

COUNCIL BUDGET -2015/16 MONTH 4 REVENUE AND CAPITAL BUDGET MONITORING

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

HEADLINE INFORMATION

Purpose of report	<p>This report provides the Council's forecast financial position and performance against the 2015/16 revenue budget and capital programme.</p> <p>A net in-year underspend of £486k is projected against 2015/16 General Fund revenue budgets as of July 2015 (Month 4), representing an improvement of £441k against the position previously reported to Cabinet.</p> <p>The latest positions on other funds and the capital programme are detailed within the body of this report.</p>
Putting our Residents First	<p>This report contributes to the Council's key objective of: <i>Strong 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 Cabinet:

1. Notes the forecast budget position for revenue and capital as at July 2015 (Month 4).
2. Notes the Treasury Management update as at July 2015 at Appendix E.
3. Continues the delegated authority up until the 22 October 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 July 2015 and 24 September 2015 Cabinet meetings, detailed at Appendix F.

- 4. Approves the addition of £428,709 DCLG grant funding to support those clients formerly in receipt of Independent Living Fund monies to Adult Social Care operating budgets from 2015/16 onwards.**
- 5. Approves the addition of £24,132 DCLG grant funding for new burdens in respect of personal search fees to Residents Services operating budgets in 2015/16.**
- 6. Approves the addition of £75k grant funding from Transport for London for the Transport Interchange and Public Realm programme within the Local Implementation Plan.**
- 7. Approves acceptance of £23,500 Planning Performance Agreement income in respect of the Former Technicolour Site, Bath Road, Bath Road Corporation Sarl/Blakes Hotels.**
- 8. Agrees to transfer of £50k funding from Capital Contingency to the Bowls Club refurbishment budget for works at Deane Park Bowls Club.**
- 9. Ratifies the decisions, outlined in Appendix G, taken by the Leader of the Council under specific delegated authority between the 23 July and 24 September 2015 Cabinet meetings, subject to Cabinet agreeing an amendment to:**
 - The decision taken on 1 September 2015 on the Deed of variation to rights of access in The Pavilions Shopping Centre, Uxbridge, where following the receipt of additional information, approval be given to progress the necessary variation to the basement rights, in addition to the ground floor rights already granted, delegating final authorisation of this matter to the Deputy Chief Executive and Corporate Director of Residents Services, in consultation with the Leader of the Council and Cabinet Member for Finance, Property and Business Services. Furthermore, requests the Chairman of the Executive Scrutiny Committee waives the call-in period to progress this matter expediently.**

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 2015.
2. Appendix E provides an update to Cabinet on Treasury Management performance during this financial year.
3. Recommendation 4 - The Independent Living Fund was abolished by central government with effect from 1 July 2015, which reduced financial support to 34 Hillingdon clients. The care needs of these clients have been reassessed and a sum of £428,709 allocated by DCLG to fund their care needs for the period from 1 July 2015 to 31 March 2016. As outlined within paragraph 113 of this report, this funding is insufficient to contain the full cost of this new burden, with an estimated shortfall of £184k in 2015/16.
4. Recommendation 5 - £24,132 of grant monies have been received from DCLG to defray the cost of repaying personal search fees in relation to Local Land Charges in the Tinklers case.

5. Recommendation 6 - Transport for London has awarded the Council a further £75k capital grant funding in closing of the 2014/15 TFL funding year in August 2015. This is to support public realm and bus shelter works being carried out at Hayes Town Centre.
6. Recommendation 7 - The gift funding from Bath Road Corporation Sarl/Blakes Hotels relates to processing of a planning application. The site already has planning permission for a hotel development on the site, however the applicants wish to make alterations to the previously approved scheme, prior to building the new hotel. This application is due to be submitted in September 2015, the applicants have agreed in principle to enter into a PPA and provide gift funding.

Given the tight time frame for the submission of this application in September 2015, Officers also consider it essential to have dedicated staff to process these applications.

7. Recommendation 8 - Deane Park Bowls Club will be provided with a car park comprising of 12 spaces and 2 disabled bays and also lighting is to be installed along the access road. The cost of these works are estimated at £50k and as the original Bowls Club Refurbishment budget of £700k is anticipated to be required for other sites it is proposed that £50k is transferred from the £1,500k Capital Contingency budget for 2015/16.
8. Recommendation 9 - Cabinet is asked to ratify a number of decisions taken by the Leader of the Council during the summer outlined in Appendix G. In relation to these, Members will note the decision taken by the Leader of the Council on 1 September 2015 in relation to the Pavilions, Uxbrige. Since that decision was made, the Council has become aware that the Deed of Variation approved should have also included a variation to the basement rights. Whilst the planning consent included the basement level, this matter had been progressed on the understanding that the Deed of Variation was required only for the ground floor level. As the Council is prepared to progress the variation required in order to facilitate the redevelopment of the Pavilions shopping centre, Cabinet authority is requested to amend the decision already taken to finalise this change in the Deed of Variation.

Alternative options considered

9. There are no other options proposed for consideration.

SUMMARY

REVENUE

10. An underspend on normal operating activities of £36k is projected at Month 4 for General Fund revenue budgets, with management action across all service areas expected to deliver underspends of £1,051k on Directorate Operating Budgets and £900k across Corporate Operating Budgets sufficient to contain £1,915k emergent pressures within contingency. This represents a net adverse movement of £9k from the position at Month 2, with £587k adverse movement on contingency items being off-set by improvement within operating budgets. A £450k exceptional item relating to the successful recovery of the majority of outstanding Icelandic Investment balances is declared at Month 4, bringing the overall underspend to £486k.
11. The 2015/16 revenue budget contains savings of £10,034k, including £127k items brought forward from 2014/15. At Month 4, £3,926k of savings are banked in full, and a further £4,145k on track for delivery in full. The remaining £1,963k is currently reported as 'amber' primarily due to the expected phasing of delivery rather than more fundamental delivery issues.
12. General Fund balances are projected to total £35,926k at 31 March 2016, after allowing for the release of £5,000k to smooth the impact of front-loaded government funding cuts. Current forecasts assume that £500k of as yet uncommitted General Contingency and £654k unallocated Priority Growth will be utilised in full during the current financial year.
13. With the exception of the Collection Fund, there are no material variances on other funds affecting the General Fund position. Within the Collection Fund, an adverse movement of £150k is reported from Month 2 on Business Rates due to exceptional appeal losses. This results in a potential pressure of £1,125k on Business Rates being off-set by a £2,563k surplus on Council Tax activities. The net £1,438k surplus would be available to support the Council's 2016/17 budget.

CAPITAL

14. As at Month 4 an underspend of £25,183k is reported on the £111,912k General Fund Capital Programme, with £1,071k cost pressures and £24,112k slippage on project expenditure. The forecast outturn over the life of the 2015/16 to 2019/20 programme is a £1,071k underspend, principally related to underspends on completed school expansion projects. The previously reported £4,329k pressure on the Northwood School replacement project is now assumed to be funded from released contingency funds as recommended elsewhere on this agenda.
15. General Fund capital receipts of £11,811k are forecast for 2015/16, with total receipts to 2019/20 expected to reach £62,409k, representing a favourable variance of £504k against budget. Slippage of £14,129k in capital receipts forecast for 2015/16 is reported, with this shortfall expected to be recovered from 2016/17.
16. Overall, Prudential Borrowing required to support the 2015/16 to 2019/20 capital programme is forecast to exceed budget by £728k, due to the £2,303k shortfall reported on 2015/16 Department for Education grant funding being partly off-set by the projected underspends noted above. This position will remain under review and any future revenue implications from the capital programme will be captured through the Medium Term Financial Forecast.

FURTHER INFORMATION

General Fund Revenue Budget

17. An underspend of £36k is reported on normal operating activities at Month 4. This position incorporates a £1,051k net underspend across Directorate Operating Budgets and an underspend of £900k across Corporate Operating Budgets, off-set by contingency pressures of £1,915k, primarily relating to Children's Social Care placements and Asylum services. In addition, a £450k favourable exceptional item is reported in relation to recovery of the majority of outstanding Icelandic Investments.
18. At this early stage in the financial year, the underspend of £1,051k reported across Directorate Operating Budgets contains a number of risk items which are outlined below and will continue to be closely tracked. A range of measures are in place to contain the contingency pressures noted, including accelerating implementation of savings proposals where possible. The principal movements from Month 2 are an adverse movement on contingency due to increased high cost Children's Social Care placements, and an improved outlook for outturns within Adult Social Care and Residents Services.
19. The Council's General Fund revenue budget contains £10,034k savings, with £8,071k already banked or on-track for delivery in full at this early stage of the year. The reported position on operating budgets reflects the status of these savings.

Table 1: General Fund Overview

Original Budget	Budget Changes	Service	Month 4		Variance (+ adv / - fav)		
			Revised Budget	Forecast Outturn	Variance (As at Month 4)	Variance (As at Month 2)	Movement from Month 2
£'000	£'000		£'000	£'000	£'000	£'000	£'000
186,213	1,180	Directorate Operating Budgets	187,393	186,341	(1,051)	(523)	(528)
8,795	(294)	Corporate Operating Budgets	8,501	7,601	(900)	(850)	(50)
12,340	(736)	Development & Risk Contingency	11,604	13,519	1,915	1,328	587
1,604	(150)	Priority Growth	1,454	1,454	0	0	0
208,952	(0)	Sub-total Normal Activities	208,952	208,915	(36)	(45)	9
		<u>Exceptional Items</u>					
0	0	Recovered Icelandic Investment	0	(450)	(450)	0	(450)
208,952	(0)	Total Net Expenditure	208,952	208,465	(486)	(45)	(441)
(203,952)	0	Budget Requirement	(203,952)	(203,952)	0	0	0
5,000	(0)	Net Total	5,000	4,513	(486)	(45)	(441)
(40,439)	0	Balances b/fwd	(40,439)	(40,439)			
(40,439)	0	Balances c/fwd 31 March 2015	(35,439)	(35,926)			

20. On 27 August the Council received a further payment in respect of outstanding Icelandic Investments, enabling release of £450k from the remaining impairment as 98% of the £15,000k invested with Heritable has now been recovered.

21. At 31 March 2015 General Fund Balances totalled £40,439k with the budgeted drawdown of £5,000k and the projected £486k surplus the forecast closing balance at 31 March 2016 is projected to total £35,926k. The Council's Medium Term Financial Forecast assumes that balances will remain between £20,000k and £30,000k to manage emergent risks, with sums above that level earmarked for use to smooth the impact of government funding cuts.

Directorate Operating Budgets (£1,051k underspend, £528k improvement)

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

Table 2: Directorate Operating Budgets

Original Budget	Budget Changes	Service	Month 4		Variance (+ adv / - fav)			
			Revised Budget	Forecast Outturn	Variance (As at Month 4)	Variance (As at Month 2)	Movement from Month 2	
£'000	£'000		£'000	£'000	£'000	£'000	£'000	
11,133	14	Admin.	Expenditure	11,148	10,972	(176)	(156)	(20)
(1,331)	107		Income	(1,224)	(1,172)	52	52	0
9,803	122		Sub-Total	9,924	9,800	(124)	(104)	(20)
16,867	(14)	Finance	Expenditure	16,853	16,791	(62)	(37)	(25)
(2,583)	0		Income	(2,583)	(2,583)	0	0	0
14,284	(14)		Sub-Total	14,270	14,208	(62)	(37)	(25)
111,955	(1,292)	Residents Services	Expenditure	110,663	109,795	(868)	(602)	(266)
(53,324)	(2)		Income	(53,326)	(53,251)	75	33	42
58,631	(1,294)		Sub-Total	57,337	56,544	(793)	(569)	(224)
33,407	1,646	Children & Young People's Service	Expenditure	35,053	37,980	2,927	3,383	(456)
(8,327)	(895)		Income	(9,222)	(11,994)	(2,772)	(3,144)	372
25,079	751		Sub-Total	25,830	25,986	156	239	(83)
105,739	3,178	Adult Social Care	Expenditure	108,917	109,290	374	408	(34)
(27,322)	(1,563)		Income	(28,885)	(29,487)	(602)	(460)	(142)
78,417	1,615		Sub-Total	80,032	79,803	(228)	(52)	(176)
186,213	1,180	Total Directorate Operating Budgets		187,393	186,341	(1,051)	(523)	(528)

23. A minor improvement of £20k is reported on Administration budgets following approval of revised staffing structures within HIP and Health & Safety teams, representing the part year effect of planned 2016/17 savings. The underlying variance is mainly due to elected members no longer being eligible for membership of the Local Government Pension Scheme. Shortfalls in projected income for a number of services continue to be managed within this position.

24. An underspend of £62k is reported within Finance due to a number of vacancies following implementation of a restructure within Operational Finance, an improvement of £25k on the position at Month 2, as posts remain vacant while recruitment continues.

25. An improvement of £224k is reported across Residents Services budgets, mainly driven by increased staffing underspends and mitigation of a potential pressure arising from abortive capital costs. The overall reported underspend of £793k includes £955k of salaries underspends, arising from higher levels of vacant posts during restructuring in a number of areas across the group.
26. An overspend of £156k is reported within Children and Young People's Services, primarily due to a reliance on more costly agency staff as the service transitions to a permanent structure. Within this position, £2,716k of the compensatory variances on income and expenditure is due to substantial investment in managed services to support this transition which is being managed from earmarked reserves. An improvement of £83k in the headline variance for the group is principally linked to revised projections for the timing of recruitment to vacant Early Intervention posts.
27. A net underspend of £228k is projected on Adult Social Care budgets, with a number of management actions in place to mitigate cost pressures on externally contracted Homecare provision and delays in delivery of Supported Living properties. There is an improvement of £176k from Month 2 due to temporary underspends on staffing within All Age Disabilities as the service recruits up to new structures, partially off-set by a shortfall in new burdens funding for care costs transferring to the Council following abolition of the Independent Living Fund on 1 July 2015.

Progress on Savings

28. The Council's 2015/16 General Fund revenue budget contains £10,034k savings, with £9,907k new items approved by Cabinet and Council in February 2015 and a further £127k brought forward from prior years.
29. At Month 4, £3,926k savings are already reported as banked, with a further £4,145k on track for delivery in full during the current financial year. At this early stage in the financial year £1,963k savings are being classed as Amber, primarily due to the expected phasing of delivery. No items are being reported as having serious risks of non-delivery at this stage.

