1,458	0	Asylum Funding Shortfall	1,458	1,528	70	70	0
(200)	0	Potential Extension of Asylum Gateway Agreement	(200)	(200)	0	0	0
1,860	0	Social Care Pressures (Children's)	1,860	2,271	411	0	411
3,118	0	Current Commitments	3,118	3,599	481	70	411

111. The Asylum Service is projecting an overspend of £1,528k, no change on the month 8 projections. This reflects the true running costs of the service in providing support for asylum seeking children, for which the Home Office will provide grant funding of £4,648k to cover the direct costs based on a unit rate for different age children.

112. 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.

113. The following table provides an analysis of the gross Asylum service budget projected position for month 9:

Original Budget £'000	Budget Changes £'000	Service		Month 9		Variance (+ adv / - fav)		
				Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 9) £'000	Variance (As at Month 8) £'000	Change from Month 8 £'000
3,294	259	Asylum Services	Salaries Non-Sal	3,035	2,680	(355)	(355)	0
2,810	(259)		Exp	3,069	4,001	932	932	0
(6,104)	(0)		Income	(6,104)	(5,153)	951	951	0
0	(0)		Sub-Total	0	1,528	1,528	1,528	0

114. Negotiations took place with the Home Office last year, which secured 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.

115. The Placements budget built in additional growth for Looked After Children, which, based on the current projections is projecting an overspend of £411k, which relates to a projected growth in Looked After Children Placements over the next few months and takes into account the growth in recent Special Guardianship Orders.

ADULT SOCIAL CARE (£771k underspend, £127k improvement)

116. The Adult Social Care directorate is projecting a forecast under spend £771k as at month 9, a favourable movement of £127k since the last month, when a projected under spend to year end of £644k was anticipated. This favourable movement is as a result of increased income partly offset by increased placement costs which are detailed under the Service headings.

Table 17: Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 9		Variance (+ adv / - fav)			
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 9) £'000	Variance (As at Month 8) £'000	Movement from Month 8 £'000	
2,329	305	All-Age Disabilities	Salaries	2,634	2,375	(259)	(259)	0
25,061	6,766		Non-Sal Exp	31,827	32,492	665	568	97
(3,802)	(496)		Income	(4,298)	(5,048)	(750)	(650)	(100)
23,588	6,575		Sub-Total	30,163	29,819	(344)	(341)	(3)
3,629	671	Social Work	Salaries	4,300	4,039	(261)	(212)	(49)
21,966	3,275		Non-Sal Exp	25,241	25,315	74	36	38
(8,281)	43		Income	(8,238)	(8,447)	(209)	(146)	(63)
17,314	3,989		Sub-Total	21,303	20,907	(396)	(322)	(74)
7,178	920	Early Intervention & Prevention	Salaries	8,098	7,968	(129)	(129)	0
2,914	733		Non-Sal Exp	3,647	3,941	294	320	(26)
(711)	(10,182)		Income	(10,893)	(10,940)	(47)	(38)	(9)
9,381	(8,529)		Sub-Total	852	969	118	153	(35)
2,292	(296)	Safeguarding, Quality & Partnerships	Salaries	1,996	1,915	(81)	(96)	15
4,753	(59)		Non-Sal Exp	4,694	4,682	(12)	(20)	8
(363)	92		Income	(271)	(353)	(82)	(55)	(27)
6,682	(263)		Sub-Total	6,419	6,244	(175)	(171)	(4)
1,539	(1,243)	Directorate & Support Services	Salaries	296	345	48	22	26
(2,970)	2,570		Non-Sal Exp	(400)	(372)	28	49	(21)
0	(125)		Income	(125)	(175)	(50)	(34)	(16)
(1,431)	1,202		Sub-Total	(229)	(202)	26	37	(11)
16,967	357	Adult Social Care Directorate Total	Salaries	17,324	16,642	(682)	(674)	(8)
51,724	13,285		Non-Sal Exp	65,009	66,058	1,049	953	96
(13,157)	(10,668)		Income	(23,825)	(24,963)	(1,138)	(923)	(215)
55,534	2,974		Total	58,508	57,737	(771)	(644)	(127)

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

Table 18: Development & Risk Contingency

Original Budget £'000	Budget Changes £'000	Development & Risk Contingency	Month 9		Variance (+ adv / - fav)		
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 9) £'000	Variance (As at Month 8) £'000	Movement from Month 8 £'000
2,406		Increase in Transitional Children due to Demographic Changes	2,406	1,816	(590)	(590)	0
		Total Social Care Demographic Pressures for Care and Support:					
11,990	0	Older People	6,254	6,254	0	0	0
		Clients With Disabilities	3,771	4,207	436	436	0
		Clients With Mental Health Issues	1,965	1,965	0	0	0
14,396	0	Current Commitments	14,396	14,242	(154)	(154)	0

118. It is forecast, as at month 9, 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.

119. The actual contingency required for transitional children is still anticipated to under spend by £590k as reported in month 8 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.

120. 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): (£344k underspend, £3k movement)

121. 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 under spend of £259k in salary expenditure due to the delay in filling vacancies at team leader level. A pressure of £665k (£97k increase from month 8) on placement costs, the increase in month 9 is due to 3 additional clients in supported accommodation. This has been offset by additional client contributions of £290k (£100k increase in month 9) and increased contributions from Education and HCCG of £460k for joint funded placements.

122. The pressure in Merrifields Resource Centre is £119k staffing and £60k of non staffing costs, this remains unchanged from month 8. Although this pressure is covered within the forecast for the service, it is anticipated this pressure may be able to be mitigated further in this year.

