

# COUNCIL BUDGET -2015/16 MONTH 10 REVENUE AND CAPITAL BUDGET MONITORING

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

## HEADLINE INFORMATION

<b>Purpose of report</b>	<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 £1,484k is projected against 2015/16 General Fund revenue budgets as of January 2016 (Month 10), representing an improvement of £63k from the position previously reported to Cabinet.</p> <p>The latest positions on other funds and the Capital Programme are detailed within the body of this report.</p>
<b>Putting our Residents First</b>	<p>This report supports the following Council 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>
<b>Financial Cost</b>	N/A
<b>Relevant Policy Overview Committee</b>	Corporate Services and Partnerships
<b>Ward(s) affected</b>	All

## RECOMMENDATIONS

That Cabinet:

1. Note the forecast budget position as at January 2015 (Month 10).
2. Continue the delegated authority up until the 21 April 2016 Cabinet meeting to the Chief Executive to approve any consultancy and agency assignments over £50k, with final sign-off of any assignments made by the Leader of the Council. Cabinet are also asked to note those consultancy and agency assignments over £50k approved under delegated authority between the 18 February 2016 and 17 March 2016 Cabinet meetings, detailed at Appendix F.
3. Approve the release of £38,846 grant funding from the Department for Work and Pensions relating to the role out of Universal Credit.

**4. Approve the appropriation of land at Parkview Day Centre in Yiewsley and Grassy Meadow Day Centre in Hayes from the General Fund to the Housing Revenue Account to be developed as new sites for extra care supported housing.**

**5. Approve the award of an £80k grant to Uxbridge College for the development of the Hayes Campus park for wider community use, to be funded from Chrysalis budgets.**

## **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 26 February 2015.
2. Recommendation 3 - As part of the roll out of Universal Credit (UC), the London Borough of Hillingdon have a delivery partner agreement in place to deliver support to UC claimants. Funding of £38,846 was agreed to cover the period from November 2015 to March 2016 and is paid on a monthly basis in arrears.
3. Recommendation 4 - In June 2015, Cabinet agreed to progress the re-development of the former Grassy Meadow Day Centre in Hayes and the former Parkview Day Centre in Yiewsley as new sites for Extra Care Supported Housing. The development will provide 88 units at Grassy Meadow and 60 units at Parkview for the Borough's elderly residents who are most in need of extra care. The sites are no longer required for Adult Social Care and are currently vacant therefore the appropriation to the HRA will support bringing these properties back into use which represents value for money for both the General Fund and the HRA. The appropriations will be accounted for as a notional capital receipt at market value for which budget provision of £3,508k is included in the approved HRA capital programme for land appropriations relating to these sites. Construction works are expected to commence at both sites in 2016/17 with expected completion in early 2018.
4. Recommendation 5 - In celebration of their 50th (golden) anniversary, Uxbridge College have submitted a proposal for funding under the Chrysalis programme to transform the underused park at the Hayes Campus in College Way (Townfield Ward) into a vibrant community space providing leisure, social and cultural activities for the local community. Following public consultation inviting residents views about how the park could be utilised, plans have been developed and costs tendered to include outdoor fitness equipment, a children's play area, outdoor table tennis and a fitness trail as well as a canopied area for outdoor public performances. The total cost will be £130k with the £80k Chrysalis grant attracting £50k match funding from the College.

### **Alternative options considered**

5. There are no other options proposed for consideration.

## SUMMARY

### REVENUE

6. An underspend on normal operating activities of £1,034k is projected at Month 10 for General Fund revenue budgets, with management action across all service areas expected to deliver underspends of £2,908k on Directorate Operating Budgets and £1,370k across Corporate Operating Budgets sufficient to contain £3,244k emergent pressures within contingency. This represents an improvement of £63k on the position reported at Month 9, with additional costs arising from new Looked After Children's placements being balanced by increased underspends across Directorate Operating Budgets. Outside normal operating activity, recovery of £450k Icelandic investments, first reported in Month 4, brings the headline underspend to £1,484k for 2015/16.
7. The 2015/16 revenue budget contains savings of £10,034k, including £127k items brought forward from 2014/15. At Month 10, £7,173k of savings are banked in full, and a further £1,029k on track for delivery in full. The remaining £1,832k is currently reported as 'amber' primarily due to the expected phasing of delivery rather than more fundamental delivery issues. Any necessary rephasing has been reflected in the MTFE as part of budget setting at February Council.
8. General Fund balances are projected to total £36,923k at 31 March 2016, after allowing for the release of £5,000k to smooth the impact of front-loaded government funding cuts off-set by the £1,484k in-year underspend. Current forecasts assume that £500k of as yet uncommitted General Contingency and £637k unallocated Priority Growth will be utilised in full during the current financial year.
9. With the exception of the Collection Fund, there are no material variances on other funds affecting the General Fund position. Within the Collection Fund, there is a potential pressure of £1,125k on Business Rates being off-set by a £2,625k surplus on Council Tax activities. Release of this net £1,500k surplus was reflected in the 2016/17 budget.