Table 3: Savings Tracker

2015/16 General Fund Savings Programme	Admin. & Finance	Residents Services	Adult Social Care	Children & Young People's Services	Total Savings	
	£'000	£'000	£'000	£'000	£'000	%
B Banked	(327)	(2,924)	(640)	(35)	(3,926)	39.1%
G On track for delivery	(1,016)	(1,392)	(1,331)	(406)	(4,145)	41.3%
A Potential significant savings shortfall or a significant or risky project which is at an early stage;	(40)	(32)	(1,346)	(545)	(1,963)	19.6%
R Serious problems in the delivery of the saving	0	0	0	0	0	0.0%
Total 2015/16 Savings	(1,383)	(4,348)	(3,317)	(986)	(10,034)	100.0%

Corporate Operating Budgets (£900k underspend, £50k improvement)

30. Corporately managed expenditure includes revenue costs of the Council's Capital Programme, externally set levies and income arising from provision of support services to other funds and ring-fenced budgets. The majority of these items are relatively non-volatile and therefore limited movement in forecast outturn is expected.

31. Within Interest and Investment Income, on-going reviews of capital financing options and proactive management of the Council's loans and investments is expected to deliver an underspend of £850k in the current financial year. Lower than budgeted contributions across a number of levies have been confirmed, resulting in a projected £50k underspend on Levies & Other Corporate Budgets.

32. Housing Benefit activity, including payments to claimants and associated grant funding receivable from DWP, is now reported within Corporate Operating Budgets. The principal variable in this position is the Council's recovery of overpayments, where an increased risk is emerging following the DWP move to Real Time Information in assessing entitlements. This position is being closely monitored.

Table 4: Corporate Operating Budgets

Original Budget £'000	Budget Change £'000	Service	Month 4		Variance (+ adv / - fav)			
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 4) £'000	Variance (As at Month 2) £'000	Movement from Month 2 £'000	
0	0	Interest and Investment Income	Salaries	0	0	0	0	0
9,861	(46)		Non-Sal Exp	9,815	8,965	(850)	(850)	0
(691)	0		Income	(691)	(691)	0	0	0
9,170	(46)		Sub-Total	9,124	8,274	(850)	(850)	0
493	0	Levies and Other Corporate Budgets	Salaries	493	493	0	0	0
11,926	(248)		Non-Sal Exp	11,678	11,628	(50)	0	(50)
(12,235)	0		Income	(12,235)	(12,235)	0	0	0
185	(248)		Sub-Total	(64)	(114)	(50)	0	(50)
0	0	Housing Benefit Subsidy	Salaries	0	0	0	0	0
151,736	0		Non-Sal Exp	151,736	151,736	0	0	0
(152,296)	0		Income	(152,296)	(152,296)	0	0	0
(560)	0		Sub-Total	(560)	(560)	0	0	0
8,795	(294)	Total Corporate Operating Budgets		8,501	7,601	(900)	(850)	(50)

Development & Risk Contingency (£1,915k pressure, £587k adverse movement)

33. The Council has set aside £11,604k to manage volatile and uncertain elements of budgets within the Development & Risk Contingency, which included £10,604k in relation to specific risk items and £1,000k as General Contingency to manage unforeseen risk items. As expected with such volatile areas, a number of variances are reported, including significant growth in the cost of supporting Looked After Children.

Table 5: Development & Risk Contingency

Original Budget £'000	Budget Changes £'000	Service		Month 4		Variance (+ adv / - fav)		
				Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 4) £'000	Variance (As at Month 2) £'000	Movement from Month 2 £'000
400	0	Fin.	Uninsured Claims	400	300	(100)	0	(100)
236	0	Residents Services	Carbon Reduction Commitment	236	236	0	0	0
1,836	0		Impact of welfare reform on homelessness	1,836	1,836	0	0	0
2,211	0		Waste Disposal Levy (Demand-led Tonnage Increases)	2,211	2,171	(40)	(40)	0
1,272	0	Children and Young People	Asylum Funding Shortfall	1,272	2,212	940	940	0
465	0		Social Care Pressures (Children's)	465	2,486	2,021	1,328	693
(117)	0		Early Support Cost Avoidance	(117)	(117)	0	0	0
1,298	0		Potential Shortfall in Social Care & Health Integration Funding	1,298	1,298	0	0	0
380	0	Adult Social Care	Increase in Transitional Children due to Demographic Changes	380	380	0	0	0
393	0		Winterborne View	393	187	(206)	0	(206)
520	0		SEN Transport	520	320	(200)	(400)	200
129	0		Social Care Pressures (Adult)	129	129	0	0	0
250	0	Corp. Items	Pump Priming for BID Savings	250	250	0	0	0
2,067	(736)		Care Act New Burdens	1,331	1,331	0	0	0
1,000	0		General Contingency	1,000	500	(500)	(500)	0
12,340	(736)	Total Development & Risk Contingency		11,604	13,519	1,915	1,328	587

34. A combination of reduced numbers of insurance claims against the Council and success in challenging a number of higher value claims are projected to result in a £100k underspend against the £400k element of the overall £759k provision for payments held within Development & Risk Contingency.

35. Although no movement from Month 2 on the homelessness contingency is reported, demand and overall numbers of households in temporary accommodation continue to rise, with the number in Bed & Breakfast accommodation reaching 199 in July and 224 in August 2015.

36. The previously reported pressure on Asylum remains, with the cut in Home Office funding and change in the age profile of clients towards over 18s resulting in a gross pressure of £1,445k against the £1,272k budgeted contingency sum. Management actions being put into place are expected to reduce this pressure to £940k during 2015/16.

37. An increase in the number of high cost Children's Social Care placements since Month 2 has resulted in an adverse movement of £693k on previous projections. These placements are driven by safeguarding risks and a number of clients with more complex care needs. The overall pressure of £2,021k continues to be driven by reduced capacity for fostering as Staying Put legislation sees current clients remaining in placements for longer and increased use of Special Guardianship Orders over adoptions in response to court rulings. Adverse movement from Month 2 includes £311k of new high cost placements for children with exceptional needs.
38. The latest intelligence on timescales for Winterbourne View clients transferring to the Council suggests six clients previously assumed to be transferring in 2015/16 will now not transfer until 2016/17. This delay is expected to reduce the call on contingency by £206k.
39. The review of transport provision within Adult Social Care is expected to lead to a cost reduction of £200k during 2015/16, rather than the £400k initially outlined at Month 2. This represents the early delivery of an element of the £1,040k reduction in transport costs reflected in the latest draft budget.
40. The 2015/16 budget included £1,000k of General Contingency to manage unforeseen cost pressures over and above those specific items included in Development and Risk Contingency. In line with Month 2 assumptions, it is projected that only £500k of this sum will be required, reflecting the outturn position in recent years.

Priority Growth

41. The 2015/16 General Fund revenue budget approved by Cabinet and Council in February 2015 set aside £804k of unallocated Priority Growth, in addition to £800k of specific growth monies to support HIP Initiatives. To date £150k has been allocated from Unallocated Priority Growth, to support an increase in support for the First Time Buyer's Initiative. It is expected that Unallocated Growth monies will be applied in full during 2015/16 and not be released into General Balances.
42. The original HIP Initiatives Budget has been supplemented by £430k of uncommitted funds brought forward from 2014/15, providing a balance of £1,230k for investment in the current year. To date approved projects total £56k, leaving £1,174k available for new initiatives.

Table 6: Priority Growth

Original Budget £'000	Budget Changes £'000	Priority Growth	Revised Budget £'000	Month 4 Approved Allocations £'000	Unallocated Balance £'000
800	430	HIP Initiatives Budgets	1,230	56	(1,174)
0	(430)	B/fwd Funds	(430)	(430)	0
804	(150)	Unallocated Priority Growth	654	0	(654)
1,604	(150)	Total Priority Growth	1,454	(374)	(1,828)

Schools Budget, Parking Revenue Account and Collection Fund

43. The latest forecasts on other funds indicate favourable positions at year end and therefore will not adversely impact upon the General Fund.
44. A headline pressure of £2,417k is reported on the Schools Budget, representing an adverse movement of £257k on the Month 2 position which is attributed to the increased cost of SEN placements. A pressure of £351k on such placements is reported at Month 4, with the balance of the £2,417k due to release of prior year surplus funds to schools. The elements of the schools budget managed by the Council are forecast to breakeven at Month 4.
45. A surplus of £120k is forecast on the Parking Revenue Account at Month 4, a £39k improvement on the position at Month 2. This reflects increased income seen since late 2014/15 and significant reductions in expenditure. Given the volatile nature of enforcement and on-street parking income streams, this position will continue to be closely monitored.
46. A £150k adverse movement is reported on the Collection Fund, with an estimated surplus of £1,438k arising from a £2,563k surplus on Council Tax and a £1,125k deficit on Business Rates. The deficit position on Business Rates relates to continuing delays in new properties being brought onto the rating list by the Valuation Office Agency. The adverse movement of £150k on the previously reported position is due to two exceptional backdated appeal losses during July. Any surplus or deficit will be released to the General Fund from 2016/17 and reflected in the Council's MTF.

Housing Revenue Account

47. An in-year surplus of £132k is forecast on the Housing Revenue Account at Month 4, with a £352k loss of income due to increased Right to Buy sales since the budget was set in February 2015 being off-set by vacancies across HRA funded services. Unallocated General Balances within the HRA are therefore projected to increase to £32,047k as a result of the £132k surplus and £1,663k planned contribution to balances. The current forecast reflects work underway to secure the £2,448k of savings included in the 2015/16 budget, which are reported on track for delivery in full.
48. Within the HRA capital programme, slippage of £13,881k is reported at Month 4 which includes £3,279k on works to stock activity and £10,602k on new build activity. Slippage on new build projects arises from works unlikely to commence during 2015/16.
49. As at Month 4, 52 properties have been sold under Right to Buy arrangements with a total of 200 sales forecast for 2015/16. This represents an increase of 60 properties from the position declared at Month 2. At 30 June 2015, £29,584k income has been generated through sales since January 2014, with the initial tranche of receipts repayable to DCLG in March 2016 if not utilised.

Future Revenue Implications of Capital Programme

50. Appendix D to this report outlines the forecast outturn on the 2015/16 to 2019/20 capital programme, which highlights deferral of capital receipts and loss of grant income expected to allow a £5,564k reduction in forecast borrowing in 2015/16. By 2019/20, shortfalls in grants for school place provision, partially mitigated through underspends on relevant projects, are expected to require an additional £728k of borrowing. The scope

to manage the on-going financing costs of this level of additional borrowing within existing capital financing provision through proactive treasury management will remain under review and be reflected in the Council's MTFF as appropriate.

Appendix A – Detailed Group Forecasts (General Fund)

ADMINISTRATION (£124k underspend, £20k improvement)

51. The Administration Group is showing an underspend of £124k at Month 4, an improvement of £20k on the reported position at month 2. This is due to the approval of business cases for the HIP and Health and Safety teams, resulting in the expected early delivery of 2016/17 MTF savings proposals. The remaining underspend is largely due to reduced expenditure on Members Allowance budgets as Members are no longer part of the Local Government Pension Scheme.

Table 7: Administration Operating Budgets

Original Budget £'000	Budget Changes £'000	Service		Month 4		Variance (+ adv / - fav)		
				Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 4) £'000	Variance (As at Month 2) £'000	Movement from Month 2 £'000
1,461	0	Democr. Services	Salaries	1,461	1,461	0	0	0
1,841	(40)		Non-Sal Exp	1,801	1,661	(140)	(140)	0
(658)	40		Income	(618)	(576)	42	42	0
2,645	0		Sub-Total	2,645	2,547	(98)	(98)	0
2,319	80	Human Resources	Salaries	2,399	2,371	(28)	(13)	(15)
626	(30)		Non-Sal Exp	596	594	(2)	(2)	0
(286)	38		Income	(248)	(233)	15	15	0
2,659	88		Sub-Total	2,747	2,732	(15)	0	(15)
1,955	34	Legal Services	Salaries	1,989	1,989	0	0	0
111	0		Non-Sal Exp	111	105	(6)	(6)	0
(341)	0		Income	(341)	(341)	0	0	0
1,725	34		Sub-Total	1,759	1,753	(6)	(6)	0
592	0	Policy & Partnerships	Salaries	592	604	12	17	(5)
2,228	0		Non-Sal Exp	2,228	2,216	(12)	(12)	0
(46)	0		Income	(46)	(51)	(5)	(5)	0
2,774	0		Sub-Total	2,774	2,769	(5)	0	(5)
6,327	114	Admin. Directorate	Salaries	6,441	6,425	(16)	4	(20)
4,806	(70)		Non-Sal Exp	4,736	4,576	(160)	(160)	0
(1,331)	78		Income	(1,253)	(1,201)	52	52	0
9,803	122		Total	9,924	9,800	(124)	(104)	(20)

FINANCE (£62k underspend, £25k improvement)

52. The Finance Group is showing an underspend of £62k at Month 4, an improvement of £25k on the Month 2 position, as a result of vacant posts in the Operational Finance service following the restructure of the Assistant Finance Business Partner tier. Recruitment is underway to fill these vacant posts, with interviews planned for mid September.