123. 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 8.

124. 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. To date 4 service users have transferred and the net cost to LBH in this financial year is £436k.

Social Work (£396k underspend, £74k improvement)

125. It is forecast that there is an under spend of £396k, which is an improvement of £74k from Month 8. The salaries expenditure underspend has increased by £49k due to recruitment not taking place when previously forecast. Overall salaries are forecast to underspend by £261k.
126. The pressure on non salaries expenditure has increased by £38k, due to an increase of 14 Short Term Nursing & Residential placements, being used to assist with hospital discharges, partially offset by the reduced Homecare forecast. Forecasts for client contributions have increased by £63k.

Early Intervention and Prevention (£118k pressure, £35k improvement)

127. A pressure of £118k (an improvement of £35k from month 8) 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 under spends on staffing costs.
128. The improvement on non staffing costs (£24k) this month in the main is due to further revision to forecasts for LD Day Services costs relating to the closure of Woodside and Phoenix, this will further offset the transport pressure.

Safeguarding, Quality and Partnerships (£175k underspend, £4k movement)

129. It is forecast that there will be an under spend of £175k mainly arising from staff savings as a result of current vacancies. Expenditure incurred in supporting identified service users with no recourse to public funds is forecasting a pressure of £145k which remains unchanged since month 8 and is being managed within the above forecast.
130. The movement in expenditure and income this month is in respect of expenditure is being incurred to provide an additional out of hours AMP's Service for the winter period, this is being offset by additional income from the NHS Resilience Planning funds.
131. 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 8. So far, 303 cases have come through this financial year - this figure will continue to be monitored over the following months.

Directorate and Support (£26k pressure, improvement £11k)

132. There is a projected pressure of £26k, mainly arising as a result of the managed vacancy factor not being achieved.
133. The Care Act Implementation Grant has been included in the month 9 forecast and it is currently anticipated the full £125k will be spent in this financial year. In addition the £16k grant awarded for training has been included in this month's forecast. Work is continuing to ensure compliance with the Care Act from April 2015 and the ICT solution for the Advice and Information service has recently been purchased.

Appendix B – Other Funds

Schools Budget

Dedicated Schools Grant (£1,540k overspend, £694k improvement)

134. The Dedicated Schools Grant is projecting an in year overspend of £1,540k, an improvement of £694k on the month 8 projections, due to a review of the funds committed for two year old capacity funding, where the projected figure has now been adjusted for known commitments and a reduction in the projected cost of SEN placements, where the estimated placement cost was higher than the actual placement cost.

135. 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 8
			Revised Budget	Forecast Outturn	Variance (As at Month 9)	Variance (As at Month 8)	
£'000	£'000		£'000	£'000	£'000	£'000	£'000
(145,373)	0	Dedicated Schools Grant Income	(145,373)	(145,840)	(467)	(467)	0
113,606	0	Delegated to Schools	113,606	114,900	1,293	1,294	(1)
4,581	0	Early Years	4,523	4,874	(243)	350	(593)
3,604	0	Centrally Retained	3,604	3,919	315	315	0
23,582	0	Special Needs	23,640	24,381	642	742	(100)
0	0	Total Schools Budget	0	1,540	1,540	2,234	(694)
0	0	Balance Brought Forward 1 April 2014	(3,781)	(3,781)			
0	0	Balance Carried Forward 31 March 2015	(3,781)	(2,241)			

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 (£1,293k overspend, £1k improvement)

137. The overspend of £1,293k 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 (£243k underspend, £593k improvement)

138. The Early Years funding block is projecting an underspend of £243k, an improvement of £593k on the month 8 position. This is primarily due to a review of the funds committed for two year old capacity funding, where the projected figure has now been adjusted for known commitments netted down by Schools Forum agreeing to utilise £300k from its surplus balances to fund a range of new initiatives targeted at early years and early intervention.

Centrally Retained (£315k overspend, £1k adverse)

139. The centrally retained budgets are projecting an overspend of £315k, which relates to payments that have been made for additional bulge year classes, that 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)

140. The Special Needs budgets are projecting an overspend of £642k, an improvement of £100k on the month 8 position, due to a decrease in the projected cost of SEN placements, where the actual cost is less than the estimated cost built into the initial projections. 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 7.24%, 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 31/03/11	Actuals 31/03/12	Actuals 31/03/13	Actuals 31/3/14	Yr end projection 2014/15
Autistic Spectrum disorder	315	355	405	440	492
Behaviour, Emotional and Social Difficulty	152	143	149	129	129
Hearing Impairment	37	31	38	42	45
Mild Learning Difficulty	295	290	298	298	305
Multi-Sensory Impairment	7	7	6	6	6
Other ie: (Medical/mental health)	34	32	37	39	39
Physical Disability	76	85	89	90	94
Profound & Multiple learning diffs	29	33	32	30	35
Speech Language and Communication Needs	237	247	259	272	282
Severe Learning Difficulty	108	115	114	117	118
Specific Learning Difficulty	23	28	32	37	38
Visual Impairment	18	18	21	26	27
Blank	9	3		8	35
Total	1,340	1,387	1,480	1,534	1,645
Change - Numbers		47	93	54	111
Change - Percentage		3.51%	6.71%	3.65%	7.24%

Year End Balances

141. 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 £2,241k.