### CAPITAL

10. As at Month 10 an underspend of £27,843k is reported on the £80,996k General Fund Capital Programme for 2015/16, with £4,655k favourable cost variances and £23,188k slippage on project expenditure. The forecast outturn variance over the life of the 2015/16 to 2019/20 programme is a £4,710k underspend relating partly to completed Primary School expansions projects and also on various other schemes.
11. General Fund Capital Receipts of £10,084k are forecast for 2015/16, with total receipts to 2019/20 expected to reach £62,267k, representing a favourable variance of £362k against budget.
12. Overall, Prudential Borrowing required to support the 2015/16 to 2019/20 Capital Programme is forecast to be £4,248k lower than assumed at budget setting in February 2015. Cost underspends of £4,710k and improvements in Capital Receipts and CIL forecasts totalling £1,862k are partly off-set by shortfalls of grant funding of £2,324k. The grant shortfall is mainly due to 2015/16 Department for Education grant being lower than original budget estimates.

## FURTHER INFORMATION

### General Fund Revenue Budget

13. An underspend of £1,034k is reported on normal operating activities at Month 10. This position incorporates a £2,908k net underspend across Directorate Operating Budgets and an underspend of £1,370k across Corporate Operating Budgets, off-set by contingency pressures of £3,244k, primarily relating to Children's Social Care placements and Asylum services. In addition, a £450k favourable exceptional item is reported in relation to the recovery of the majority of outstanding Icelandic investments which brings the reported underspend across the General Fund to £1,484k.
14. Within the reported net underspend there remains a number of risk areas in which management action is in place to contain potential and emergent pressures. These risks are discussed in detail within the service appendices to this report, alongside narrative on the measures being taken to contain cost pressures, including acceleration of savings initiatives where appropriate.
15. The Council's General Fund revenue budget contains £10,034k savings, with £7,173k already banked and £1,029k on-track for delivery in full at this 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 10		Variance (+ adv / - fav)		
			Revised Budget	Forecast Outturn	Variance (As at Month 10)	Variance (As at Month 9)	Movement from Month 9
£'000	£'000		£'000	£'000	£'000	£'000	£'000
186,215	1,471	Directorate Operating Budgets	187,686	184,778	(2,908)	(2,584)	(324)
8,793	(332)	Corporate Operating Budgets	8,461	7,091	(1,370)	(1,370)	0
12,340	(972)	Development & Risk Contingency	11,368	14,612	3,244	2,983	261
1,604	(167)	Priority Growth	1,437	1,437	0	0	0
<b>208,952</b>	<b>0</b>	<b>Sub-total Normal Activities</b>	<b>208,952</b>	<b>207,918</b>	<b>(1,034)</b>	<b>(971)</b>	<b>(63)</b>
		<u>Exceptional Items</u>					
		Recovered Icelandic Investment		(450)	(450)	(450)	0
<b>208,952</b>	<b>0</b>	<b>Total Net Expenditure</b>	<b>208,952</b>	<b>207,468</b>	<b>(1,484)</b>	<b>(1,421)</b>	<b>(63)</b>
(203,952)	0	Budget Requirement	(203,952)	(203,952)	0	0	0
<b>5,000</b>	<b>0</b>	<b>Net Total</b>	<b>5,000</b>	<b>3,516</b>	<b>(1,484)</b>	<b>(1,421)</b>	<b>(63)</b>
(40,439)	0	Balances b/fwd	(40,439)	(40,439)			
<b>(40,439)</b>	<b>0</b>	<b>Balances c/fwd 31 March 2016</b>	<b>(35,439)</b>	<b>(36,923)</b>			

16. The reported exceptional item relates to a payment received in respect of outstanding Icelandic Investments, enabling release of £450k from the remaining impairment of these investments. 98% of the £15,000k invested with Heritable has now been recovered.

17. At 31 March 2015 General Fund Balances totalled £40,439k, with the budgeted drawdown of £5,000k and the projected £1,484k surplus the forecast closing balance at 31 March 2016 is projected to total £36,923k. The Council's current Medium Term Financial Forecast assumes that balances will remain between £19,500k and £31,000k to manage emergent risks, with sums above that level earmarked for use to smooth the impact of government funding cuts.