Table 8: Finance Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 4		Variance (+ adv / - fav)			
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 4) £'000	Variance (As at Month 2) £'000	Movement from Month 2 £'000	
487	0	Internal Audit	Salaries	487	487	0	0	0
56	0		Non-Sal Exp	56	56	0	0	0
0	0		Income	0	0	0	0	0
543	0		Sub-Total	543	543	0	0	0
2,185	(150)	Procurement	Salaries	2,035	2,035	0	0	0
121	0		Non-Sal Exp	121	121	0	0	0
(2)	0		Income	(2)	(2)	0	0	0
2,304	(150)		Sub-Total	2,153	2,153	0	0	0
3,360	(30)	Operation. Finance	Salaries	3,330	3,268	(62)	(37)	(25)
679	0		Non-Sal Exp	679	679	0	0	0
(159)	0		Income	(159)	(159)	0	0	0
3,880	(30)		Sub-Total	3,850	3,788	(62)	(37)	(25)
3,868	12	Revenues & Benefits	Salaries	3,880	3,880	0	0	0
2,285	0		Non-Sal Exp	2,285	2,285	0	0	0
(2,166)	0		Income	(2,166)	(2,166)	0	0	0
3,986	12		Sub-Total	3,998	3,998	0	0	0
1,300	154	Strategic Finance	Salaries	1,454	1,454	0	0	0
2,526	0		Non-Sal Exp	2,526	2,526	0	0	0
(256)	0		Income	(256)	(256)	0	0	0
3,571	154		Sub-Total	3,725	3,725	0	0	0
11,199	(14)	Finance Directorate	Salaries	11,185	11,123	(62)	(37)	(25)
5,668	0		Non-Sal Exp	5,668	5,668	0	0	0
(2,583)	0		Income	(2,583)	(2,583)	0	0	0
14,284	(14)		Total	14,270	14,208	(62)	(37)	(25)

53. A year end drawdown from the Insurance contingency of £300k is projected at month 4, a reduction of £100k on the expected drawdown at month 2. The contingency of £400k provided for Insurance was fully utilised in 2014/15, as costs exceeded the available base budget of £359k. Payments of £824k were made in 2014/15, which was significantly lower than in previous years, of which £65k was funded by a release from the Insurance Provision. There were various reasons for this including; the introduction of the Insurance portal has imposed financial restrictions on claim values and has reduced the impact of 'no win no fee' claims, a mild winter lessened the seasonal impact from road claims in addition to the extensive resurfacing work undertaken, and processes in the Council are more robust in order to defend claims. The payments this

year are projected to further drop and at this time claim payments are estimated to be in the region of £660k.

54. In addition to the improvement in the claim payments position, there has also been a slight reduction in the projected Insurance provision required to be held to cover the Council's liability for open Insurance claims, which further supports the reduction in the draw upon contingency. The provision held at the end of 2014/15, was significantly lower than in previous years as a result of robust challenging of claims by the Insurance team and successful mitigation of a variety of high value claims, which has continued into this year.

55. As such, it is expected that the full contingency will not be required this year and the underspend of £100k has been factored into this month's contingency monitoring position. This will continue to be monitored throughout the year, however any seasonal or exceptional claims could be funded through the General Insurance reserve.

Table 9: Development & Risk Contingency

Original Budget £'000	Budget Changes £'000	Development & Risk Contingency	Month 4		Variance (+ adv / - fav)		
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 4) £'000	Variance (As at Month 2) £'000	Movement from Month 2 £'000
400	0	Uninsured Claims	400	300	(100)	0	(100)
400	0	Current Commitments	400	300	(100)	0	(100)

RESIDENTS SERVICES GENERAL FUND (£793k underspend, £263k improvement)

56. Residents Services directorate is showing a projected underspend of £793k at Month 4, excluding pressure areas that have identified contingency provisions.

Table 10: Group Operating Budgets

Original Budget	Budget Changes	Service	Month 4		Variance (+ adv / - fav)			
			Revised Budget	Forecast Outturn	Variance (As at Month 4)	Variance (As at Month 2)	Movement from Month 2	
£'000	£'000		£'000	£'000	£'000	£'000	£'000	
13,368	0	Deputy Director Residents Services	Salaries	13,368	13,368	0	0	0
21,204	(26)		Non-Sal Exp	21,178	21,142	(36)	0	(36)
(10,051)	0		Income	(10,051)	(9,938)	113	0	113
24,521	(26)		Sub-Total	24,495	24,572	77	0	77
1,844	(90)	Development and Assets	Salaries	1,754	1,754	(0)	0	0
7,575	0		Non-Sal Exp	7,575	8,110	536	640	(105)
(2,397)	5		Income	(2,393)	(2,393)	(0)	0	0
7,021	(85)		Sub-Total	6,936	7,471	535	640	(105)
803	0	Estates and Tenancy Management	Salaries	803	803	0	0	0
1,254	9		Non-Sal Exp	1,264	1,263	0	0	0
(3,414)	0		Income	(3,414)	(3,255)	159	159	0
(1,357)	9		Sub-Total	(1,348)	(1,189)	159	159	0
5,050	0	Policy, Highways and Community Engagement	Salaries	5,050	4,974	(76)	(84)	8
6,004	(1)		Non-Sal Exp	6,002	5,977	(25)	(25)	0
(12,572)	0		Income	(12,572)	(12,779)	(207)	(207)	0
(1,519)	(1)		Sub-Total	(1,520)	(1,828)	(308)	(316)	8
4,135	0	Planning and Enforcement	Salaries	4,135	4,027	(108)	(86)	(22)
1,626	320		Non-Sal Exp	1,946	1,926	(20)	(20)	0
(2,972)	(320)		Income	(3,292)	(3,572)	(280)	(220)	(60)
2,789	0		Sub-Total	2,789	2,381	(408)	(326)	(82)
12,777	(216)	Green Spaces & Culture	Salaries	12,561	12,372	(190)	(168)	(22)
9,229	(379)		Non-Sal Exp	8,849	8,567	(282)	(282)	(0)
(9,819)	53		Income	(9,767)	(9,767)	(0)	0	(0)
12,186	(542)		Sub-Total	11,644	11,172	(472)	(450)	(22)
7,916	24	Communication, ICT and Customer Development	Salaries	7,940	7,784	(156)	(156)	0
4,241	200		Non-Sal Exp	4,441	4,444	3	0	3
(2,767)	0		Income	(2,767)	(2,767)	0	0	0
9,390	224		Sub-Total	9,614	9,461	(153)	(156)	3
5,279	52	Business and Technical Support	Salaries	5,331	4,953	(377)	(330)	(47)
879	(2)		Non-Sal Exp	878	840	(38)	(38)	0
(3,772)	0		Income	(3,772)	(3,482)	290	290	0
2,386	50		Sub-Total	2,436	2,311	(125)	(78)	(47)
3,537	(1,141)	Policy and Standards - Education, Housing and Public Health	Salaries	2,395	2,297	(98)	(34)	(64)
5,236	(43)		Non-Sal Exp	5,194	5,194	0	18	(18)
(5,559)	261		Income	(5,298)	(5,298)	0	13	(13)
3,214	(923)		Sub-Total	2,291	2,193	(98)	(3)	(95)
54,707	(1,371)	Residents Services	Salaries	53,337	52,332	(1,005)	(858)	(147)
57,248	79		Non-Sal Exp	57,327	57,463	136	293	(156)
(53,324)	(2)		Income	(53,326)	(53,251)	75	35	40
58,631	(1,294)		Sub-Total	57,337	56,544	(793)	(530)	(263)

57. The overall variance is a result of staffing underspends across the group and favourable income projections in highways and planning, offset mainly by pressure on

maintenance budgets in development & assets as well as parking income shortfalls at Cedars and Grainges car parks.

58. The Council's 2014/15 contingency budget contains provision for areas of expenditure or income within Residents Services for which there is a greater degree of uncertainty. The position against these contingency items is shown in Table 11 below. At Month 4 projected calls on contingency are £68k above provision. The table below shows the breakdown for each contingency item.

Table 11: Development and Risk Contingency

Original Budget £'000	Budget Changes £'000	Development & Risk Contingency	Month 4		Variance (+ adv / - fav)		
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 4) £'000	Variance (As at Month 2) £'000	Movement from Month 2 £'000
236	0	Carbon Reduction Commitment	236	236	0	0	0
1,836	0	Impact of welfare reform on homelessness (Current)	1,836	1,836	0	0	0
2,211	0	Waste Disposal Levy (Demand-led Tonnage Increases)	2,211	2,171	(40)	(40)	0
4,283	0	Current Commitments	4,283	4,243	(40)	(40)	0

59. The last quarter of 2014/15 and the first four months of 2015/16 have seen an increase in the numbers of temporary accommodation requirements above the original MTFF forecast. Within this increase, a higher proportion are in high cost Bed & Breakfast placements. Temporary Accommodation and housing advice data for the period June to August are shown below. B&B numbers have steadily risen since mid July, with the August figure at 224.

Table 3: Housing Needs performance data

	2015		
	June	July	August
Homeless Threat, Priority Need & Eligible	96	122	92
Presenting As Homeless	40	69	69
Duty Accepted	23	22	28
Households in Temporary Accommodation	576	585	604
Households in B&B	182	199	224

60. Increases in homelessness caseloads present a rising level of risk within the service, with the most recent data showing 114 cases awaiting a decision and a total of 328 prevention cases ongoing. Despite these continuing challenges to the service, the risk is expected to be contained within the current provision of £1,836k. It is anticipated this can be achieved through a combination of activities.

61. These will include lower than projected spend on Finders' Fee, Find Your Own and other schemes based on current trends, vacancy management, better than expected performance on voids & arrears and use of short-life properties. However, a sustainment of current level of B&B numbers is likely to also require drawdown of earmarked reserves in order to maintain this position.
62. Key variables in terms of keeping high cost Bed & Breakfast type accommodation to a minimum are the prevention rate and the supply of properties.
63. The increasing pressure on supply and private sector rents means that the level of incentives payable to secure both prevention and Temporary Accommodation properties continues to increase, and is significantly higher than the cost of previous schemes. However, they remain significantly lower in cost than current Bed and Breakfast provision. The chief constraint continues to be the supply and availability of properties given the increasing difference between HB subsidy levels and market rents.
64. A contingency of £2,211k has been set aside to fund estimated increases in waste tonnages via the levy and the move to a new compliant rubble and hardcore contract. In June 2015, the council commenced a new dry recycling contract, which is returning a variable net cost per tonne of recyclate collected, as opposed to producing a small income stream in 2014/15, following a change in market conditions.
65. At this early stage in the financial year it is projected that there will be a £40k favourable variance against the contingency. This is based on the latest Q1 tonnage figures from West London Waste.
66. The contingency for the Carbon Reduction Commitment is for the estimated costs to purchase carbon allowances.

Deputy Director Residents Services (£77k overspend, £77k adverse)

67. There is a reduced projection in Imported Food sampling income based on receipts to end of July of £113k. This income stream is experiencing some volatility following the cessation of green bean testing from 1st July 2015. There is, however, the potential of new sampling income streams (green chillies) coming online later in the year, subject to the required European Directive. Analyst fees are projected to be lower as a consequence of the cessation of green beans testing (£36k favourable).
68. Following the cessation of the short-term grant funding from the DCLG in support of weekly recycling and food waste collections, it is forecast that the Council will be required to start to draw from reserves during 2015/16 for this activity. The council has built up an earmarked reserve from the initial funding tranches which it is anticipated will be sufficient to fund the cost of continuing to run the service over the next two financial years.

Development and Assets (£535k overspend, £105k improvement)

69. The potential pressure of £105k from abortive fees in corporate construction flagged at Month 2 has been ascertained as capital costs, resulting in a favourable movement in the revenue position.
70. There is a forecast pressure of £395k due to a high level of reactive maintenance works based on previous years' expenditure, relating to works at the civic centre and borough

wide. There is ongoing work on existing contracts, to enable this pressure to be managed down and ensure only essential works are undertaken.

71. A number of one-off rectification works at the civic centre have been identified following compliance testing. After allowing for capital items this is currently forecast at £140k.

Estates and Tenancy Management (£159k overspend, no movement)

72. At Month 4 there is a projected income pressure of £159k on garages income.
73. The 2015-16 MTFF allocated a savings target of £441k to the garage service. At this early stage of the financial year, the service is projecting a pressure of £159k, owing to a slow take up of new rentals and a higher than expected attrition rate from existing leaseholders.

Policy, Highways & Community Engagement (£308k underspend, £8k adverse)

74. At Month 4, the service is reporting a staffing underspend of £76k (£8k adverse), and an underspend of £25k (no change) from various non-staffing budgets across the service area.
75. Income projections across the service continue to exceed budget by £207k (no change) from crossovers and various other income streams.

Planning and Enforcement (£408k underspend, £82k improvement)

76. There are staffing underspends across the service of £108k (£22k favourable), primarily in planning enforcement.
77. There is a projected net overachievement of Development Control income of £280k (£60k favourable), which assumes a continuation of exceeding the budgeted income experienced in 2014/15.

Green Spaces, Sport & Culture (£472k underspend, £22k improvement)

78. The revised salary underspend for Month 4 is £190k (£22k favourable) relating to restructures not yet implemented.
79. There are further underspends across non-staffing budgets and the key items relate to low early indications of spend in Adult Learning on utilities and other supplies plus underspends identified within Green Spaces.

Communications, ICT and Customer Development (£153k underspend, £3k adverse)

80. The service is reporting a salary underspend of £156k at Month 4. There is a minor adverse movement of £3k relating to an increase in telephone costs also relating to the contact centre.

Business and Technical Support (£125k underspend, £47k improvement)

81. 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 £290k, (no change).

Refurbishment of the Cedars/Grainges car parks is expected to commence in the autumn and be completed in advance of the busy Christmas period.

82. There is a projected underspend of £377k (£47k favourable) relating to vacant posts across the service that are not expected to be filled this year. The projection will be revised once restructures are completed.
83. There is a projected underspend on non-staffing costs of £38k that are not expected to be required further to the vacant posts discussed above.

Policy and Standards - Education, Housing and Public Health (£98k underspend, £95k improvement)

84. The service is forecasting an underspend of £98k (£64k improvement), relating to staffing restructures that are not yet implemented.
85. There is an improvement of £31k on the month 2 projections in non-staffing spend and income. This is primarily due to a review of contracts for the School Improvement Service and Governor Support Service.