PARKING REVENUE ACCOUNT (£19k in year deficit, £57k favourable)

142. 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 9		Variance (+ adv / - fav)		
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 9) £'000	Variance (As at Month 8) £'000	Movement from Month 8 £'000
(4,153)	0	Income	(4,153)	(3,903)	250	274	(24)
4,061	0	Expenditure	4,061	3,884	(177)	(144)	(33)
(92)	0	In-year (Surplus) / Deficit	(92)	(19)	73	130	(57)
76	0	Unallocated Balances B/fwd	76	76	0	0	0
(16)	0	Unallocated Balances C/fwd	(16)	57	73	130	(57)

143. An in-year surplus of £19k is forecast for the 2014/15 financial year. There is a total shortfall of income of £250k (£24k favourable from month 9). 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.

144. The income pressure is offset by compensating savings totalling £177k (£33k favourable movement), as well as the budgeted surplus of £92k. 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.

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

145. 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.

146. 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 9		Variance (+ adv / - fav)			
			Revised Budget	Forecast Outturn	Variance (As at Month 9)	Variance (As at Month 8)	Movement from Month 8	
£'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
(102,937)	0		Sub-Total	(102,937)	(105,634)	(2,697)	(2,697)	0
(105,485)	(911)	Business Rates	Gross Income	(106,396)	(106,283)	113	113	0
(981)	567		Section 31 Grants	(414)	(414)	0	0	0
59,158	0		Less: Tariff	59,158	59,158	0	0	0
2,136	344		Less: Levy	2,480	2,480	0	0	0
0	0		B/fwd Deficit	0	387	387	387	0
(45,172)	0	Sub-Total	(45,172)	(44,672)	500	500	0	
(148,109)	0	Total Collection Fund		(148,109)	(150,306)	(2,197)	(2,197)	0

147. 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.
148. 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. There has been no favourable movement on the rating list in relation to Heathrow as a result of continuing delays by the Valuation Office Agency, with the risk of a shortfall in income for 2014/15 remaining.
149. 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.
150. 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

151. The Housing Revenue Account (HRA) forecast is a surplus of £4,948k, a movement of £187k from the previous month. The table below presents key variances by service area:

Table 22: Housing Revenue Account

Original Budget £'000	Budget Changes £'000		Month 9		Variance (+ adv / - fav)		
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 9) £'000	Variance (As at Month 8) £'000	Movement from Month 8 £'000
(56,975)	0	Rent Income	(56,975)	(56,777)	198	193	5
(5,717)	(513)	Other Income	(6,230)	(6,059)	171	164	7
(62,692)	(513)	Net Income	(63,205)	(62,836)	369	357	12
13,813	(197)	Housing Management	13,616	12,393	(1,223)	(1,343)	120
5,607	334	Tenant Services	5,941	5,340	(601)	(601)	0
4,801	351	Repairs	5,152	5,352	200	(10)	210
5,798	25	Planned Maintenance	5,823	2,542	(3,281)	(3,126)	(155)
15,691	0	Contribution to Works to Stock	15,691	15,691	0	0	0
15,412	0	Interest & Investment Income	15,412	15,000	(412)	(412)	0
1,570	0	Development & Risk Contingency	1,570	1,570	0	0	0
62,692	513	Operating Costs	63,205	57,888	(5,317)	(5,492)	175
0	0	(Surplus) / Deficit	0	(4,948)	(4,948)	(5,135)	187
(22,820)	0	General Balance 01/04/14	(22,820)	(22,820)	0	0	0
(22,820)	0	General Balance 31/03/15	(22,820)	(27,768)	(4,948)	(5,135)	187

Rental Income

152. There were 155 RTB sales to the end of December. The current prediction for the year is 175 sales. It is anticipated that sales may slow down as we approach the end of the financial year as eligible discounts for tenants are increased by CPI at the start of the new financial year.

Housing Management

153. The Housing Management budgets shows a net underspend of £1,222k, a decrease of £121k from Month 8. There is reduced income from capital fees totalling £170k. Fees are recharged to capital for time spent by the delivery team on the capital programme. The capital programme projected forecast is significantly lower than the original budget.

154. There are various savings in Community Housing (Ruislip) and Community Involvement. Community Housing has £13k of savings which are in the main salary savings. Community Involvement has savings of £17k mainly arising from postage and training projected cost reductions.

155. Tenancy Services management forecast has reduced by £13k and relates to savings on B&B, subscriptions and smaller savings on other items such as stationary and printing.

Tenant Services

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 show an increase in repairs and voids expenditure of £209k from the Month 8 position. This is mainly due to an increase in projected voids expenditure of £150k. However, the current position is being reviewed so that an accurate analysis of the volume of void works and void costs per property can be obtained.

158. There is also a projected increase in material costs of £65k for repairs.

159. Projections also include an estimated £200k works on short-term lets, the repairs management contract and ICT implementation costs of £453k.

Planned Maintenance

160. The Planned Maintenance forecast is a net underspend of £3,281k, a decrease of £155k on the Month 8 position. The main variances are shown below:

- A reduction of £339k on gas servicing mainly relating to savings arising from the award of the new contract earlier in the year
- The revised projection for asbestos works is a reduction of £26k
- Other servicing has increased by £30k. This is primarily due to pressures on works for access controls/auto doors and electric gates and barriers, as well as repairs to lightning conductors and heat meters servicing and maintenance
- There is an adjustment to the estates and roads capital budget where a proportion of costs for road repairs relating to staff in highways has been reclassified as revenue costs (this technical adjustment amounts to £175k).