### Directorate Operating Budgets (£2,908k underspend, £324k improvement)

18. 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. 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 10		Variance (+ adv / - fav)			
			Revised Budget	Forecast Outturn	Variance (As at Month 10)	Variance (As at Month 9)	Movement from Month 9	
£'000	£'000		£'000	£'000	£'000	£'000	£'000	
11,133	15	Admin	Expenditure	11,148	10,953	(195)	(182)	(13)
(1,331)	107		Income	(1,224)	(1,177)	47	36	11
<b>9,802</b>	<b>122</b>		<b>Sub-Total</b>	<b>9,924</b>	<b>9,776</b>	<b>(148)</b>	<b>(146)</b>	<b>(2)</b>
16,867	(38)	Finance	Expenditure	16,829	16,734	(95)	(95)	0
(2,583)	2		Income	(2,581)	(2,620)	(39)	(33)	(6)
<b>14,284</b>	<b>(36)</b>		<b>Sub-Total</b>	<b>14,248</b>	<b>14,114</b>	<b>(134)</b>	<b>(128)</b>	<b>(6)</b>
111,957	(2,055)	Residents Services	Expenditure	109,902	109,048	(854)	(871)	17
(53,324)	150		Income	(53,174)	(53,183)	(9)	49	(58)
<b>58,633</b>	<b>(1,905)</b>		<b>Sub-Total</b>	<b>56,728</b>	<b>55,865</b>	<b>(863)</b>	<b>(822)</b>	<b>(41)</b>
139,147	5,938	Social Care	Expenditure	145,085	146,810	1,725	1,971	(246)
(35,651)	(2,648)		Income	(38,299)	(41,787)	(3,488)	(3,459)	(29)
<b>103,496</b>	<b>3,290</b>		<b>Sub-Total</b>	<b>106,786</b>	<b>105,023</b>	<b>(1,763)</b>	<b>(1,488)</b>	<b>(275)</b>
<b>186,215</b>	<b>1,471</b>	<b>Total Directorate Operating Budgets</b>		<b>187,686</b>	<b>184,778</b>	<b>(2,908)</b>	<b>(2,584)</b>	<b>(324)</b>

19. The Administration position is showing an underspend of £148k at Month 10, a minor £2k improvement on the prior month position. The underlying underspend is mainly due to elected Members no longer being eligible for membership of the Local Government Pension Scheme. Shortfalls in income within the group are being managed through underspends on expenditure.
20. An underspend of £134k is reported against Finance budgets, primarily arising from vacant posts held across the Directorate. An improvement of £6k is reported from Month 9 due to recognition of grant funding within Revenues & Benefits.
21. Residents Services are reporting an underspend of £863k at Month 10, an improvement of £41k on Month 9. This headline underspend includes £908k underspends against the Directorate's £52,595k staffing budget and strong income generation across planning and highways functions being off-set by pressures on property maintenance budgets and shortfalls in income at Uxbridge Town Centre car parks and Imported Food sampling at Heathrow Airport. Movement from Month 9 includes increased projections for redundancy costs being off-set by more general reductions in expenditure forecasts across the Group.
22. An underspend of £1,763k is reported across Social Care, with a £275k improvement reported from the Month 9 position. This movement reflects increase staffing underspends within All Age Disabilities as new structures are recruited to and favourable movements on

Adult Social Care placement expenditure. Across the Group, underspends of £2,030k within workforce budgets account for the majority of the reported variance, with a number of pressures across non-staffing expenditure being contained through a combination of earmarked reserves and demand management.

### Progress on Savings

23. 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. At Month 10, £7,173k savings are reported as banked, with a further £1,029k on track for delivery in full during the current financial year. £1,832k 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. Savings classed as amber have been reviewed alongside development of the 2016/17 budget, with those higher risk items, mainly related to Social Care, either rephased or replaced with alternative initiatives in the new year. During the current financial year, sufficient underspends across the Council are in place to off-set the risk of a shortfall on remaining amber savings.

**Table 3: Savings Tracker**

2015/16 General Fund Savings Programme	Admin. & Finance	Residents Services	Social Care	Total Savings	
	£'000	£'000	£'000	£'000	%
B Banked	(990)	(4,348)	(1,835)	<b>(7,173)</b>	<b>71.5%</b>
G On track for delivery	(393)	(0)	(636)	<b>(1,029)</b>	<b>10.3%</b>
A Potential significant savings shortfall or a significant or risky project which is at an early stage;	0	0	(1,832)	<b>(1,832)</b>	<b>18.3%</b>
R Serious problems in the delivery of the saving	0	0	0	<b>0</b>	<b>0.0%</b>
<b>Total 2015/16 Savings</b>	<b>(1,383)</b>	<b>(4,348)</b>	<b>(4,303)</b>	<b>(10,034)</b>	<b>100%</b>

### Corporate Operating Budgets (£1,370k underspend, no movement)

24. 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.
25. A favourable movement in interest costs increases the in-year underspend reported on the management of the Council's loan book and cash balances to £1,100k, which is attributable to on-going reviews of capital financing options and proactive management of treasury activity.
26. As previously reported, there remains a risk that the use of Real Time Information by the DWP may adversely impact upon funding levels for Housing Benefit, however this situation is under review and at present scope exists to contain such a pressure in-year within the wider Subsidy position.