CHILDREN & YOUNG PEOPLE'S SERVICES (£156k overspend, £83k improvement)

Overview of Directorate position

86. The Children and Young People's Service is projecting an overspend of £156k as at Month 4, an improvement of £83k on the Month 2 projections, due to a further increase in the projected underspend on staffing in the Early Intervention Service whilst permanent recruitment is being undertaken.
87. The Month 4 position is reflecting an underspend of £135k on salaries, an improvement of £378k on the Month 2 projections, due to a more accurate assessment being made on agency appointments and a delay in the recruitment of staff to the Key Worker Service.
88. Senior management are continuing to ensure that agency staff are appointed only where there is a defined need, which has enabled the service to stabilise agency staff turnover to a point where most agency staff have now been employed for more than 42 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 (the actual cost of this approach results in an above budget expenditure of £1,786k, where £1,298k will be funded from the Risk Contingency and £400k will be funded from the Social Care Initiative Fund). It should also be noted that 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.
89. The service also continues to need a high level of sessional staff to support children's contact as instructed by the courts, although steps have been taken to manage these cost more effectively, which has resulted in a reduction of £81k on last years' outturn position.
90. There is an overspend of £3,063k on non-staffing budgets, an improvement of £78k on the Month 2 projections. The majority of this overspend relates to the cost of procuring three managed services to support the service through the restructure transition stage and includes the Duty Team (managed by Skylakes, at a projected annual cost of £2,472k) and additional resources to support the implementation of new ways of working in the Fostering and Adoption service (Coram and HCL, at an estimated cost of £54k and £190k respectively). The remainder of the overspend relates to the cost of allowances that are paid to looked after children and the cost of Section 17 support for children where the family has been made homeless or have No Recourse to Public Funds (where the current projected overspend is £157k).
91. There is a projected surplus of £2,772k on income, an adverse movement of £372k on the Month 2 projections. The majority of the income (£2,716k) relates to a planned transfer of earmarked reserves to fund the costs of the procured managed services mentioned above.
92. The projected variances at Month 4 are summarised in the following table, with more detail provided in the paragraphs below:

Table 13: Group Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 4		Variance (+ adv / - fav)			
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 4) £'000	Variance (As at Month 2) £'000	Movement from Month 2 £'000	
1,038	130	Safeguarding Children	Salaries	1,167	1,176	9	75	(66)
1,579	20		Non-Sal Exp	1,599	1,757	159	160	(2)
(150)	(13)		Income	(163)	(162)	1	(75)	76
2,467	137		Sub-Total	2,603	2,771	168	160	8
3,545	(8)	Early Intervention Services	Salaries	3,537	3,314	(223)	(77)	(146)
3,631	485		Non-Sal Exp	4,117	3,961	(156)	(133)	(23)
(707)	(211)		Income	(918)	(1,016)	(99)	(134)	36
6,469	267		Sub-Total	6,736	6,259	(477)	(344)	(133)
2,091	801	Looked After Children	Salaries	2,891	2,924	33	(13)	46
744	(48)		Non-Sal Exp	696	3,193	2,498	2,384	114
(294)	170		Income	(123)	(2,595)	(2,472)	(2,301)	(171)
2,541	923		Sub-Total	3,463	3,522	59	70	(11)
8,352	(847)	Children's Resources	Salaries	7,505	7,551	46	257	(211)
12,428	1,114		Non-Sal Exp	13,542	14,104	562	730	(168)
(7,177)	(842)		Income	(8,019)	(8,221)	(202)	(634)	432
13,603	(575)		Sub-Total	13,028	13,434	406	353	53
15,025	75	Children's and Young Persons Directorate	Salaries	15,100	14,965	(135)	242	(377)
18,382	1,571		Non-Sal Exp	19,952	23,015	3,063	3,141	(78)
(8,327)	(895)		Income	(9,222)	(11,994)	(2,772)	(3,144)	372
25,079	751		Total	25,830	25,986	156	239	(83)

Safeguarding Children: (£168k overspend, £8k adverse)

93. The service is reporting an overspend of £168k, an adverse movement of £8k on the Month 2 position. The service pressure relates to an overspend of £9k on staff due to a number of agency staff covering vacant posts and an overspend of £159k on non staffing which relates to an increase in Child Protection, LSCB and Family Conference delivery costs. A realignment of budgets has been actioned, which reflects some of the changes identified between the months on salaries and income.

Early Intervention Services: (£477k underspend, £133k improvement)

94. The service is reporting an underspend of £477k, an improvement of £133k on the Month 2 position, due to a delay in the permanent recruitment of staff across the service. The service underspend reported relates to an underspend of £223k on salaries, which is due to a relatively high number of vacant posts that exist in the new structure, which need to be recruited to, reflecting the impact of implementing the new structures, an underspend of £156k on non staffing costs, which relates to the cessation of the CfBT (young people's support, information, advice and guidance (YSIAG) services) contract and a surplus of £99k on income, which primarily relates to the receipt of additional grant funding.

Looked After Children: (£59k overspend, £11k improvement)

95. The service is reporting an overspend of £59k, an improvement of £11k on the Month 2 projections. The overspend reported, relates to a £33k overspend on staffing costs due to the cost of agency staff, an overspend of £2,498k on non staffing costs, which primarily relates to the cost of the Skylakes managed service and a surplus of £2,472k on income to reflect a proposed use of earmarked reserves to fund the Skylakes managed service.

Children's Resources: (£406k overspend, £53k adverse movement)

96. The service is reporting an overspend of £406k, an adverse movement of £53k on the Month 2 projections, due to an increase in the costs of Section 17 allowances. The overspend reported relates to an overspend of £46k on staffing due to a high level of agency staff being employed prior to instigating a major staff recruitment campaign. There is an overspend of £562k on non staffing costs, due primarily to the cost of allowances, including Section 17 payments, netted down by additional income of £202k, which primarily relates to a proposed use of earmarked reserves to fund the Coram and HCL managed service contract.

Overview of Development & Risk Contingency Items

Table 14: Development & Risk Contingency

Original Budget	Budget Changes	Development & Risk Contingency	Month 4		Variance (+ adv / - fav)		
			Revised Budget	Forecast Outturn	Variance (As at Month 4)	Variance (As at Month 2)	Movement from Month 2
£'000	£'000		£'000	£'000	£'000	£'000	£'000
1,272	0	Asylum Funding Shortfall	1,272	2,212	940	940	0
465	0	Social Care Pressures (Children's)	465	2,486	2,021	1,328	693
(117)	0	Early Support Cost Avoidance	(117)	(117)	0	0	0
1,298	0	Potential Shortfall in Social Care & Health Integration Funding	1,298	1,298	0	0	0
2,918	0	Current Commitments	2,918	5,879	2,961	2,268	693

97. The Development and Risk Contingency is projecting an overspend of £2,961k, an adverse movement of £693k on the Month 2 position.

Asylum Service: (£940k overspend, no movement)

98. This service is projecting a drawdown of £2,212k from the Development and Risk Contingency, £940k above the budget, no change on the Month 2 position. The overspend reported relates to a reduction in the Home Office Grant which was notified in March 2015 and a reduction in the grant funding received which relates to the change in the age profile of Asylum Seeking children as the growth in the over 18 population is projected to increase at a higher rate than the number of new Asylum Seekers below 18, where the grant is significantly higher (£114 per day for eligible under 16's and £91 per day for eligible 16 to 17 year olds, compared to £150 per week for eligible 18+).

99. A recent notification from other Local Authorities indicates that they are experiencing growth in this provision, especially those with Sea Ports. This does not as yet appear to be the case in Hillingdon, where the numbers are constant, although indicating a growing over 18 population compared to the under 18 population.

Social Care Pressures (Children's Demographics): (£2,021k overspend, £693k adverse movement)

100. The service is projecting a drawdown of £2,486k from the Development and Risk Contingency, £2,021k above the budget and an adverse movement of £693k on the Month 2 position, due to an increase in the number of high cost placements, including residential placements that have been made to support children with complex needs and those where there is an identified safeguarding risk.

101. Over the last year, there have been a number of changes across this part of the service, including the extension of the Staying Put legislation, which increases the age range for children up from 18 to 21 to stay in their current foster care placement, a significant move towards the issuing of Special Guardianship Orders and a court ruling requiring connected persons to be paid an allowance equivalent to an In House Foster Carer. All of these changes have increased the cost of placements. They also remove a potential In House Foster Carer from the system as in most cases the new arrangements restricts them from looking after new children.

Early Support Cost Avoidance: (Nil variance, no movement)

102. The service is projecting that it will be able to deliver a saving of £117k identified within the Development and Risk Contingency, through a review of the resources required to deliver the new Early Support and Intervention services.

Social Care and Health Funding Contingency: (Nil variance, no movement)

103. The service is projecting a drawdown of £1,298k from the Development and Risk Contingency, in line with the budget. This relates to the additional cost of appointing agency staff, whilst the service implements a major recruitment campaign.

ADULT SOCIAL CARE (£228k underspend, £176k improvement)

104. At Month 4 Adult Social Care is forecasting an underspend of £228k. Whilst there are forecasts of underspends on salaries and over recovery of income, there remain a number of pressures on non salary expenditure which the service continues to mitigate through robustly managing the overall expenditure and income within the base budgets. Within All-Age Disabilities, the in year savings anticipated from the delivery of the Supported Living Programme have slipped through delays in the opening of schemes. Within Social Work, pressures remain within the home care market as the block contract providers continue to experience difficulties in delivering additional hours leading to more use of spot purchases. Within Early Intervention and Prevention, there are pressures from the slippage in the timetable for the delivery of new models for Learning Disabilities and cost pressures arising from the new agency staff contract.

Table 17: Adult Social Care Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 4		Variance (+ adv / - fav)			
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 4) £'000	Variance (As at Month 2) £'000	Movement from Month 2 £'000	
5,402	2,499	All-Age Disabilities	Salaries	7,900	7,416	(484)	(100)	(384)
44,007	339		Non-Sal Exp	44,347	45,769	1,422	481	941
(6,852)	(1,563)		Income	(8,415)	(9,101)	(686)	(418)	(268)
42,557	1,275		Sub-Total	43,832	44,084	252	(37)	289
4,294	7	Social Work	Salaries	4,301	4,046	(254)	(23)	(231)
29,110	(7)		Non-Sal Exp	29,103	29,196	93	5	88
(8,267)	0		Income	(8,267)	(8,377)	(110)	(57)	(54)
25,138	(0)		Sub-Total	25,138	24,866	(272)	(74)	(197)
9,018	(47)	Early Intervention & Prevention	Salaries	8,971	9,082	110	203	(93)
3,370	(130)		Non-Sal Exp	3,240	3,137	(102)	(146)	44
(11,826)	0		Income	(11,826)	(11,753)	73	24	49
562	(176)		Sub-Total	386	466	80	80	(0)
2,185	206	Safeguarding, Quality & Partnerships	Salaries	2,391	2,364	(27)	2	(29)
7,165	28		Non-Sal Exp	7,193	6,928	(265)	(17)	(248)
(378)	0		Income	(378)	(257)	121	0	121
8,972	234		Sub-Total	9,206	9,035	(171)	(15)	(156)
294	122	Directorate & Support Services	Salaries	416	366	(50)	(1)	(49)
894	161		Non-Sal Exp	1,054	985	(69)	4	(73)
0	0		Income	0	0	0	(9)	9
1,188	282		Sub-Total	1,470	1,351	(119)	(6)	(113)
21,193	2,787	Adult Social Care Directorate Total	Salaries	23,979	23,274	(704)	81	(785)
84,546	391		Non-Sal Exp	84,938	86,016	1,078	327	751
(27,322)	(1,563)		Income	(28,885)	(29,487)	(602)	(460)	(142)
78,417	1,615		Total	80,032	79,803	(228)	(52)	(176)

105. The Council's 2015/16 Development and Risk Contingency contains provision for areas of expenditure within Adult Social Care for which there is a greater degree of uncertainty. In part this is caused by in year 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 as well as increased demand from Children with Special Educational Needs who require transport.

106. There is also a contingency pressure arising from the Winterbourne View Review, where a small number of adults, currently in long term secured accommodation run by the NHS, are being moved into community settings, where they become the responsibility of the Council.

107. Table 18 sets out the forecast spend against the development and risk contingency.

Table 18: Development & Risk Contingency

Original Budget £'000	Budget Changes £'000	Development & Risk Contingency	Month 4		Variance (+ adv / - fav)		
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 4) £'000	Variance (As at Month 2) £'000	Movement from Month 2 £'000
380	0	Increase in Transitional Children due to Demographic Changes	380	380	0	0	0
129	0	Older People	129	129	0	0	0
393	0	Winterborne View	393	187	(206)	0	(206)
520	0	SEN transport	520	320	(200)	(400)	200
1,422	0	Current Commitments	1,422	1,016	(406)	(400)	(6)

108. At Month 4 it is anticipated that the contingencies for Transitional Children and demographic pressures will be used in full. These areas are kept under close review and any changes anticipated will be reported as the year progresses.

109. Further work on the transport budget and contingency is being undertaken as part of a review of the provision of transport for Children with Special Educational Needs and disabled adults, which is likely to lead to a reduction of £200k against the full contingency.

110. A review of the Winterbourne View cases has identified that 6 people are likely to transfer in 2015/16 with a part year cost of £187k. The full budget of £393k will be required in 2016/17 to fund the full year cost of these placements.

All Age Disabilities (AAD) (£252k underspend, £289k adverse movement)

111. The AAD Service approved restructure plan is in the process of implementation and a recruitment drive is underway to fill vacant posts in the new service. A detailed review of vacancies has been undertaken and estimated underspends of £484k are forecast for 2015/16. This position will remain under review as permanent staff are recruited and the actual expenditure becomes clearer.

112. Within the placements budget a pressure of £1,400k is forecast. Part of this pressure arises from the slippage in the Supported Living Programme. Two new schemes were due to open in June but have been delayed: Church Road opened at the end of July and Honeycroft is currently estimated to be available for placing clients from December 2015. Work with providers to deliver other Supported Living schemes such as deregistration of care homes is also taking longer than originally planned.

113. In addition to existing pressures on the placements budgets, the devolution of the Independent living Fund (ILF) from the DWP to the Council was transferred from 1 July 2015. The fund provided additional resources to 34 clients. All of these clients have now been reassessed in line with the Care Act eligibility requirements and the total additional cost for this year is £612k. The funding delegated to the Council totals £428k for the period July 2015 to March 2016 leaving a pressure of £184k. There are a number of these clients receiving support which may be classified as continuing health care (CHC) and CHC referrals will be made to the CCG. If assessed as CHC then funding received from the CCG will help to mitigate this pressure. Any future funding for these clients from April 2016 and beyond has yet to be announced.

Social Work (£272k underspend, £197k improvement)

114. There are a number of vacant posts within the Social Work Service which are currently subject to recruitment. In addition there are vacancies with the Telecareline staff establishment and it is currently forecast that salaries will be under spent by £254k, a movement of £232k since Month 2.
115. The non staffing budget is forecast to overspend by £93k. Whilst the cost pressures from the new homecare contracts that commenced in November 2014 are continuing, these are being offset by robust demand management within the service. Income, mainly from client contributions, is currently forecast to overachieve by £110k.