Appendix D –GENERAL FUND CAPITAL PROGRAMME

161. 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 8 £'000
Original Budget	119,832	271,510	391,342	-
Revised Budget	92,279	307,232	399,511	1,464
Forecast Outturn	77,004	316,851	393,855	1,130
Total Capital Programme Variance	(15,275)	9,619	(5,656)	(334)
<u>Analysis of Programme Variances:</u>				
Schools Expansions Programme	(2,121)	(2,312)	(4,433)	-
Civic Centre Works Programme	(896)	-	(896)	(225)
Disabled Facilities Grants	(795)	-	(795)	200
Property Works Programme	(242)	-	(242)	(42)
Adaptations for Adopted Children	(200)	-	(200)	-
Rural Activities Garden Centre	(184)	-	(184)	(69)
Private Sector Renewal Grants	(130)	-	(130)	(95)
New Years Green Lane	(119)	-	(119)	-
Street Lighting	(50)	-	(50)	(50)
Car Park Resurfacing	(39)	-	(39)	(39)
South Ruislip Plot A	(30)	-	(30)	-
Grounds Maintenance	(26)	-	(26)	-
Childrens Centres	(25)	-	(25)	-
Central Library Refurbishment	48	-	48	(14)
Hayes End Library Development	90	-	90	-
Harlington Road Depot Refurbishment	150	-	150	-
Hillingdon Sports & Leisure Centre	-	530	530	-
Yiewsley Health Centre & Sports Facility	-	695	695	-
Cost Variance	(4,569)	(1,087)	(5,656)	(334)
Projected Re-phasing	(10,706)	10,706	-	-
Total Capital Programme Variance	(15,275)	9,619	(5,656)	(334)
Financing Variance:				
Council Resourced Variance	(12,904)	7,248	(5,656)	(334)
External Grants & Contributions Variance	(2,371)	2,371	-	-
Total Capital Programme Variance	(15,275)	9,619	(5,656)	(334)
Movement from Month 8	(4,255)	3,921	(334)	

162. Actual capital expenditure is £50,159k for the nine months to 31 December. The revised budget has increased by £1,464k due partly to schools' contributions to Devolved Formula Capital projects and Building Conditions projects. The increase also reflects the successful Universal Infant Free School Meals bids of £477k. There has also been an approved allocation of £30k Section 106 monies to Highways projects phased into 2015/16.

163. The main programme shows a favourable variance of £5,656k. The following paragraphs provide details of the reasons for movements in the other cost variances in the above table:

- Property Works Programme - an element of the £600k budget remains unallocated and although there are further schemes in development it is forecast that £242k will not be spent this financial year.
- Civic Centre Works Programme - due to the level of activity at this stage of the financial year there is an overall under spend of £896k forecast on the budget.
- Disabled Facilities Grants (DFG) - the forecast under spend has been reduced by £200k due to an increase in the level of committed cases projected for the year.
- Private Sector Renewal Grants - the forecast under spend has increased by £95k as the level of projected cases is lower than previously anticipated.
- Rural Activities Garden Centre - the new modular building and path works have been completed and a welfare facility is to be installed. The forecast under spend has increased by £69k as a separate budget for car parking is planned in 2015/16.
- Street Lighting - a programme of works for column testing and replacement is underway however it is anticipated an element of the works will not be completed this financial year resulting in an under spend of £50k.
- Car Park Resurfacing - works to three car parks have been completed with a forecast under spend of £39k. The remainder of the budget is projected as re-phasing as plans are being developed for a more extensive improvement of the Cedars & Grainges car park which serves the Pavilions shopping centre.
- Central Library Refurbishment - the forecast over spend has been reduced by £14k on additional items that were required to finish the refurbishment. The library was re-opened in April 2014.

164. 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 8 £'000
Main Programme	59,824	52,095	(2,256)	(5,473)	85,992	82,649	(3,343)	(122)
Programme of Works	27,577	22,083	(2,313)	(3,181)	79,024	76,711	(2,313)	(212)
Future Projects	3,619	1,567	-	(2,052)	198,307	198,307	-	
Total Main Programme	91,020	75,745	(4,569)	(10,706)	363,323	357,667	(5,656)	(334)
Development & Risk Contingency								
General Contingency	1,259	1,259			7,259	7,259		
Provision for Additional Schools Funding	-	-			28,929	28,929		
Total Capital Programme	92,279	77,004	(4,569)	(10,706)	399,511	393,855	(5,656)	(334)
Movement from Month 8	957	(3,298)	(334)	(3,921)	1,464	1,130	(334)	

165. The detailed General Fund capital programme is presented in Appendix 1 to this report. Projected re-phasing of £10,706k into future years is presented by scheme within this Appendix. Included within this amount there is a movement in further projected re-phasing of £3,921k into next financial year 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.

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

MAIN PROGRAMME (SCHOOLS)

167. 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 on a further four schemes within Phase 2. There is projected further re-phasing of £411k into next year over the whole programme.

168. The key issues and risks on performance of the overall Schools Expansions programme are outlined below. Further information can be found in the School Capital Programme update report.

Primary Schools

Phase 2

169. 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. A planning application has been submitted and the installation will take place during the summer term.

170. Glebe - the school is fully operational however there are a number of remedial works issues that are required to be carried out.

Phase 3 - New Schools

171. John Locke and Lake Farm Park Academies - works are complete other than minor snagging items. There is an overall forecast under spend of £418k on these schemes due to savings on professional fees and highways works.