**Table 4: Corporate Operating Budgets**

Original Budget £'000	Budget Change £'000	Service	Month 10		Variance (+ adv / - fav)			
			Revised Budget	Forecast Outturn	Variance (As at Month 10)	Variance (As at Month 9)	Movement from Month 9	
			£'000	£'000	£'000	£'000	£'000	
0	0	Interest and Investment Income	Salaries	0	0	0	0	0
9,861	(300)		Non-Sal Exp	9,561	8,461	(1,100)	(1,100)	0
(691)	0		Income	(691)	(691)	0	0	0
<b>9,170</b>	<b>(300)</b>		<b>Sub-Total</b>	<b>8,870</b>	<b>7,770</b>	<b>(1,100)</b>	<b>(1,100)</b>	<b>0</b>
493	0	Levies and Other Corporate Budgets	Salaries	493	473	(20)	(20)	0
11,925	(301)		Non-Sal Exp	11,624	11,574	(50)	(50)	0
(12,235)	269		Income	(11,966)	(12,166)	(200)	(200)	0
<b>183</b>	<b>(32)</b>		<b>Sub-Total</b>	<b>151</b>	<b>(119)</b>	<b>(270)</b>	<b>(270)</b>	<b>0</b>
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
<b>(560)</b>	<b>0</b>		<b>Sub-Total</b>	<b>(560)</b>	<b>(560)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>8,793</b>	<b>(332)</b>	<b>Total Corporate Operating Budgets</b>		<b>8,461</b>	<b>7,091</b>	<b>(1,370)</b>	<b>(1,370)</b>	<b>0</b>

**Development & Risk Contingency (£3,244k pressure, £261k adverse movement)**

27. The Council has set aside £11,368k to manage volatile and uncertain elements of budgets within the Development & Risk Contingency, which included £10,368k 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 10		Variance (+ adv / - fav)		
				Revised Budget	Forecast Outturn	Variance (As at Month 10)	Variance (As at Month 9)	Movement from Month 9
				£'000	£'000	£'000	£'000	£'000
400	0	Fin.	Uninsured Claims	400	300	(100)	(100)	0
236	(236)	Residents Services	Carbon Reduction Commitment	0	0	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	2,204	(7)	(7)	0
1,272	0	Social Care	Asylum Funding Shortfall	1,272	2,262	990	940	50
465	0		Social Care Pressures (Children's)	465	4,208	3,743	3,532	211
(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
129	0		Social Care Pressures (Adult)	129	129	0	0	0
380	0		Increase in Transitional Children due to Demographic Changes	380	380	0	0	0
393	0		Winterborne View	393	67	(326)	(326)	0
520	0		SEN Transport	520	520	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	775	(556)	(556)	0
1,000	0		General Contingency	1,000	500	(500)	(500)	0
<b>12,340</b>	<b>(972)</b>	<b>Total Development &amp; Risk Contingency</b>		<b>11,368</b>	<b>14,612</b>	<b>3,244</b>	<b>2,983</b>	<b>261</b>

28. As homelessness caseloads continue to remain broadly consistent it is expected that drawdown of the full £1,836k contingency will be required in addition to other sums from earmarked reserves being needed to manage the cost of temporary accommodation in 2015/16. As previously reported, this pressure is being driven by higher levels of households presenting as homeless and a decreasing supply of suitable affordable accommodation.
29. An adverse movement of £50k is reported on Asylum projections, increasing the Council's net contribution to supporting current and former Asylum Seeking Children to £2,262k in 2015/16. This adverse movement represents an uplift in projected expenditure forecasts from Month 9. At the time of publication, Home Office funding levels from 1 April 2016 for this provision are still not confirmed.
30. A further adverse movement of £211k is reported on the cost of Looked After Children in respect of sustained high numbers of mother and baby placements and significant demand for residential placements for teenage children. The overall reported pressure of £3,743k remains broadly consistent with the Contingency provision included in the Council's 2016/17 budget, although a number of initiatives are planned to manage down this cost going forward.



31. The 2015/16 budget included £1,000k of General Contingency to manage unforeseen cost pressures over and above those specific items included in Development & Risk Contingency. In line with Month 9 assumptions, it is projected that only £500k of this sum will be required, reflecting the outturn position in recent years.