Early Intervention & Prevention (£80k overspend, no movement)

116. A pressure of £110k reduced from £203k in Month 2 is forecast against the staffing budget. This pressure is due to an increase in hourly rates being charged for the use of temporary care staff being provided in council run establishments. This increase in rates is currently being reviewed with the provider. The provider is also struggling to provide the required number of agency staff to meet the needs of the service. Management action particularly in reducing sickness absence amongst staff has contributed to mitigating this pressure from Month 2.
117. There is slippage in the project to develop new models of delivery for in house Learning Disability services. It is now anticipated that this project will not be completed until 2016/17 and therefore compensatory in year savings have been identified to make up the shortfall in savings. The identification of the savings has resulted in a forecast underspend of £102k against non staffing budgets.
118. There is a pressure on the Income budget of £73k, due to a forecast reduction in client contributions.

Safeguarding Quality & Partnerships (£171k underspend, £156k improvement)

119. There is a small underspend forecast on staff costs of £27k mainly on the Supported Living Team. The placement budgets are underspend by £265k - a movement of £248k compared with Month 2 resulting from a detailed review of residential placements particularly for No Recourse to Public Funds clients. The income forecasts have also been rebased following a detailed review during Month 4.

Directorate & Support (£119k underspend, £114k improvement)

120. The forecast underspend arises from the estimated spend on the responsibilities for the Care Act being less than originally anticipated, in part with slippage in spend against the Safeguarding Board.

Better Care Fund (BCF)

121. Quarter 1 budget monitoring for the BCF has been undertaken jointly by the partners in accordance with the requirements set out in the S75 for the management of the pooled funds. There is currently a pressure against both the Council and CCG's shares of the pooled funds which relates to the supply of equipment and adaptations to residents. This is a reflection that more people with complex needs are being supported in the community in line with agreed priorities. Both the Council and CCG are working together to look at ways of improving efficiency and effectiveness that will enable the existing equipment budget to go further and potentially reduce the pressure. The financial pressure on the Care Act budget within the BCF arises from the additional demands from carers and is fully covered by other Council contingency funds and does not pose any risk to the financial position of the BCF.

Appendix B – Other Funds

Schools Budget

Dedicated Schools Grant (£2,417k overspend, £257k adverse movement)

122. The Dedicated Schools Grant is projecting an in year overspend of £2,417k, an adverse movement of £257k on the Month 2 projections, due to a continued increase in the cost of placements for children with a Special Educational Need/Education Health and Care Plan. The DSG budget is regularly reviewed and amended by the Department for Education (DfE) due to academy conversions and recalculations of two year old and early years funding. A number of variances reported in previous months will be dealt with as the budget keeps up to date with the latest approved DSG budget provided to Councils by the DfE, which explains some of the major variances noted in the table below.
123. The overspend on the DSG, in the main, reflects the planned use of the surplus balance that was carried forward from 2014/15, where additional resources totalling £1,709k were delegated to schools above the actual amount of DSG and £337k has been earmarked to fund the continuation of the two year capacity building initiative. The remaining pressure relates to a projected increase in the cost of Special Educational Need/Education Health and Care Plan placements as the new banded funding rates are starting to be applied. The following Table summarises the Total DSG income and expenditure for 2015/16.

Table 19: DSG Operating Budgets

Original Budget	Budget Changes	Funding Block	Month 4		Variance (+ adv / - fav)		
			Revised Budget	Forecast Outturn	Variance (As at Month 4)	Variance (As at Month 2)	Change from Month 2
£'000	£'000		£'000	£'000	£'000	£'000	£'000
(145,373)	8,113	Dedicated Schools Grant Income	(137,260)	(137,260)	0	(456)	456
113,606	(10,817)	Delegated to Schools	102,789	104,337	1,548	1,709	(161)
4,581	(137)	Early Years	4,444	4,738	294	337	(43)
3,604	(148)	Centrally Retained	3,457	3,680	223	131	92
23,582	2,989	Special Needs	26,571	26,922	351	439	(88)
0	0	Total Schools Budget	0	2,417	2,417	2,160	257
0	0	Balance Brought Forward 1 April 2015					
			(4,083)	(4,083)			
0	0	Balance Carried Forward 31 March 2016					

Dedicated Schools Grant Income (nil variance, £456k adverse movement)

124. The Department for Education (DfE) have confirmed that the DSG has been adjusted and increased by £456k following a reconciliation by the DfE of the funding provided for 3 and 4 year olds, where the pupil numbers have increased compared to the estimates used. As a consequence of this, the budgets have been realigned across the Funding Blocks, resulting in the realignment of the surplus funds and the adverse movement noted.

Delegated to Schools (£1,548k overspend, £161k improvement)

125. The overspend of £1,548k is due to Schools Forum agreeing to utilise part of the surplus balance carried forward from 2014/15 by delegating more resources to schools than were provided in the DSG budget provided. The improvement of £161k relates to a realignment of budgets, where additional DSG funding has been provided.

Early Years: (£294k overspend, £43k improvement)

126. The Early Years funding block is projecting an overspend of £294k, an improvement of £43k on the month 2 position, due to a projected underspend in the Early Years Psychological staffing costs, where it has proven difficult to recruit suitably qualified staff. The overspend is primarily due to Schools Forum allocating £337k of DSG funds above the base budget to fund the continuation of the 2 year old capacity building initiative.

Centrally Retained: (£223k overspend, £92k adverse movement)

127. The centrally retained budgets are projecting an overspend of £223k, an adverse movement of £92k on the Month 2 position, due to a projected increase in the costs of support services, which are in line with the 2014/15 outturn figures. The main reason for the overspend is due to the cost of the three new Basic Need Academy school set up costs and diseconomies of scale funding, including Lake Farm and John Locke, which opened in September 2014 and St Martin's, which will open in September 2015 and the increased costs of support services in line with the 2014/15 outturn figures, which will be charged to the DSG.

Special Needs: (£351k overspend, £88k improvement)

128. The Special Needs budgets are projecting an overspend of £351k, an improvement of £88k on the month 2 position, which is due primarily to a realignment of the additional £456k DSG income into this funding block. This then slightly distorts the overall picture, as the service is continuing to review the banding of children in special schools, which is having a direct impact on the cost of provision and in most cases resulting in an increase in funding being provided to schools via top up funding. It is worth noting that there is a significant movement in the cost of Independent School placements, which is projected to be £484k lower than that incurred in 2014/15.

School Academy Conversions

129. The Academies Act 2010, allows schools to convert to academy status and by doing so will receive funding directly from the Education Funding Agency (EFA). Schools can convert at any point in the year, once they have converted, a number of adjustments will be required to realign the DSG Income budget and the amount delegated to schools. The DfE maintain a register online, indicating which schools are proposing to convert. For Hillingdon, Chantry Special School (renamed the Young Peoples Academy) converted on 1 April 2015 and the Hillingdon Tuition Centre converted on 1 August 2015.

Year End Balances

130. The DSG is allowed to carry forward any in year over or underspends. At the end of the 2014/15 financial year, the DSG had a surplus balance of £4,083k. 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 15 January 2015, Schools Forum agreed to include £1,709k of this surplus within the Schools Delegated Budget for 2015/16, additionally they agreed to set aside £337k for two year old capacity funding as an earmarked reserve for the two year old free entitlement offer in 2015/16. Based on the projected outturn position reported in the table above, the projected year end balance will reduce to £1,666k.

Parking Revenue Account: (£159k in year surplus, £38k improvement)

131. 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 Budget

Original Budget £'000	Budget Changes £'000	Service	Month 4		Variance (+ adv / - fav)		
			Revised Budget £'000	Forecast Outturn £'000	Month 4 £'000	Month 2 £'000	Movement £'000
(4,076)	0	Income	(4,076)	(4,016)	60	55	5
4,076	0	Expenditure	4,076	3,857	(219)	(176)	(43)
0	0	In-year (Surplus) / Deficit	0	(159)	(159)	(121)	(38)

132. An in-year surplus of £159k is forecast for the 2015/16 financial year. There is a total shortfall of income of £60k. The adverse movement relates to a revised projection for Pay & Display income. The income pressure is offset by compensating underspends totalling £219k. The favourable position is a result of a review of recharges to the PRA and a decrease in the cost of levies.

Collection Fund (£1,438k surplus, £150k adverse movement)

133. 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. Sums quoted related to the Council's own share of income and disregard monies collected on behalf of the Greater London Authority and Central Government.
134. The overall outlook for the fund is positive, with a surplus of £1,438k anticipated at this early stage of the year arising from a £2,563k surplus on Council Tax and £1,125k deficit on Business Rates. Any surplus or deficit will be released to the General Fund from 2016/17 and reflected in the Council's Medium Term Financial Forecast. The £150k adverse movement reported from Month 2 relates to refunds paid in respect of property revaluations backdated to 2007 and 2009.

Table 21: Collection Fund

Original Budget £'000	Budget Changes £'000	Service	Month 4		Variance (+ adv / - fav)			
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 4) £'000	Variance (As at Month 2) £'000	Movement from Month 2 £'000	
(115,652)	0	Council Tax	Gross Income	(115,652)	(116,809)	(1,157)	(1,157)	0
14,153	0		Council Tax Support	14,153	13,729	(424)	(424)	0
(2,697)	0		B/fwd Surplus	(2,697)	(3,679)	(982)	(982)	0
(104,196)	0		Sub-Total	(104,196)	(106,759)	(2,563)	(2,563)	0
(111,480)	0	Business Rates	Gross Income	(111,480)	(109,432)	2,048	1,748	300
(860)	0		Section 31 Grants	(860)	(836)	24	24	0
60,287	0		Less: Tariff	60,287	60,287	0	0	0
4,598	0		Less: Levy	4,598	3,411	(1,037)	(887)	(150)
500	0		B/fws Deficit	500	590	90	90	0
(46,955)	0	Sub-Total	(46,955)	(45,830)	1,125	975	150	
(151,151)	0	Total Collection Fund	(151,151)	(152,589)	(1,438)	(1,588)	150	

135. As a result of strong performance on collection to date and resulting reduction in provision for doubtful debts, a £1,157k overachievement of income is projected on Council Tax income at this early stage. In addition, a reduction in eligibility for the Council Tax Reduction Scheme has been seen since approval of the taxbase in January 2015, accounting for a further favourable variance of £424k in 2015/16. Taking account of the £982k surplus brought forward from 2014/15, £2,563k is therefore expected to be available for release to the General Fund in future years.
136. Primarily as a result of continuing delays in bringing Heathrow Terminal 2 back into the rating list since its opening in June 2014, a deficit of £2,048k is reported on the Council's 30% share of Business Rates income. The corresponding reduction in the levy on growth, alongside minor variances on Section 31 grant income and the brought forward deficit, reduces the ultimate impact on the General Fund to £1,125k. It is expected that this position will improve as the full value of new hereditaments are reflected in the rating list, although there has been no change in the situation over the previous month.
137. Within this position, an adverse movement from Month 2 is reported in relation to successful appeals against the valuations for two properties in the borough, with backdating bringing the total refunds payable to close to £1,000k. The Council's ultimate share of this lost income and associated levy changes is £150k as a result of this exceptional decision by the Valuation Office Agency. Despite these cases, the broader position in relation to appeals remains steady.

Appendix C – Housing Revenue Account (£132k underspend, £122k improvement)

138. The Housing Revenue Account (HRA) forecast is a surplus of £132k, an improvement of £122k from Month 2. The table below presents key variances by service area:

Table 22: Housing Revenue Account

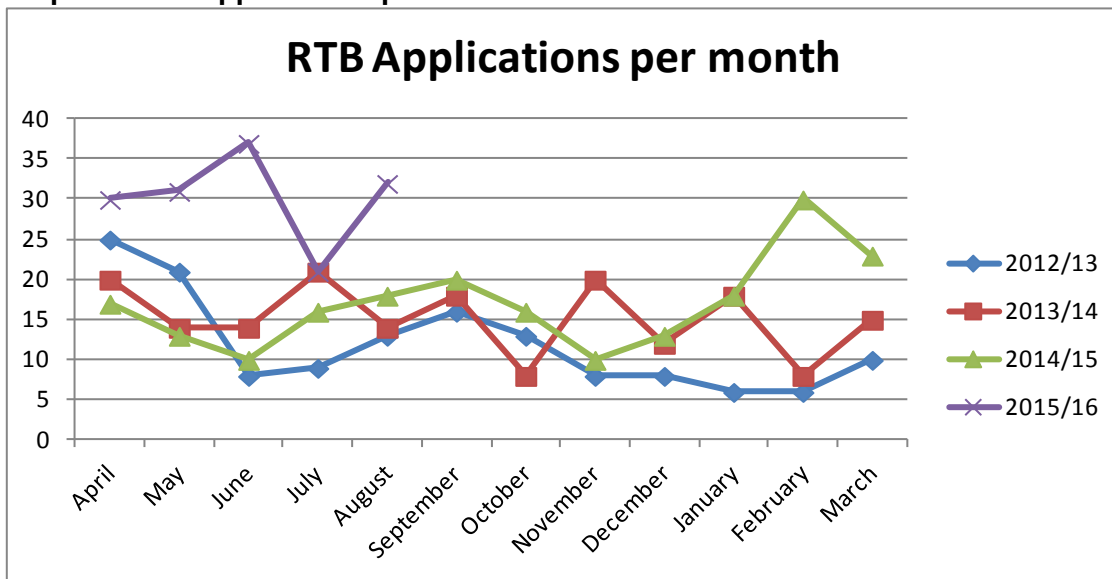
Original Budget £'000	Budget Changes £'000	Service	Month 4		Variance (+ adv / - fav)		
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 4) £'000	Variance (As at Month 2) £'000	Movement from Month 2 £'000
(57,573)	0	Rental Income	(57,573)	(57,180)	392	303	89
(5,347)	0	Other Income	(5,347)	(5,387)	(40)	(52)	12
(62,920)	0	Net Income	(62,919)	(62,567)	352	251	101
10,807	0	Housing Management	10,805	10,918	113	45	68
5,320	0	Tenant Services	5,320	4,993	(327)	(306)	(21)
5,078	0	Repairs	5,078	4,890	(188)	0	(188)
3,477	0	Planned Maintenance	3,477	3,720	(82)	0	(82)
19,810	0	Contribution to Works to Stock	19,810	19,810	0	0	0
15,212	0	Interest & Investment Income	15,212	15,212	0	0	0
1,553	0	Development & Risk Contingency	1,553	1,553	0	0	0
61,257	0	Operating Costs	61,256	61,097	(484)	(261)	(223)
(1,663)	0	(Surplus) / Deficit	(1,663)	(1,470)	(132)	(10)	(122)
(30,577)	0	Balances b/fwd	(30,577)	(30,577)	0	0	0
(32,240)	0	Balances c/fwd 31 March 2015	(32,240)	(32,047)	(132)	(10)	(122)

Rental Income

139. Rental income shows an adverse variance of £392k and reflects the latest forecast of RTBs, and is an increase of £89k compared to Month 2. This is because an analysis of RTBs has been undertaken to use historic data to determine trends for future sales which has increased the projection for RTB sales in 2015/16.