172. St Martin's - minor internal changes will be incorporated into the construction of the new school to provide 3 Forms of Entry (FE) by August 2015.

Special Educational Needs

173. An under spend of £204k is reported on provision of temporary classrooms at Hedgewood Primary School and Meadow Secondary School. Installation and internal fit out of a modular classroom at Cherry Lane is scheduled for January 2015.

Free School Meals

174. 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. The Department for

Education have awarded additional grant funding of £477k for three schools for implementation by September 2015.

FUTURE PROJECTS (SCHOOLS)

Primary Schools - Expansions Programme

175. 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. Current indications are that an additional 3FE are required over the next three years. The existing programme contains budget provision of £13,500k for the next phase of primary school expansions.

Secondary Schools - Expansions Programme

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

Secondary Schools - Replacement Programme

177. Northwood Academy - the design of the new 6FE school is underway and a planning application has been submitted. The construction phase of the project is not expected to commence this financial year and hence there is a £260k re-phasing variance in 2014/15.

178. 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)

179. Schools Conditions Programme - the current year programme has been completed within budget except for Oak Farm where minor roofing works will be completed in January. The 2015/16 programme is agreed in principle pending agreement of schools' contributions. The agreed policy is that the schools make contributions to the cost of works no greater than 20% of their reserves.

MAIN PROGRAMME (NON-SCHOOLS)

180. 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). There is a forecast over spend of £977k (inclusive of £282k on the supported housing element reported in the HRA) based on tenders previously received. However due to revisions to plans and ongoing negotiations with the NHS around the Health Centre lease it is likely that the scheme will have to be re-tendered increasing the risk of further costs. Works will not commence on site until next financial year resulting in a further re-phasing of £364k.

181. Harlington Road Depot - refurbishment works are expected to be complete by the end of March. Additional works identified while on site are resulting in a forecast over spend of £150k. It is anticipated that part of the site will be ready for staff to transfer from Fassnidge Park depot by end of January. This will allow for the sale of Fassnidge Depot site for which an offer has been received.

182. 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.
183. 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.
184. 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.
185. Highways Programme - a major programme of road improvements is underway across the Borough. Currently approved works will be completed this financial year. An additional £806k re-phasing is forecast for works yet to be approved to be completed next year.
186. ICT Migration to Windows 7 Project - the project is complete and within budget.
187. Vehicle Replacement Programme - the programme is forecasting slippage of £835k. A number of vehicles will not be purchased until next financial year due to lead times and specifications to be completed.
188. Grounds Maintenance vehicles - there is an under spend of £26k arising on tendered prices for the purchase of 35 ground maintenance vehicles. Re-phasing of £639k is forecast as the majority of vehicles will not be delivered until next financial year.
189. Eastcote House & Gardens - works are on site for this refurbishment project which is mainly funded by the Heritage Lottery Fund. There have been delays due to shortages of building materials resulting in slippage of £278k. The works will be completed early in the next financial year.
190. Queenswalk Development - construction works on site have been completed and the resource centre and sensory garden have opened. Negotiations on the final account are ongoing however the project is expected to be within budget.
191. West Drayton Cemetery extension - investigations to assess ground conditions are being carried out at the request of the Environment Agency before works can commence on site. As a result there is forecast re-phasing of £365k into next financial year.
192. 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 £333k is forecast as slippage as the bulk of the programme will not be completed until next year.
193. 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.
194. 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.
195. Telecareline Equipment - a re-phasing under spend of £480k is forecast as work to advertise the availability of this service to older people is ongoing.

196. Youth Centres Kitchen Replacements/Upgrades - works to upgrade or replace kitchens at four youth centres are not anticipated to commence before the end of the financial year resulting in slippage of £138k.
197. Kings College Pavilion Running Track - track refurbishment works are scheduled to be completed by the end of January. Drainage works will not commence until April as they require dry warmer conditions. This is resulting in forecast re-phasing of £155k.
198. 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.
199. 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)

200. Empty Homes Programme - the funding level of £782k is based on GLA targets for 34 properties. 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.
201. Transport for London Programme - The 2014/15 programme is underway and numerous schemes are being progressed. There is a movement in forecast re-phasing of £35k on Local Transport funding.
202. Town Centres Initiatives Programme - the Initiatives at Northwood Hills and Ruislip Manor are close to completion. Works on site are scheduled to commence in February 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.
203. 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.
204. ICT Single Development Plan - the programme consists of several projects which are in various stages of progress. An amount of £76k is projected re-phasing to complete a small number of projects in 2015/16.

FUTURE PROJECTS (NON SCHOOLS)

205. ICT Infrastructure - works are planned 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.
206. Uxbridge Cemetery Gatehouse - this £1,000k project is to renovate the Gatehouse and Anglican chapel which are listed buildings. Due to the length of the listed building consent process the major part of the delivery of the project will now fall into 2015/16. A further £100k slippage is forecast.
207. New Theatre - a feasibility study is commencing for a new theatre in Uxbridge. An amount of £150k is forecast as re-phasing into next financial year.
208. New Museum - a feasibility study is to commence shortly on the development of the RAF cinema in Uxbridge as a borough wide museum. An amount of £150k re-phasing is forecast as construction works will not commence this financial year.

209. 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 re-phasing of £375k.
210. Bowls Club Refurbishment - works have commenced to refurbish Cowley and Bessingby bowls clubs and are on schedule to be completed before the end of the financial year subject to winter weather conditions.
211. Local Plan Requirement - there is forecast re-phasing of £197k as these works are not anticipated to be carried out this financial year.
212. Community Safety Assets - the budget of £250k is forecast as re-phasing as there are currently no existing commitments.