### Priority Growth

32. 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 £167k has been allocated from Unallocated Priority Growth, £150k support for the First Time Buyer's Initiative and £17k match funding for the Textile Recycling donation to the Mayor's Charity. It is expected that Unallocated Growth monies will be applied in full during 2015/16 and not be released into General Balances.
33. 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 £419k, and a further leaving £811k available for new initiatives.

**Table 6: Priority Growth**

Original Budget	Budget Changes	Priority Growth	Month 10		
			Revised Budget	Approved Allocations	Unallocated Balance
£'000	£'000		£'000	£'000	£'000
800	0	HIP Initiatives Budgets	800	0	(800)
430	0	B/fwd Funds	430	419	(11)
804	(167)	Unallocated Priority Growth	637	0	(637)
<b>2,034</b>	<b>(167)</b>	<b>Total Priority Growth</b>	<b>1,867</b>	<b>419</b>	<b>(1,448)</b>

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

34. The latest forecasts on other funds indicate favourable positions at year end and therefore will not adversely impact upon the General Fund in 2015/16.
35. A headline pressure of £2,530k is identified on the Schools Budget at Month 10, representing an increase of £46k on the previously reported figure as additional funding is expected to be released to providers of Two Year Nursery places. There is sufficient capacity within retained DSG balances to finance the in-year pressure, with £1,709k relating to the one-off release of the 2014/15 surplus to individual schools and £629k increases in the cost of SEN placements under the new banded funding model.
36. A surplus of £242k is forecast on the Parking Revenue Account at Month 10, a marginal £16k adverse movement on Month 9. Given the volatile nature of enforcement and on-street parking income streams, this position will continue to be closely monitored.
37. The Collection Fund is reporting an estimated surplus of £1,500k at Month 10. This position consists of a £2,625k surplus on Council Tax activities as a result of strong collection performance and a £1,125k deficit on Business Rates principally driven by delays in the Valuation Office Agency bringing properties into rating. This net surplus will be released to the General Fund during 2016/17, with any subsequent movement in the reported position impacting upon the General Fund in 2017/18.

## **Housing Revenue Account**

38. At Month 10 an in-year surplus of £1,131k is projected on the Housing Revenue Account, a £398k increase from Month 9, which mainly relates to underspends within planned maintenance budgets. Within this position there remains a pressure on income arising from increased Right to Buy sales being off-set by underspends across HRA operations.
39. Unallocated General Balances within the HRA are projected to increase to £33,371k as a result of the forecast £1,131k surplus and £1,663k planned contribution to balances. The current forecast reflects the full delivery of the £2,448k savings included in the 2015/16 budget.
40. 107 properties have been sold under Right to Buy arrangements as at Month 10, with a total of 140 sales forecast for 2015/16. Current indications are that sufficient expenditure can be incurred before the initial tranche of retained receipts will become repayable to DCLG in March 2016 to avoid any repayment.

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

41. Appendix D to this report outlines the forecast outturn on the 2015/16 to 2019/20 Capital Programme. Following rephasing of the Capital Programme at Month 7, borrowing projections for 2015/16 are £21,690k lower than budget after allowing for the lower than anticipated level of 2015/16 Department for Education grant funding for school expansions. £4,655k of this sum relates to underspends with the remainder representing slippage of expenditure into 2016/17 and beyond. The on-going revenue implications were reflected in the Council's revenue budget for 2016/17.



## Appendix A – Detailed Group Forecasts (General Fund)

### ADMINISTRATION (£148k underspend, £2k improvement)

45. The Administration Directorate is showing an underspend of £148k at Month 10, a £2k improvement on Month 9. Pressures on Democratic Services budgets as a result of the continued additional workload of Individual Electoral Registration has led to the adverse movement on the service this month. This pressure has been negated by underspends within Human Resources as a result of realignments of forecasts to committed spend within Staff Recognition budgets and other non salaries spend. Budgets will continue to be closely monitored through to outturn, including reviews to ensure that income targets continue to remain on track for delivery.
46. The majority of the underspend in the Group is largely due to reduced expenditure on Members Allowances as Members are no longer part of the Local Government Pension Scheme. This additional budget has been removed from 2016/17 budgets.