140. The number of RTB applications has averaged 14 per month for the period from April 2012 to December 2014. However, for the period January-July 2015 the number of RTB applications has averaged 27 per month, a significant increase in activity. The table below shows the applications per month since April 2012:

Graph 1: RTB Applications per month



141. There are currently 266 live applications within the RTB process. Using this data it is estimated that a further 148 sales would complete in addition to the 52 sales completed from April to July. Therefore the proposal is to increase the number of projected RTBs in 2015/16 from 140 to 200 sales.
142. The delivery team which manages the planned and capital works programme for the HRA was projecting a £263k underachievement of capital recharge income in Month 2. This underachievement has increased by a further £62k in Month 4 to a projected underachievement of £325k.
143. There has been an analysis of the housing management budgets and budgets unlikely to be spent during the year have been identified. This exercise has resulted in the £650k of required savings being successfully achieved. These savings include £150k from the cash incentive scheme and £111k for external training/courses which historically has never been spent.
144. There is additional RTB administrative income of £171k arising from the additional 60 projected RTB sales.
145. For tenancy services, the projected underspend of £327k relates to salary underspends partly offset by increased agency costs in a number of teams.
146. The repairs budget is currently showing £188k underspend. However, this excludes the cost of the Mears repairs management team of £358k (full year projection) which is covered by the development & risk contingency (£680k budget). There are continuing costs from remedial works at Triscott House (currently estimated at an additional £320k this financial year) and it is anticipated that these costs will also be met by the repairs contingency. The repairs contingency is available to cover one-off costs within the year.
147. Planned maintenance is currently showing a small saving of £82k. The forecast includes costs totalling £268k related to structural repairs works and roads and highways maintenance, which are of a specific revenue nature, but where the overall budget is currently held within capital. Additionally, work is being undertaken to cost the revised HRA asset management staffing structure and it is anticipated that this will generate significant savings.

Savings

148. The original budget assumes savings of £2,448k as shown within the table below:

Table 23: HRA Savings 2015/16

2015/16 HRA Savings Programme	Housing Management	Repairs	Planned Maintenance	Planned & Repairs	Total Savings	
	£'000	£'000	£'000	£'000	£'000	%
B Banked	0	0	0	0	0	0.00%
G On track for delivery	(650)	(123)	(675)	(1,000)	(2,448)	100.00%
A Potential significant savings shortfall or a significant or risky project which is at an early stage	0	0	0	0	0	0.00%
R Serious problems in the delivery of the saving	0	0	0	0	0	0.00%
Total 2015/16 Savings	(650)	(123)	(675)	(1,000)	(2,448)	100.00%

149. The restructure of the housing service is still being completed but the required 2015/16 savings have been identified and will be realised. The asset management and tenancy services teams are currently reorganising with further significant savings expected to materialise through this process.

150. The responsive maintenance saving of £123k is still on target to be achieved.

151. The £675k of planned maintenance savings have been allocated to budget headings and are expected to be realised.

152. The additional £1,000k expected to be realised from the planned maintenance budget has also been allocated to budget headings and built into the forecasts, with a large proportion of the savings being funded from the cyclical decorations budget, as well as from the insulation budget.

HRA Capital

153. The forecast outturn on the HRA capital programme is set out in the table below:

Table 24 - HRA Capital Expenditure

	Revised Budget 2015/16 £000	Forecast 2015/16 £000	Cost Variance Forecast vs Budget £000	Project Rephasing £000	Total Project Budget 2015-2020 £000	Total Project Forecast 2015-2020 £000	Total Project Variance £000	Movement from Month 2 £000
Dwelling Components	7,750	5,478	(102)	(2,170)	34,355	34,253	(102)	(102)
Estates / Blocks	2,643	1,977	(166)	(500)	10,117	9,951	(166)	(166)
Welfare	2,600	2,118	-	(482)	9,500	9,500	-	-
Other Projects	524	397	-	(127)	524	524	-	-
Contingency	2,000	2,000	-	-	10,000	10,000	-	-
Total Works to Stock	15,517	11,970	(268)	(3,279)	64,496	64,228	(268)	(268)
Purchase & Repair	4,267	4,267	-	-	11,566	11,566	-	-
New Build - General Needs	2,750	2,750	-	-	31,252	30,890	(362)	(362)
New Build - RSL	-	-	-	-	5,400	5,400	-	-
Supported Housing	9,104	1,620	-	(7,484)	39,737	40,099	362	362
Land Appropriations	8,026	4,908	-	(3,118)	8,026	8,026	-	-
Total Major Projects	24,147	13,545		(10,602)	95,981	95,981		
Former New Build Schemes	97	995	898	-	97	995	898	-
Total	39,761	26,510	630	(13,881)	160,574	161,204	630	(268)
Movement from Month 2	-	(841)	(268)	(573)	-	(268)	(268)	-

Works to Stock

154. The Works to Stock programme is forecasting a phasing underspend of £3,279k as numerous schemes will not be implemented this financial year.

- Dwelling Components - the forecast underspend of £2,272k is partly due to the kitchens and bathrooms programme being under review. There is also a projected underspend on roofing projects and slippage of double glazing installation of £750k into 2016/17 due to the need for retendering and leaseholder consultation.
- Estates and Block Renewal - the forecast underspend of £666k is due mainly to the level of identified works on lift replacements, and also includes £166k of revenue costs related to roads and highways.

- Welfare - there is a forecast underspend of £500k around sheltered remodelling works as an element of the budget is not yet allocated, reduced by £18k of sound insulation works carried forward from last financial year.
- Other Projects - an amount of £127k is forecast as rephasing representing the uncommitted budget for further housing fleet vehicle purchases which may be required in the future but are not anticipated this financial year.

155. Land Appropriations - the current year forecast reflects rephasing of £3,118k as not all sites are likely to be appropriated for supported housing this year.

Major Projects

156. Purchase and Repair Programme - There have been seven purchases in 2015/16 at a total cost of £1,424k (including stamp duty). There are two properties that have been granted capital release but are not yet purchased, with the potential cost being £536k. There are seven other potential buy back properties that have been valued and are at different stages of the acquisition process.

157. Council New Build General Needs Housing - external consultants are reviewing the feasibility of potential developments. Options are being considered on numerous sites following a feasibility review by external consultants.

158. Supported Housing Programme - Approval of two sites has been given, with external cost and design consultants appointed. Design changes required on one of the sites in order to successfully obtain planning (including the removal of the top floor of the design and creation of a basement floor instead), are expected to cost approximately £400k. These increased costs are included within the forecast for Supported Housing however it is anticipated these can be managed from within the overall Major Projects budget.

159. The other sites are under consideration. These timescales require a forecast rephasing of £7,484k.

160. The forecast overspend of £898k on former New Build schemes relates to contractual issues around the Triscott House development which have yet to be resolved. The dispute is going through arbitration which is a lengthy process and the outcome remains uncertain.

HRA Capital Receipts

161. There have been 52 Right to Buy sales of council dwellings as at end of July 2015 for a total sales value of £5,980k and a total of a further 148 sales are forecast to bring the yearly total to 200, totalling approximately £23,200k in 2015/16.

162. 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 within three years or otherwise are returned to government with the addition of punitive interest. The revised General Needs housing programme for 2015-2020 approved by Cabinet in February has been phased to utilise these receipts within the allowed timescales.

163. If the forecast for 2015/16 is 200 RTB sales then the apportionment of receipts is projected below:

Table 25: Projected Apportionment of Receipts 2015/16

		RTB Receipts £	RTB Admin £	Allowable Debt £	LA Assumed Income £	New Provision Receipts £	Pooling Payment £
2015.16	Quarter 1	4,869,300	119,700	1,265,867	117,460	3,068,611	297,661
	Quarter 2	6,127,543	151,050	1,530,949	117,460	4,030,422	297,661
	Quarter 3	6,028,657	148,200	1,592,324	117,460	3,873,011	297,661
	Quarter 4	6,144,593	151,050	1,624,970	117,460	3,953,451	297,661
Total		23,170,093	570,000	6,014,111	469,840	14,925,496	1,190,646

164. Total receipts would amount to £23,200k, an increase of 19% when compared to 2014/15. New provision receipts would total £14,900k, an increase of 27% when compared to 2014/15.

165. The table below sets out the total level of retained receipts since the inception of the agreement:

Table 26: Retained RTB Receipts

Period	Number of Sales	Retained Right to Buy Receipts Total (£'000)	Allowable Debt Provisional (£'000)	One for One Replacement Provisional (£'000)	Deadline for Utilisation of 1 for 1 Receipts
2012/13 Q4 Actual	33	3,541	946	2,595	March 2016
2013/14 Q1 Actual	13	910	291	619	June 2016
2013/14 Q2 Actual	35	3,046	1,005	2,040	Sept 2016
2013/14 Q3 Actual	24	1,918	598	1,320	Dec 2016
2013/14 Q4 Actual	34	2,678	945	1,733	March 2017
2014/15 Q1 Actual	56	4,817	1,659	3,158	June 2017
2014/15 Q2 Actual	49	4,679	1,480	3,199	Sept 2017
2014/15 Q3 Actual	50	4,583	1,529	3,054	Dec 2017
2014/15 Q4 Actual	36	3,412	1,090	2,322	March 2018
Total Retained Receipts	330	29,584	9,543	20,040	

166. Up to the end of 2014/15 there have been £29,584k retained Right to Buy receipts to be used for allowable debt purposes and one for one housing replacement of which £57k has been applied as capital financing. The first deadline is at the end of this financial year and provisionally requires £2,595k to be spent by March 2016.

167. 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 in that quarter. Therefore in order to utilise the £2,595k retained receipts a minimum of £8,560k is required to be spent on one for one replacement by the end of this financial year. There is a risk that the level of required spend will not be achieved by March

2016 due to slippage in the supported housing and other programmes and this is anticipated in the 2016/17 MTFF.

Appendix D – GENERAL FUND CAPITAL PROGRAMME

168. As at Month 4 an underspend of £23,522k is reported on the £110,251k General Fund Capital Programme, with £1,071k favourable cost variances and £22,451k slippage on project expenditure. The forecast outturn variance over the life of the 2015/16 to 2019/20 programme is £1,071k underspend relating mainly to completed Primary Schools expansions projects.

169. General Fund Capital Receipts of £11,811k are forecast for 2015/16, with total receipts to 2019/20 expected to reach £62,409k, representing a favourable variance of £504k against budget. Slippage of £14,129k in capital receipts originally forecast for 2015/16 is reported with this shortfall expected to be recovered from 2016/17.

170. Overall, Prudential Borrowing required to support the 2015/16 to 2019/20 capital programme is forecast to exceed budget by £728k, due to the adverse position of £2,303k reported on 2015/16 Department for Education grant funding partly offset by scheme cost under spends.

Capital Programme Overview

171. Table 27 below sets out the latest forecast outturn on General Fund capital projects, with project level detail contained in annexes 1a - 1d of this report. Forecasts for future years include capital projects and programmes of work approved by Cabinet and Council in February 2015.

Table 27 – General Fund Capital Programme Summary

	Revised Budget 2015/16	Forecast 2015/16	Cost Variance Forecast vs Budget	Project Re-phasing	Total Project Budget 2015-2020	Total Project Forecast 2015-2020	Total Project Variance	Movement from Month 2
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Schools Programme	41,993	41,925	(1,136)	1,068	152,677	151,541	(1,136)	(560)
Main Programme	24,955	14,478	65	(10,542)	39,539	39,604	65	(3)
Programme of Works	24,033	22,089	-	(1,944)	73,820	73,820	-	-
Future Projects	17,820	6,787	-	(11,033)	67,677	67,677	-	-
Total Main Programme	108,801	85,279	(1,071)	(22,451)	333,713	332,642	(1,071)	(563)
General Contingency	1,450	1,450	-	-	7,450	7,450	-	-
Provision for Additional Schools Funding	-	-	-	-	7,022	7,022	-	-
Total Capital Programme	110,251	86,729	(1,071)	(22,451)	348,185	347,114	(1,071)	(563)
Movement from Month 2	(110)	(6,686)	(563)	(6,013)	(17,556)	(18,119)	(563)	-

172. The total capital programme budget has reduced by £17,556k due mainly to removing previously assumed future grant funding from the Provision for Additional Schools Funding development and risk contingency budget as there is uncertainty over the level

of grant to be received based on current demand and capacity levels. An amount of £4,084k funded from Council Resources has been transferred from the remaining Provision for Additional Schools funding to the Schools Programme to cover increased costs on the replacement of Northwood School that have arisen over the life of the project. Other minor adjustments since Month 2 relate to further schools' contributions to the devolved formula capital and schools conditions programmes and also additional grant from Transport for London.

173. The majority of capital projects remain on budget however after increasing the budget for Northwood School there is a forecast under spend of £1,136k on the Schools Programme. The £65k pressure on the main programme is driven by a minor £37k overspend on completion of the Central Library Refurbishment, £17k pressure in relation to remedial works on the completed Hayes End Library Development and £11k pressures across a number of smaller projects.

174. In addition, slippage of £22,451k is reported across the capital programme, including the Theatre and Museum developments within Future Projects and the Yiewsley Health Centre development within the main programme. Re-phasing has increased by £6,013k from Month 2 on several projects. Significant movements relate to the provision of a new Dementia Centre at Grassy Meadow, for which only professional fees will be incurred this year. Also the Battle of Britain Heritage and Uxbridge Cemetery Gatehouse projects will not be completed until next year. Service requirements for the Vehicle Replacement Programme are under review with only a small number of purchases anticipated this financial year.