CAPITAL FINANCING - GENERAL FUND

213. 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	25,233	(12,904)	210,922	205,266	(5,656)	(334)
Financed By:							
Capital Receipts	15,647	6,355	(9,292)	31,719	44,994	13,275	2,183
CIL	3,000	-	(3,000)	23,000	15,000	(8,000)	(200)
Prudential Borrowing	19,490	18,878	(612)	156,203	145,272	(10,931)	(2,317)
Total Council Resources	38,137	25,233	(12,904)	210,922	205,266	(5,656)	(334)
Grants & Contributions	54,142	51,771	(2,371)	188,589	188,589	-	-
Total Programme	92,279	77,004	(15,275)	399,511	393,855	(5,656)	(334)

214. Forecast General Fund capital receipts are £6,355k for 2014/15. Actual capital receipts achieved this year as at the end of December total £1,061k however a further £2,130k is anticipated to be received in January for the completion of one major sale. 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.

215. The overall forecast over the life of the programme has improved by £2,183k due mainly to increased valuations on two sites and the addition of one more receipt to the forecast.

216. Due to the length of time new developments become liable for paying Community Infrastructure Levy (CIL) there is no income expected this year. There have been in excess of £4,000k liabilities issued since the implementation of the CIL on 1 August 2014 however liabilities are only payable if developments proceed. The removal of the sui generis charging band has also reduced the forecast over the life of the programme 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.

217. Over the life of the programme the prudential borrowing forecast shows a favourable variance of £10,931k due mainly to the overall cost under spends and increase in the capital receipts forecast, partially offset by the CIL reduction.

HOUSING REVENUE ACCOUNT (HRA) CAPITAL PROGRAMME

218. 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 8 £000
Dwelling Components	9,657	2,661		(6,996)	43,319	43,319		
Estates / Blocks	2,586	338		(2,248)	8,916	8,916		
Welfare	2,540	787		(1,753)	11,632	11,632		
Other Projects	2,378	684	(1,424)	(270)	11,890	10,466	(1,424)	
Total Works to Stock	17,161	4,470	(1,424)	(11,267)	75,757	74,333	(1,424)	
Purchase & Repair	2,088	430		(1,658)	9,766	9,766		
Council New Build	1,000	24		(976)	37,376	37,376		
Supported Housing	2,876	390		(2,486)	13,042	5,474	(7,568)	
Total Major Projects	5,964	844	-	(5,120)	60,184	52,616	(7,568)	
Former New Build Schemes	227	245	18		227	1,144	917	
Total	23,352	5,559	(1,406)	(16,387)	136,168	128,093	(8,075)	
Movement from Month 8		(1,423)	-	(1,423)		-	-	

219. The Works to Stock programme is forecasting a phasing under spend of £11,267k as numerous schemes will not be completed this financial year. This is a reduction of £359k spend from the previous forecast.

220. Dwelling Components - forecast expenditure has reduced by £50k because of delays on two roofing projects and works yet to commence on electrical upgrades. The kitchen replacement programme is yet to be approved. Progress is being made in implementing the boiler works programme.

221. Estates and Block Renewal - the forecast has reduced by £209k due to works on various schemes that will not be completed this financial year.

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

223. Other Projects - a total of 66 vehicles are anticipated to be required at an estimated cost of £954k to be delivered over two financial years. There are no commitments for the remainder of the budget resulting in an under spend of £1,424k.

224. Purchase and Repair Programme - the forecast has been reduced to two purchases to be completed this financial year at a cost of £430k. This is due to the required timescale to obtain acceptance of offer, complete legal processes and gain vacant possession. A further 27 purchases are planned in 2015/16.

225. 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.

226. Supported Housing Programme - consultants have been appointed to undertake feasibility work on several potential sites. 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.

227. 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

228. There have been 155 Right to Buy sales of council dwellings for the year as at end of December 2014 for a gross sales value of £15,657k and a total of 175 sales are forecast totalling approximately £17,500k in 2014/15.

229. 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.

230. Table 6 below sets out the time limits for the retention of Right to Buy receipts since the commencement of the agreement. A further 50 sales were completed for the last quarter to December 2014 with an estimated £3,818k to be retained subject to confirmation.

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
2014/15 Quarter 3 Forecast	50	3,818	76,027	December 2017
Total Retained Receipts	294	22,808	76,027	

231. 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 although 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.

232. In order to utilise the receipts the cumulative forecast gross expenditure level (based on and including 70% HRA contributions) required to be achieved is £76,027k by December 2017. The housing major projects programmes are being reviewed to take into account the

increased level of retained receipts available and maximise the use of these within the above deadlines.

233. There have been £74k in HRA non dwelling receipts for the year to date and the potential sale of one major site may result in a further £1,000k to be received this financial year. These funds will be used to support the capital programme or be applied for repayment of debt.