**Table 7: Administration Operating Budgets**

Original Budget	Budget Changes	Service	Month 10		Variance (+ adv / - fav)			
			Revised Budget	Forecast Outturn	Variance (As at Month 10)	Variance (As at Month 9)	Movement from Month 9	
£'000	£'000		£'000	£'000	£'000	£'000	£'000	
1,461	0	Democr. Services	Salaries	1,461	1,448	(13)	(18)	5
1,841	(69)		Non-Sal Exp	1,772	1,678	(94)	(125)	31
(658)	69		Income	(589)	(560)	29	35	(6)
<b>2,644</b>	<b>0</b>		<b>Sub-Total</b>	<b>2,644</b>	<b>2,566</b>	<b>(78)</b>	<b>(108)</b>	<b>30</b>
2,319	80	Human Resources	Salaries	2,399	2,351	(48)	(27)	(21)
626	(30)		Non-Sal Exp	596	544	(52)	(26)	(26)
(286)	38		Income	(248)	(214)	34	16	18
<b>2,659</b>	<b>88</b>		<b>Sub-Total</b>	<b>2,747</b>	<b>2,681</b>	<b>(66)</b>	<b>(37)</b>	<b>(29)</b>
1,955	34	Legal Services	Salaries	1,989	2,024	35	35	0
111	0		Non-Sal Exp	111	96	(15)	(15)	0
(341)	0		Income	(341)	(341)	(0)	0	(0)
<b>1,725</b>	<b>34</b>		<b>Sub-Total</b>	<b>1,759</b>	<b>1,779</b>	<b>20</b>	<b>20</b>	<b>0</b>
592	0	Policy & Partnerships	Salaries	592	597	5	5	(0)
2,228	0		Non-Sal Exp	2,228	2,215	(13)	(11)	(2)
(46)	0		Income	(46)	(62)	(16)	(15)	(1)
<b>2,774</b>	<b>0</b>		<b>Sub-Total</b>	<b>2,774</b>	<b>2,750</b>	<b>(24)</b>	<b>(21)</b>	<b>(3)</b>
6,327	114	Admin. Directorate	Salaries	6,441	6,420	(21)	(5)	(16)
4,806	(99)		Non-Sal Exp	4,707	4,534	(173)	(177)	4
(1,331)	107		Income	(1,224)	(1,177)	47	36	11
<b>9,802</b>	<b>122</b>		<b>Total</b>	<b>9,924</b>	<b>9,776</b>	<b>(148)</b>	<b>(146)</b>	<b>(2)</b>

## FINANCE (£134k underspend, £6k improvement)

47. The Finance Group is showing an underspend of £134k at Month 10, an improvement of £6k on Month 9. A slight improvement on income forecasts within Revenues and Benefits as a result of the drawdown of grant monies has led to the improved position this month.
48. The overall underspend position is due to salaries underspends in Operational Finance as a result of the restructure of Assistant Finance Business Partners; in Revenues and Benefits Service as a result of a high level of vacant posts within the Housing Benefits service; and in Strategic Finance due to a vacant post and maternity leave.

**Table 8: Finance Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service	Month 10		Variance (+ adv / - fav)			
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 10) £'000	Variance (As at Month 9) £'000	Movement from Month 9 £'000	
487	0	Internal Audit	Salaries	487	495	8	8	0
56	0		Non-Sal Exp	56	58	2	2	0
0	0		Income	0	(11)	(11)	(11)	0
<b>543</b>	<b>0</b>		<b>Sub-Total</b>	<b>543</b>	<b>542</b>	<b>(1)</b>	<b>(1)</b>	<b>0</b>
2,185	(222)	Procurement	Salaries	1,963	1,983	20	26	(6)
121	(2)		Non-Sal Exp	119	219	100	95	5
(2)	2		Income	0	(28)	(28)	(28)	0
<b>2,304</b>	<b>(222)</b>		<b>Sub-Total</b>	<b>2,082</b>	<b>2,174</b>	<b>92</b>	<b>93</b>	<b>(1)</b>
3,360	(30)	Operation. Finance	Salaries	3,330	3,235	(95)	(84)	(11)
679	0		Non-Sal Exp	679	692	13	3	10
(159)	0		Income	(159)	(156)	3	0	3
<b>3,880</b>	<b>(30)</b>		<b>Sub-Total</b>	<b>3,850</b>	<b>3,771</b>	<b>(79)</b>	<b>(81)</b>	<b>2</b>
3,868	34	Revenues & Benefits	Salaries	3,902	3,838	(64)	(66)	2
2,285	0		Non-Sal Exp	2,285	2,249	(36)	(37)	1
(2,166)	0		Income	(2,166)	(2,169)	(3)	6	(9)
<b>3,987</b>	<b>34</b>		<b>Sub-Total</b>	<b>4,021</b>	<b>3,918</b>	<b>(103)</b>	<b>(97)</b>	<b>(6)</b>
1,300	132	Strategic Finance	Salaries	1,432	1,379	(53)	(49)	(4)
2,526	50		Non-Sal Exp	2,576	2,586	10	7	3
(256)	0		Income	(256)	(256)	0	0	0
<b>3,570</b>	<b>182</b>		<b>Sub-Total</b>	<b>3,752</b>	<b>3,709</b>	<b>(43)</b>	<b>(42)</b>	<b>(1)</b>
11,200	(86)	Finance Directorate	Salaries	11,114	10,930	(184)	(165)	(19)
5,667	48		Non-Sal Exp	5,715	5,804	89	70	19
(2,583)	2		Income	(2,581)	(2,620)	(39)	(33)	(6)
<b>14,284</b>	<b>(36)</b>		<b>Total</b>	<b>14,248</b>	<b>14,114</b>	<b>(134)</b>	<b>(128)</b>	<b>(6)</b>