175. An allocation of £50k has been made from General Contingency to the Bowls Clubs refurbishment budget for works to proceed at Deane Park Bowls Club. There remain £7,450k General Contingency unallocated funds within the 2015/16 - 2019/20 programme. It is anticipated that the remaining £7,022k provision for additional school expansions will be required in full to manage growing demand for schools places within the borough.

176. Further details on the financial performance of the Schools Programme and the Urgent School Building Condition programme of works are provided in the Schools Cabinet Update Report.

Capital Financing

177. Table 28 below outlines the latest financing projections for the capital programme, with an adverse medium term variance of £728k reported on Prudential Borrowing, due to a shortfall in assumed grant income for the Schools Programme partially offset by scheme cost under spends.

Table 28 – General Fund Capital Programme Summary

	Revised Budget 2015/16 £'000	Forecast 2015/16 £'000	Variance £'000	Total Financing Budget 2015-2020 £'000	Total Financing Forecast 2015-2020 £'000	Total Variance £'000	Movement from Month 2 £'000
Council Resource Requirement	81,157	61,625	(19,532)	211,802	213,034	1,232	(563)
Financed by							
Capital Receipts	25,940	11,811	(14,129)	61,905	62,409	504	478
CIL	2,500	2,000	(500)	20,000	20,000	-	-
Prudential Borrowing	52,717	47,814	(4,903)	129,897	130,625	728	(1,041)
Total Council Resources	81,157	61,625	(19,532)	211,802	213,034	1,232	(563)
Grants & Contributions	29,094	25,104	(3,990)	136,383	134,080	(2,303)	(0)
Total Programme	110,251	86,729	(23,522)	348,185	347,114	(1,071)	(563)

178. General Fund capital receipts achieved this year as at the end of July total £3,913k as three sales have been completed and the forecast is £11,811k for 2015/16. There is risk in the timing of receipts which is reflected in the forecast slippage of £14,129k on the revised budget for 2015/16. Over the life of the programme there is a favourable variance of £504k due mainly to an increase in the General Fund share of forecast Right to Buy receipts over the original budget. However there is growing risk around the value of a major sale which is likely to go to Land Tribunal and the outcome is highly uncertain. At this stage it is assumed that the current estimated shortfall on this will be offset by future disposal sites that can potentially be added to the programme.

179. A total of £81k Community Infrastructure Levy (CIL) receipts have been received by the Council to the end of July 2015, which represents no further movement since Month 2. Receipts are projected to reach £2,000k in the current financial year, representing a shortfall of £500k against the budgeted income target, although current forecasts indicate this sum will be recovered over the life of the five year programme. Spend to date on eligible activity exceeds the £81k receipts to date, with spend on Highways investment and community assets through the Chrysalis Programme meeting the criteria for application of CIL monies. Budgeted expenditure across these projects totals £7,894k for 2015/16, with scope to apply funds in support of schools, libraries and other major community investment in the event of substantial slippage in these areas.

180. On grants there is an adverse variance of £2,303k which is due to the shortfall in actual Basic Needs and Capital Maintenance grant allocations for 2015/16 announced by the Department for Education since the budget was approved in February. This grant funding was allocated to the Schools Expansions programme and consequently results in a potential increase in prudential borrowing this year to meet the shortfall. There are risks around grant funding for future years of the Schools programme however the needs in terms of school places requirements remain in continual review.

Annex 1a - Schools Programme

Prior Year Cost	Project	2015/16 Revised Budget	2015/16 Forecast	2015/16 Cost Variance	Project Re-phasing to future years	Total Project Budget 2015-2020	Total Project Forecast 2015-2020	Total Project Variance 2015-2020	Project Forecast Financed by:		
									Council Resources	Government Grants	Other Cont'ns
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Schools Expansion Programme										
127,228	Primary Schools Expansions	14,960	13,242	(1,136)	(582)	15,095	13,959	(1,136)	12,527	0	1,432
0	New Primary Schools Expansions	1,710	1,710	0	0	13,500	13,500	0	5,246	8,254	0
84	Secondary Schools Expansions	2,604	2,604	0	0	76,816	76,816	0	17,684	57,569	1,563
1,207	Secondary Schools New Build	22,500	24,161	0	1,661	47,047	47,047	0	37,698	9,349	0
0	Hearing Impaired Resource Base (Vyners)	219	208	0	(11)	219	219	0	219	0	0
128,519	Total Schools Programme	41,993	41,925	(1,136)	1,068	152,677	151,541	(1,136)	73,374	75,172	2,995

Annex 1b - Main Programme

Prior Year Cost	Project	2015/16 Revised Budget	2015/16 Forecast	2015/16 Cost Variance	Project Re-phasing to future years	Total Project Budget 2015-2020	Total Project Forecast 2015-2020	Total Project Variance 2015-2020	Project Forecast Financed by:		
									Council Resources	Government Grants	Other Cont'ns
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Main Programme										
3,899	Environmental Assets	556	556	0	0	556	556	0	556	0	0
5,196	Purchase of Vehicles	2,545	615	0	(1,930)	2,545	2,545	0	2,545	0	0
0	Natural England Fencing & Gating	30	30	0	0	30	30	0	0	30	0
32,198	Hillingdon Sports & Leisure Centre	862	262	0	(600)	862	862	0	862	0	0
285	Sport & Cultural Projects	594	594	0	0	594	594	0	318	0	276
237	Yiewsley Health Centre	4,302	0	0	(4,302)	8,233	8,233	0	8,233	0	0
813	Eascote House	434	434	0	0	434	434	0	0	0	434
158	ICT Infrastructure	1,042	842	0	(200)	1,042	1,042	0	1,042	0	0
1,089	Harlington Road Depot	263	263	0	0	263	263	0	263	0	0
0	Uxbridge Cemetery Gatehouse	1,000	400	0	(600)	1,000	1,000	0	1,000	0	0
0	Social Care Investment	580	580	0	0	2,900	2,900	0	0	2,900	0
255	Hayes Town Centre Improvements	2,209	2,055	0	(154)	4,777	4,777	0	334	4,213	230
25	Inspiring Shopfronts	560	196	0	(364)	1,553	1,553	0	1,553	0	0
0	Gateway Hillingdon	606	303	0	(303)	3,378	3,378	0	3,378	0	0
45	Whiteheath Farm Refurbishment	265	100	0	(165)	265	265	0	265	0	0
326	Grounds Maintenance	677	677	0	0	677	677	0	677	0	0
128	West Drayton Cemetery	503	503	0	0	503	503	0	503	0	0
192	Kings College Pavilion	38	38	0	0	38	38	0	0	0	38
0	Telecare Equipment	600	600	0	0	600	600	0	600	0	0
152	CCTV Programme	335	335	0	0	335	335	0	282	0	53
1	Youth Centres Kitchen Upgrades	142	142	0	0	142	142	0	112	0	30
9,488	Libraries Refurb - Central Library	0	37	37	0	0	37	37	37	0	0
609	Infant Free School Meals	1,193	1,193	0	0	1,193	1,193	0	477	715	1
0	Youth Centre Project	1,400	500	0	(900)	2,400	2,400	0	2,400	0	0
0	Cedars & Granges Car Park	3,075	2,998	0	(77)	3,075	3,075	0	2,875	0	200
0	Dementia Centre	1,000	53	0	(947)	2,000	2,000	0	2,000	0	0
25,117	Major Projects Completing in 2015/16	144	172	28	0	144	172	28	172	0	0
80,214	Total Main Programme	24,955	14,478	65	(10,542)	39,539	39,604	65	30,484	7,858	1,262

Annex 1c - Programme of Works

Prior Year Cost	Project	2015/16 Revised Budget	2015/16 Forecast	2015/16 Cost Variance	Project Re-phasing to future years	Total Project Budget 2015-2020	Total Project Forecast 2015-2020	Total Project Variance 2015-2020	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	Leaders Initiative	536	404	0	(132)	1,336	1,336	0	1,336	0	0
N/A	Chrysallis Programme	1,858	1,458	0	(400)	5,858	5,858	0	5,648	0	210
N/A	Civic Centre Works Programme	1,300	1,300	0	0	2,300	2,300	0	2,300	0	0
N/A	Formula Devolved Capital to Schools	1,039	1,039	0	0	2,751	2,751	0	0	2,597	154
N/A	Highways Localities Programme	236	236	0	0	1,060	1,060	0	1,060	0	0
N/A	Highways Structural Works	3,276	3,276	0	0	6,316	6,316	0	6,316	0	0
N/A	Pavement Priority Growth	2,000	2,000	0	0	2,000	2,000	0	2,000	0	0
N/A	ICT Single Development Plan	682	682	0	0	2,282	2,282	0	2,282	0	0
N/A	Property Works Programme	480	480	0	0	2,400	2,400	0	2,400	0	0
N/A	Road Safety	380	330	0	(50)	1,180	1,180	0	1,180	0	0
N/A	Street Lighting	144	144	0	0	720	720	0	720	0	0
N/A	Transport for London	4,983	3,783	0	(1,200)	19,618	19,618	0	0	18,745	873
N/A	Urgent Building Condition Works	3,486	3,324	0	(162)	9,318	9,318	0	1,826	6,290	1,202
N/A	Disabled Facilities Grant	2,300	2,300	0	0	11,500	11,500	0	2,655	8,845	0
N/A	Adaptations for Adopted Children	200	200	0	0	1,000	1,000	0	1,000	0	0
N/A	Private Sector Renewal Grant / HCA	762	762	0	0	3,810	3,810	0	2,250	1,560	0
N/A	Section 106 Projects	371	371	0	0	371	371	0	0	0	371
0	Total Programme of Works	24,033	22,089	0	(1,944)	73,820	73,820	0	32,973	38,037	2,810

APPENDIX 1d - Future Projects

Prior Year Cost	Project	2015/16 Revised Budget	2015/16 Forecast	2015/16 Cost Variance	Project Re-phasing to future years	Total Project Budget 2015-2020	Total Project Forecast 2015-2020	Total Project Variance 2015-2020	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	Youth Centre Projects x 2	0	0	0	0	2,700	2,700	0	2,700	0	0
N/A	Environmental and Recreational Initiatives	1,000	1,000	0	0	1,000	1,000	0	1,000	0	0
N/A	Capital Priority Growth	1,000	1,000	0	0	1,000	1,000	0	1,000	0	0
N/A	RAGC Car Park	250	250	0	0	250	250	0	250	0	0
N/A	Car Park Resurfacing	250	250	0	0	250	250	0	250	0	0
N/A	Ruislip Lido Boat House	210	210	0	0	210	210	0	210	0	0
N/A	Bowls Club Refurbishments	750	750	0	0	750	750	0	50	0	700
N/A	Harlington Bowls Club & Football Pavillion	200	200	0	0	200	200	0	0	0	200
N/A	Haste Hill Golf Club	530	530	0	0	530	530	0	530	0	0
N/A	New Years Green Lane EA Works	0	0	0	0	6,490	6,490	0	3,244	3,246	0
N/A	New Theatre	6,728	250	0	(6,478)	44,000	44,000	0	42,950	0	1,050
N/A	New Museum	1,605	400	0	(1,205)	5,000	5,000	0	4,250	0	750
N/A	Battle of Britain Bunker Heritage Pride Project	4,850	1,500	0	(3,350)	4,850	4,850	0	4,850	0	0
N/A	Local Plan Requirement	197	197	0	0	197	197	0	197	0	0
N/A	Community Safety Assets	250	250	0	0	250	250	0	250	0	0
0	Total Future Projects	17,820	6,787	0	(11,033)	67,677	67,677	0	61,731	3,246	2,700
	Development & Risk Contingency										
0	General Contingency	1,450	1,450	0	0	7,450	7,450	0	7,450	0	0
0	Provision for Additional Secondary Schools Funding	0	0	0	0	7,022	7,022	0	7,022	0	0
	Total Development & Risk Contingency	1,450	1,450	0	0	14,472	14,472	0	14,472	0	0
208,733	Total GF Capital Programme	110,251	86,729	(1,071)	(22,451)	348,185	347,114	(1,071)	213,034	124,313	9,767

Appendix E – Treasury Management Report as at 31 July 2015

Outstanding Deposits - Average Rate of Return on Deposits: 0.53%

	Actual (£m)	Actual (%)	Bench-mark (%)
Up to 1 Month	98.1	63.99%	40.00%
1-2 Months	5.0	3.26%	10.00%
2-3 Months	27.0	17.62%	5.00%
3-6 Months	10.0	6.52%	25.00%
6-9 Months	7.4	4.83%	5.00%
9-12 Months	5.0	3.26%	10.00%
12-18 Months	0.0	0.00%	5.00%
18-24 Months	0.0	0.00%	0.00%
Subtotal	152.5	99.48%	100.00%
Unpaid Maturities	0.8	0.52%	0.00%
Total	153.3	100.00%	100.00%

181. With the exception of the unpaid Heritable investments, deposits are held with UK or overseas institutions, all of which hold at a minimum a Fitch or lowest equivalent of A-long-term credit rating. UK deposits are currently held with the following institutions; Aberdeen MMF, BlackRock MMF, Deutsche MMF, Goldman Sachs MMF, HSBC MMF, Insight MMF Insight Pooled fund, Standard Life MMF, Standard Life Pooled fund, JP Morgan MMF, Legal & General MMF, Lloyds, PSDF MMF, SSgA MMF, Santander UK, HSBC, Nationwide Building Society, Coventry Building Society, Aberdeen CC, Birmingham CC, Blaenau Gwent CBC, Broxtowe BC, Cornwall CC, Highland Council, Lancashire CC, Moray Council, and Wolverhampton CC. The Council also holds two Certificates of Deposit, one with each Standard Chartered and Barclays. Overseas deposits are held with Svenska Handelsbanken, Development Bank of Singapore (DBS) and Oversea China Banking Corporation (OCBC).
182. During the month fixed-term deposits continued to mature in line with cashflow requirements. To maintain liquidity surplus cash was placed in instant access accounts and shorter term deposits.