ANNEX 1a - General Fund Main Programme

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
	Main Programme										
86,411	Primary School Expansions	45,930	43,522	(2,408)	(287)	61,280	56,847	(4,433)	17,833	28,696	10,317
3,910	Purchase of Vehicles	1,617	782	(835)	(835)	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	296	48		248	296	48	296	0	0
1,138	Queenswalk Redevelopment	1,589	1,589	0		1,664	1,664	0	1,213	451	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	120	(959)	(920)	1,079	1,040	(39)	1,040	0	0
5	Eastcote House Buildings and Gardens	1,142	864	(278)	(278)	1,242	1,242	0	35	0	1,207
251	Grounds Maintenance	777	112	(665)	(639)	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	120	(480)	(480)	600	600	0	480	120	0
0	Free School Meals Projects	609	609	0		1,086	1,086	0	0	1,042	44
124	CCTV Programme	363	30	(333)	(333)	363	363	0	288	0	75
0	West Drayton Cemetery & Resurfacing	522	157	(365)	(365)	522	522	0	522	0	0
0	Sports & Cultural Projects	63	48	(15)	(15)	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	156	(184)		340	156	(184)	156	0	0
0	Youth Centres Kitchen Replacements / Upgrades	143	5	(138)	(138)	143	143	0	0	113	30
0	Kings College Pavilion Running Track	230	75	(155)	(155)	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	933	(458)	(404)	1,893	2,371	476	2,337	0	32
158,447	Total Main Programme	59,824	52,095	(7,729)	(5,473)	85,992	82,650	(3,343)	39,953	30,452	12,243

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
	Programme of Works										
N/A	Leader's Initiative	437	114	(323)	(323)	1,237	1,237	0	1,237	0	0
N/A	Chrysalis Programme	1,895	1,395	(500)	(500)	5,895	5,895	0	5,310	0	585
N/A	Civic Centre Works Programme	1,387	491	(896)		2,887	1,991	(896)	1,991	0	0
N/A	Formula Capital Devolved to Schools	2,831	2,831	0		4,971	4,971	0	0	3,264	1,707
N/A	Highways Programme	6,169	4,390	(1,779)	(1,779)	11,001	11,001	0	9,951	0	1,050
N/A	ICT Single Development Plan	516	440	(76)	(76)	2,604	2,604	0	2,604	0	0
N/A	Property Works Programme	600	358	(242)		3,000	2,758	(242)	2,758	0	0
N/A	Road Safety	250	160	(90)	(90)	1,250	1,250	0	1,250	0	0
N/A	Street Lighting	180	130	(50)		900	850	(50)	825	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	3,810	(35)	(35)	14,669	14,669	0	0	14,084	585
N/A	Urgent Building Condition Works	3,988	3,918	(70)	(70)	10,443	10,443	0	2,813	7,032	599
N/A	Disabled Facilities Grants	2,300	1,505	(795)		11,500	10,705	(795)	3,252	7,425	28
N/A	Adaptations for Adopted Children	200	0	(200)		1,000	800	(200)	0	800	0
N/A	Private Sector Renewal Grants	1,282	1,152	(130)		4,330	4,200	(130)	2,120	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)	644	644	0	0	0	644
	Total Programme of Works	27,577	22,083	(5,494)	(3,181)	79,024	76,711	(2,313)	36,462	34,985	5,265

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
	Future Projects										
N/A	Secondary Schools Expansions (Expansion)	500	150	(350)	(350)	76,900	76,900	0	17,733	57,604	1,563
N/A	Secondary Schools Expansions (Replacement)	882	622	(260)	(260)	44,170	44,170	0	32,654	11,516	0
N/A	New Theatre	150	0	(150)	(150)	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	25	(375)	(375)	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	50	(100)	(100)	1,000	1,000	0	1,000	0	0
N/A	New Museum	150	0	(150)	(150)	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	Total Future Projects	3,619	1,567	(2,052)	(2,052)	198,307	198,307	0	113,127	81,817	3,363
	Development & Risk Contingency										
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	8,466	20,464	0
	Total Development & Risk Contingency	1,259	1,259	0		36,188	36,188	0	15,725	20,464	0
	Total Capital Programme	92,279	77,004	(15,275)	(10,706)	399,511	393,855	(5,656)	205,266	167,718	20,871

Appendix E – Treasury Management Report as at 31 December 2014

Outstanding Deposits - Average Rate of Return on Deposits: 0.57%

	Actual (£m)	Actual (%)	Bench-mark (%)
Up to 1 Month	35.4	33.60	35.00
1-2 Months	11.0	10.45	0.00
2-3 Months	26.9	25.55	10.00
3-6 Months	9.0	8.55	10.00
6-9 Months	12.8	12.16	10.00
9-12 Months	2.0	1.90	15.00
12-18 Months	2.4	2.28	15.00
18-24 Months	5.0	4.75	5.00
Subtotal	104.5	99.24	100.00
Unpaid Maturities	0.8	0.76	0.00
Total	105.3	100.00	100.00

234. 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, Deutsche 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, London Borough of Croydon, Monmouthshire County Council, Moray 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.

235. During December fixed-term deposits continued to mature in line with cashflow requirements. As cashflow allowed, a two month deposit was placed in December with London Borough of Croydon. 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 (%)
General Fund		
PWLB	68.63	20.83
Long-Term Market	15.00	4.55
HRA		
PWLB	212.82	64.60
Long-Term Market	33.00	10.02
Total	329.45	100.00

236. This month a scheduled instalment of £750k was repaid on a GF PWLB loan. There were no early debt repayment opportunities or rescheduling activities during December, neither were there any breaches of the prudential indicators or non-compliance with the treasury management policy and practices.

Ongoing Strategy

237. 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 3 months. Opportunities to place longer term deposits will be monitored.

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

238. The following Agency staff costing over £50k have been approved under delegated powers by the Chief Executive in consultation with the Leader and are reported here for information.