49. A year end drawdown from the Insurance contingency of £300k is projected at Month 10, no change from Month 9. The £400k Insurance contingency was fully utilised in 2014/15, as costs exceeded the available base budget of £359k. Payments of £850k were made in 2014/15 significantly lower than in previous years of which the £91k over budget was funded by a release from the Insurance Provision. Payments this year are projected to further drop and claim payments are currently projected to be in the region of £685k. However, this does not take into account the potential seasonal impact to claims as a result of adverse weather conditions during winter.

50. In addition, there has also been a 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. As such, it is expected that the full contingency will not be required this year. This will continue to be monitored throughout the year, however, any seasonal or exceptional claims could be funded through the General Insurance reserve if necessary.

**Table 9: Finance Development & Risk Contingency**

Original Budget £'000	Budget Changes £'000	Development & Risk Contingency	Month 10		Variance (+ adv / - fav)		
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 10) £'000	Variance (As at Month 9) £'000	Movement from Month 9 £'000
400	0	Uninsured Claims	400	300	(100)	(100)	0
<b>400</b>	<b>0</b>	<b>Current Commitments</b>	<b>400</b>	<b>300</b>	<b>(100)</b>	<b>(100)</b>	<b>0</b>

## RESIDENTS SERVICES (£863k underspend, £41k improvement)

51. Residents Services directorate is showing a projected outturn underspend of £863k at Month 10, excluding pressure areas that have identified contingency provisions.

**Table 10: Residents Services Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service	Month 10		Variance (+ adv / - fav)			
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 10) £'000	Variance (As at Month 9) £'000	Movement from Month 9 £'000	
13,368	1,186	Deputy Director Residents Services	Salaries	14,554	14,665	111	(139)	250
21,204	(3,084)		Non-Sal Exp	18,120	18,166	46	34	12
(10,051)	2,576		Income	(7,475)	(6,981)	494	510	(16)
<b>24,521</b>	<b>678</b>		<b>Sub-Total</b>	<b>25,199</b>	<b>25,850</b>	<b>651</b>	<b>405</b>	<b>246</b>
1,844	90	Development and Assets	Salaries	1,934	1,934	0	0	0
7,575	148		Non-Sal Exp	7,723	7,974	251	245	6
(2,397)	15		Income	(2,382)	(2,382)	0	0	0
<b>7,022</b>	<b>253</b>		<b>Sub-Total</b>	<b>7,275</b>	<b>7,526</b>	<b>251</b>	<b>245</b>	<b>6</b>
803	(324)	Estates and Tenancy Management	Salaries	479	470	(9)	(9)	0
1,254	(121)		Non-Sal Exp	1,133	1,133	0	0	0
(3,414)	177		Income	(3,237)	(3,201)	36	73	(37)
<b>(1,357)</b>	<b>(268)</b>		<b>Sub-Total</b>	<b>(1,625)</b>	<b>(1,598)</b>	<b>27</b>	<b>64</b>	<b>(37)</b>
5,050	(47)	Policy, Highways and Community Engagement	Salaries	5,003	4,884	(119)	(46)	(73)
6,004	(12)		Non-Sal Exp	5,992	5,905	(87)	(15)	(72)
(12,572)	10		Income	(12,562)	(12,832)	(270)	(270)	0
<b>(1,518)</b>	<b>(49)</b>		<b>Sub-Total</b>	<b>(1,567)</b>	<b>(2,043)</b>	<b>(476)</b>	<b>(331)</b>	<b>(145)</b>
4,135	(2,497)	Planning and Development	Salaries	1,638	1,584	(54)	(54)	0
1,626	(787)		Non-Sal Exp	839	922	83	88	(5)
(2,973)	405		Income	(2,568)	(3,036)	(468)	(460)	(8)
<b>2,788</b>	<b>(2,879)</b>		<b>Sub-Total</b>	<b>(91)</b>	<b>(530)</b>	<b>(439)</b>	<b>(426)</b>	<b>(13)</b>
12,777	(1,176)	Green Spaces & Culture	Salaries	11,601	11,674	73	73	0
9,229	(1,057)		Non-Sal Exp	8,172	7,992	(180)	(184)	4
(9,819)	126		Income	(9,693)	(9,723)	(30)	(33)	3
<b>12,187</b>	<b>(2,107)</b>		<b>Sub-Total</b>	<b>10,080</b>	<b>9,943</b>	<b>(137)</b>	<b>(144)</b>	<b>7</b>
7,916	(73)	Communication, ICT and Customer Development	Salaries	7,843	7,676	(167)	(160)	(7)
4,241	170		Non-Sal Exp	4,411	4,420	9	9	0
(2,767)	22		Income	(2,745)	(2,745)	0	0	0
<b>9,390</b>	<b>119</b>		<b>Sub-Total</b>	<b>9,509</b>	<b>9,351</b>	<b>(158)</b>	<b>(151)</b>	<b>(7)</b>
5,279	12	Business and Technical Support	Salaries	5,291	4,817	(474)	(457)	(17)
879	207		Non-Sal Exp	1,086	1,088	2	2	0
(3,772)	(24)		Income	(3,796)	(3,493)	303	303	0
<b>2,386</b>	<b>195</b>		<b>Sub-Total</b>	<b>2,581</b>	<b>2,412</b>	<b>(169)</b>	<b>(152)</b>	<b>(17)</b>
3,537	715	Policy and Standards - Education, Housing and Public Health	Salaries	4,252	3,983	(269)	(269)	0
5,236	4,595		Non-Sal Exp	9,831	9,761	(70)	11	(81)
(5,559)	(3,157)		Income	(8,716)	(8,790)	(74)	(74)	0
<b>3,214</b>	<b>2,153</b>		<b>Sub-Total</b>	<b>5,367</b>	<b>4,954</b>	<b>(413)</b>	<b>(332)</b>	<b>(81)</b>
54,709	(2,114)	Residents Services	Salaries	52,595	51,687	(908)	(1,061)	153
57,248	59		Non-Sal Exp	57,307	57,361	54	190	(136)
(53,324)	150		Income	(53,174)	(53,183)	(9)	49	(58)
<b>58,633</b>	<b>(1,905)</b>		<b>Total</b>	<b>56,728</b>	<b>55,865</b>	<b>(863)</b>	<b>(822)</b>	<b>(41)</b>