Outstanding Debt - Average Interest Rate on Debt: 2.99%

	Actual (£m)	Actual (%)
General Fund		
PWLB	66.74	20.80
Long-Term Market	15.00	4.68
HRA		
PWLB	206.07	64.23
Long-Term Market	33.00	10.29
Total	320.81	100.00

183. There were no scheduled debt repayments or early debt repayment opportunities during July, or any breaches of the prudential indicators or non-compliance with the treasury management policy and practices. Ongoing strategy remains unchanged.

Icelandic Deposits - Heritable

184. On the 27 August 2015 the Council received its 15th dividend from EY, the insolvency practitioners of Heritable, bringing the total dividend repaid against Heritable to 98%, an improvement of 3% against the impaired value in the accounts, a credit of £450k.

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

185. 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.

Table 30 - Consultancy and agency assignments

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
Finance						
Finance Business Partner	09/06/2014	31/08/2015	27/11/2015	122	27	149
Residents Services						
Casual Smoking Cessation Sessional Adviser	01/04/2013	20/07/2015	16/10/2015	67	8	75
Development Surveyor	04/07/2011	06/07/2015	02/10/2015	252	18	270
Development Surveyor (Garages)	10/03/2015	06/07/2015	02/10/2015	40	13	53
Development Programme Manager	30/04/2012	13/07/2015	11/10/2015	229	15	244
Housing Lawyer	06/01/2014	23/07/2015	22/01/2016	68	27	95
Carpenter / Multi-trade	06/01/2014	17/08/2015	13/11/2015	52	9	61
Bricklayer / Multi-trade	16/12/2013	17/08/2015	13/11/2015	54	9	63
Project Manager	08/07/2013	27/07/2015	24/01/2016	153	45	198
Re-structure Transition Support	16/02/2015	27/07/2015	16/10/2015	51	27	78
Electrical Services Officer	15/07/2013	27/07/2015	16/10/2015	136	6	142
Multi-trade	04/02/2013	05/09/2015	04/12/2015	61	7	68
Multi-trade	19/09/2013	19/09/2015	18/12/2015	60	8	68
Multi-trade	20/07/2013	19/10/2015	18/12/2015	60	8	68
Project Manager	13/04/2014	24/08/2015	22/11/2015	115	23	138
Project Manager	23/04/2012	17/08/2015	15/11/2015	255	26	281
DFG Adaptations Officer	04/01/2015	10/08/2015	04/12/2015	92	14	106
Quantity Surveyor	15/07/2012	31/08/2015	29/11/2015	178	18	196

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
Major Applications Planner	20/10/2014	02/09/2015	02/03/2016	36	33	69
Maintenance Manager	07/05/2013	13/07/2015	11/10/2015	175	24	199
Children & Young People's Services						
Team Manager	05/03/2012	03/08/2015	30/11/2015	245	9	254
Social Worker	05/03/2012	03/08/2015	30/11/2015	207	13	220
Social Worker	19/12/2011	03/08/2015	30/11/2015	201	13	215
Social Worker	06/01/2012	03/08/2015	30/11/2015	199	13	212
Social Worker	05/03/2012	03/08/2015	30/11/2015	189	13	203
Social Worker	19/12/2011	03/08/2015	30/11/2015	179	13	193
Residential and Placements Manager	01/07/2013	03/08/2015	30/11/2015	176	18	194
Team Manager	01/01/2013	03/08/2015	30/11/2015	166	17	183
Social Worker	19/12/2011	03/08/2015	30/11/2015	157	13	170
Team Manager	01/01/2013	03/08/2015	30/11/2015	152	8	160
Social Worker	19/12/2011	03/08/2015	30/11/2015	156	13	169
Team Manager	28/06/2011	03/08/2015	30/11/2015	146	10	156
Service Manager Children in Care	07/07/2014	03/08/2015	31/03/2016	127	27	154
Independent Reviewing Service Manager	07/04/2014	03/08/2015	30/11/2015	133	13	147
Social Worker	01/01/2013	03/08/2015	30/11/2015	140	13	153
Social Worker	01/04/2013	03/08/2015	30/11/2015	129	13	142
Social Worker	01/01/2013	03/08/2015	30/11/2015	129	11	140
Social Worker	01/04/2013	03/08/2015	30/11/2015	122	13	135
Case Progression Manager	07/04/2014	03/08/2015	30/11/2015	121	15	136
MASH Manager	13/01/2014	03/08/2015	30/11/2015	115	24	139
Social Worker	01/04/2013	03/08/2015	30/11/2015	118	13	132
Social Worker	05/03/2014	03/08/2015	30/11/2015	106	13	119
Team Manager	09/09/2013	03/08/2015	30/11/2015	117	7	124
Social Worker	30/04/2012	03/08/2015	30/11/2015	93	13	106
LSCB Business Manager	09/07/2014	03/08/2015	30/11/2015	89	9	99
Independent Reviewing Officer	12/05/2014	03/08/2015	30/11/2015	88	15	103
Social Worker	02/12/2013	03/08/2015	30/11/2015	89	13	102
Service Manager Fostering and Adoption	10/12/2014	03/08/2015	31/03/2016	80	26	106

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
Independent Reviewing Officer	27/05/2014	03/08/2015	30/11/2015	83	15	98
Team Manager	02/06/2014	03/08/2015	30/11/2015	79	17	96
Social Worker	08/05/2014	03/08/2015	30/11/2015	80	13	94
Social Worker	23/12/2013	03/08/2015	30/11/2015	78	13	91
Social Worker	11/08/2014	03/08/2015	30/11/2015	70	18	89
Social Worker	19/08/2014	03/08/2015	30/11/2015	67	11	78
Social Worker	03/03/2014	03/08/2015	30/11/2015	81	9	90
Social Worker	19/06/2014	03/08/2015	30/11/2015	75	13	88
Social Worker	04/08/2014	03/08/2015	30/11/2015	73	13	86
Team Manager - MASH	28/09/2014	03/08/2015	30/11/2015	71	16	87
Team Manager	01/09/2014	03/08/2015	30/11/2015	70	9	79
Corporate Parenting Manager	01/09/2014	03/08/2015	30/11/2015	71	14	85
Social Worker	06/06/2014	03/08/2015	30/11/2015	66	13	80
Team Manager	30/09/2014	03/08/2015	30/11/2015	76	7	83
Social Worker	05/09/2014	03/08/2015	30/11/2015	65	13	78
Child Sexual Exploitation Co-ordinator	03/11/2014	03/08/2015	30/11/2015	64	14	78
Education Key Worker	14/10/2013	03/08/2015	30/11/2015	67	8	75
Team Manager	31/07/2014	03/08/2015	30/11/2015	60	18	77
Social Worker	19/06/2014	03/08/2015	30/11/2015	62	14	75
Social Worker	20/01/2014	03/08/2015	30/11/2015	57	11	68
Social Worker	30/09/2014	03/08/2015	30/11/2015	61	13	75
Social Worker	27/10/2014	03/08/2015	30/11/2015	51	13	65
Social Worker	13/05/2014	03/08/2015	30/11/2015	57	14	72
SW Learning & Development Mentor	17/11/2014	03/08/2015	30/11/2015	53	14	67
Quality Assurance Auditor (Social Work Cases)	08/05/2014	03/08/2015	30/11/2015	45	15	59
Senior Social Worker	25/09/2013	03/08/2015	30/11/2015	53	13	66
Social Worker	05/03/2014	03/08/2015	30/11/2015	47	15	62
Social Worker	01/10/2013	03/08/2015	30/11/2015	49	11	60
Social Worker	07/11/2014	03/08/2015	30/11/2015	51	13	65
Team Manager	27/10/2014	03/08/2015	30/11/2015	50	8	58

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
Social Worker	27/10/2014	03/08/2015	30/11/2015	49	13	62
Team Manager	01/07/2014	03/08/2015	31/10/2015	78	13	91
Social Worker	11/10/2014	03/08/2015	30/11/2015	48	5	53
Social Worker	06/01/2014	03/08/2015	30/11/2015	45	6	51
Social Worker	15/12/2014	03/08/2015	30/11/2015	45	5	50
Social Worker	17/09/2014	03/08/2015	30/11/2015	56	13	69
Adult Social Care						
Residential Care Worker	01/04/2012	03/08/2015	30/11/2015	88	5	93
Service Manager	01/09/2014	03/08/2015	30/11/2015	82	15	97
Team Manager	03/11/2014	03/08/2015	30/11/2015	63	14	77
Mental Health Social Worker	05/05/2014	03/08/2015	30/11/2015	65	6	71
Team Leader	01/04/2014	03/08/2015	30/11/2015	97	8	105
Lead Approved Mental Health Practitioner	01/06/2012	03/08/2015	30/11/2015	127	10	137
Occupational Therapist	07/10/2013	03/08/2015	30/11/2015	107	12	119
Approved Mental Health Worker	08/05/2014	03/08/2015	30/11/2015	53	14	67
Care Act Implementation Manager	02/10/2014	03/08/2015	30/11/2015	115	30	145
Lead Nurse	07/12/2014	03/08/2015	30/11/2015	45	12	57
Approved Mental Health Worker	01/03/2014	03/08/2015	30/11/2015	47	14	61
Safeguarding and DOLS Co-ordinator	19/10/2014	03/08/2015	30/11/2015	48	14	62

Appendix G - Interim Summer 2015 Cabinet level decisions taken by the Leader of the Council

186. Cabinet on 23 July 2015 agreed to delegate authority to the Leader of the Council, in conjunction with the relevant Cabinet Member(s) and Corporate Director, any decision that would otherwise be ordinarily reserved to the Cabinet, if a delay would prejudice Council projects or service delivery. This was to ensure full business continuity for executive decision-making over the summer period between meetings.
187. Between the 23 July and 24 September 2015 Cabinet meetings, the following decisions have been taken by the Leader of the Council under such delegated authority and are now reported below for Cabinet's ratification:

Date of decision	Details about the decision made	Decision-type
5 August 2015	<p>Early Years Centres - Review of Fees and Charges</p> <p>This decision concerned the outcome of a review into the fees and charges for the 3 Early Years Centres in the Borough since budget setting in February 2015. It was agreed to pursue a more standardised model, in line with the majority of other childcare providers, rather than the relatively simplistic model of one fee rate for all children regardless of age. In making the decision it was noted that in the majority of cases this would result in a lower increase than that previously agreed at Cabinet on 12 February 2015.</p> <p>Constitutionally, decisions to approve or amend fees and charges are ordinarily reserved to the Cabinet to make. This decision was undertaken under special urgency procedures to ensure adequate notice could be given to parents before the new fees took effect from 1 September 2015.</p>	<p>Special Urgency</p> <p>In consultation with the Cabinet Member for Education and Children's Services</p>
13 August 2015	<p>Universal Credit - Delivery Partnership Agreement</p> <p>This decision authorised the Council entering into a Delivery Partnership Agreement with the Department for Work and Pensions to commission services to assist residents claiming Universal Credit. Officers were also instructed to enter into associated discussions with the Citizens Advice Bureau on the matter.</p> <p>Constitutionally, decisions to enter into legal partnerships with another Government body are ordinarily reserved to the Cabinet to make.</p>	<p>Ordinary</p> <p>In consultation with the Cabinet Member for Finance, Property & Business Services</p>

Date of decision	Details about the decision made	Decision-type
24 August 2015	<p>Provision of a Temporary Ice Rink 2015/16</p> <p>This decision made the necessary financial and contractual decisions to continue with the successful Uxbridge Christmas Ice Rink, which has grown in popularity over the past 7 years with local residents.</p> <p>It was agreed to appoint Baseline Sport International to supply the rink for a period of 33 days and maintain fees as agreed previously by Cabinet but with delegated authority to enable variations to the ticket pricing structure if required to further promote the event.</p> <p>Constitutionally, decisions to amend fees and charges (and any delegation on this) are ordinarily reserved to the Cabinet to make.</p>	<p>Ordinary</p> <p>In consultation with the Cabinet Member for Community, Commerce and Regeneration</p>
24 August 2015	<p>Voluntary Sector Leases</p> <p>This decision granted a new 3 year licence for the workshop buildings and cafe at Fassnidge Park, Rockingham Parade, Uxbridge to Recycle-a-Bike Uxbridge Ltd, as part of the Council's supportive approach to more vulnerable residents.</p> <p>Recycle-a-Bike is a company limited by guarantee that supports the rehabilitation of mental health service users providing them with a project that teaches new skills within a safe, social environment. The organisation recycles abandoned bikes and provides a cycle repair service. Volunteers are given the chance to become qualified cycle technicians, providing them with new skills and renewed confidence, helping to break down any stigma that is associated with mental health.</p> <p>Constitutionally, decisions to licence property at less than best value are ordinarily reserved to the Cabinet to make.</p>	<p>Ordinary</p> <p>In consultation with the Cabinet Member for Finance, Property & Business Services</p>
1 September 2015	<p>Deed of variation to rights of access in The Pavilions Shopping Centre, Uxbridge</p> <p>The Pavilions Shopping Centre is held under a lease granted by the Council in 1987. A decision was made to vary rights of access within the Centre to facilitate its upcoming redevelopment and the amalgamation of a number of smaller shop units and part of the access</p>	<p>Ordinary</p> <p>Consultation with the Cabinet Member for Finance, Property &</p>

	<p>route into one large two storey retail unit.</p> <p>Constitutionally, such property decisions are ordinarily reserved to the Cabinet to make.</p>	Business Services
Date of decision	Details about the decision made	Decision-type
14 September 2015	<p>Collection and Processing of Highways Arising, Assorted Rubble and Hardcore Materials</p> <p>This decision request agreed a two year extension to the contract with Powerday Ltd. for the provision of services for the treatment of highways arisings, assorted rubble, hardcore materials and associated fly tipped waste, to be transport from Central Depot, Harlington Road. It will ensure the Council can continue to meet its recycling target, reducing the amount sent to landfill.</p> <p>Constitutionally, given the value of this contract extension exceeding £250k, this matter would ordinarily be reserved to the Cabinet to make.</p>	Normal, in consultation with the Cabinet Member for Planning, Transportation and Recycling

188. All the above decisions are available for Members, the Public and Press to view on the Council's website or by request to Democratic Services. Additionally, relevant Members, including the Executive Scrutiny Committee, were notified about these decisions in advance of them being made. They are now reported to Cabinet for information and ratification as the ordinary authorising body.