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
Residents Services						
Tech Admin Officer	01-Jul-13	20-Jan-15	16-Feb-15	50	2	52
Tech Admin Officer	03-Mar-14	20-Jan-15	16-Feb-15	61	2	63
School Project Officer	13-Aug-12	09-Feb-15	09-Aug-15	211	45	256
Housing Lawyer	01-Dec-15	10-Jan-15	09-Jul-15	24	26	50
Development Surveyor	19-Jul-11	09-Feb-15	11-May-15	224	9	233
Administration and Finance						
Senior Performance Analyst	01-Mar-14	01-Mar-15	31-Aug-15	95	45	140
Senior Category Manager	01-Jun-14	19-Jan-15	31-Mar-15	72	30	102
Adult Social Care						
Occupational Therapist	02-Feb-14	05-Jan-15	28-Feb-15	54	0	54
Occupational Therapist	01-Sep-14	02-Feb-15	31-Mar-15	53	0	53
Occupational Therapist	07-Oct-13	02-Feb-15	31-Mar-15	79	0	79
Social Worker (Care Manager)	12-Aug-13	02-Feb-15	28-Feb-15	65	0	65
Social Worker (Care Manager)	05-Aug-13	02-Feb-15	28-Feb-15	61	0	61
Lead Approved Mental Health Practitioner	01-Jun-12	02-Feb-15	28-Feb-15	98	5	103
Team Leader	01-Apr-14	02-Feb-15	31-Mar-15	56	6	62
Residential Care Worker	04-Sep-12	02-Feb-15	28-Feb-15	50	1	51
Residential Care Worker	01-Apr-12	02-Feb-15	31-Mar-15	71	3	74
Team Manager	01-Apr-14	02-Feb-15	28-Feb-14	103	7	110
Children & Young People's Services						
Social Worker	02-Dec-13	05-Jan-15	31-Mar-15	47	6	53
Team Manager	09-Sep-13	05-Jan-15	31-Mar-15	66	7	73
Deputy Team Manager	17-Dec-14	02-Feb-15	31-Mar-15	58	6	64

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
Service Manager Children in Care	07-Jul-14	05-Jan-15	30-Jun-15	60	12	72
Case Progression Manager	07-Apr-14	05-Jan-15	28-Feb-15	80	6	86
Deputy Team Manager	01-Jan-13	02-Feb-15	31-Mar-15	128	6	134
Social Worker	01-Apr-13	05-Jan-15	31-Mar-15	94	6	100
Social Worker	01-Jan-13	05-Jan-15	31-Mar-15	95	5	100
Social Worker	05-Mar-14	05-Jan-15	31-Mar-15	82	6	88
Quality Assurance Service Manager	24-Mar-14	05-Jan-15	30-Jun-15	92	10	102
Team Manager	15-Apr-13	05-Jan-15	30-Apr-15	105	7	112
MASH Manager	13-Jan-14	05-Jan-15	31-Mar-15	89	10	99
Deputy Team Manager	28-Jun-11	05-Jan-15	31-Mar-15	110	7	117
Deputy Team Manager	01-Jan-13	05-Jan-15	31-Mar-15	116	6	122
Social Worker	05-Mar-12	05-Jan-15	31-Mar-15	141	6	147
Service Manager Child Protection	23-Jul-12	05-Jan-15	30-Jun-15	148	11	159
Social Worker	06-Jan-12	05-Jan-15	31-Mar-15	158	6	164
Assistant Director Child Protection	22-Apr-14	05-Jan-15	30-Jun-15	182	15	197
Deputy Team Manager	05-Mar-12	05-Jan-15	31-Mar-15	203	6	209
Social Worker	20-Jan-14	01-Feb-15	30-Apr-15	57	4	61
Social Worker	19-Jun-14	02-Feb-15	31-Mar-15	46	6	52
Social Worker	23-Dec-13	02-Feb-15	31-Mar-15	47	4	51
Social Worker	01-Apr-13	02-Feb-15	31-Mar-15	94	6	100
Social Worker	03-Mar-14	02-Feb-15	31-Mar-15	48	3	51
Social Worker	01-Apr-13	02-Feb-15	31-Mar-15	106	6	112
Social Worker	08-May-14	02-Feb-15	31-Mar-15	55	6	61
Social Worker	19-Dec-11	02-Feb-15	31-Mar-15	147	6	153
Social Worker	05-Mar-12	02-Feb-15	31-Mar-15	174	6	180
Social Worker	30-Apr-12	02-Feb-15	31-Mar-15	55	6	61
Social Worker	19-Dec-11	02-Feb-15	31-Mar-15	161	6	167
Social Worker	19-Dec-11	02-Feb-15	31-Mar-15	124	6	130
Social Worker	19-Dec-11	02-Feb-15	31-Mar-15	121	6	127
Social Worker	01-Jan-13	02-Feb-15	31-Mar-15	104	6	110
Deputy Team Manager	02-Jun-14	02-Feb-15	31-Mar-15	48	6	54

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
LSCB Business Manager	09-Jul-14	02-Feb-15	30-Apr-15	49	7	56
Deputy Team Manager	01-Jul-14	02-Feb-15	31-Jul-15	45	5	50
Quality Assurance Auditor (Social Work Cases)	08-May-14	01-Feb-15	30-Apr-15	58	6	64
Education Key Worker	14-Oct-13	01-Feb-15	30-Apr-15	52	3	55
Independent Reviewing Officer	12-May-14	01-Feb-15	30-Apr-15	56	6	62
Independent Reviewing Officer	27-May-14	01-Feb-15	30-Apr-15	52	6	58