52. The overall variance results from 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 and in Imported Food sampling.
53. The Council's 2015/16 contingency budget contains provision for areas of within Residents Services for which there is a greater degree of uncertainty. At Month 10 projected calls on contingency are £7k below provision. The table below shows the breakdown for each contingency item.

**Table 11: Development and Risk Contingency**

Original Budget	Budget Changes	Development & Risk Contingency	Month 10		Variance (+ adv / - fav)		
			Revised Budget	Forecast Outturn	Variance (As at Month 10)	Variance (As at Month 9)	Movement from Month 9
£'000	£'000		£'000	£'000	£'000	£'000	£'000
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	2,204	(7)	(7)	0
<b>4,047</b>	<b>0</b>	<b>Current Commitments</b>	<b>4,047</b>	<b>4,040</b>	<b>(7)</b>	<b>(7)</b>	<b>0</b>

54. During the financial year 2015/16 numbers of temporary accommodation requirements have been consistently above the original MTFF forecast. Within this increase, a higher proportion are in high cost Bed & Breakfast placements, given the challenges on housing supply.

**Table 12: Housing Needs performance data**

	2015/16		
	November	December	January
Homeless Threat, Priority Need & Eligible	96	88	117
Presenting As Homeless	55	34	49
Duty Accepted	31	20	39
<b>Households in Temporary Accommodation</b>	<b>594</b>	<b>569</b>	<b>578</b>
<b>Households in B&amp;B</b>	<b>210</b>	<b>196</b>	<b>201</b>

55. Whilst the overall temporary accommodation numbers remain relatively stable, the proportion of high cost B&B remains above that budgeted in the MTFF. Key variables in terms of keeping high cost B&B type accommodation to a minimum are the prevention rate and the supply of properties. These costs are partially mitigated by net demand over the year to date being lower than expected and a slowdown in the end of lease PSL properties. This in turn has reduced spend on Finders' Fee, Find Your Own and other schemes. Further mitigation has been provided through vacancy management, voids turnover and better than expected performance on arrears. It is therefore expected that the financial risk will remain within the current provision of £1,836k. If this can be maintained over the final quarter of the financial year, it should reduce the need to utilise earmarked reserves.
56. 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. West London Waste Authority (WLWA) are indicating a further improvement to the £1,900k underspend

forecast previously reported, which if maintained until year end will increase WLWA reserves above their target level of £4,200k for 2016/17. In this instance, WLWA will make recommendations regarding disbursement of excess reserves to boroughs. The recommendations will be made when the level of underspend and reserves are confirmed. WLWA have stated this will be following the impact of pension and property valuations and other year-end adjustments in June 2016.

#### **Deputy Director Residents Services (£651k overspend, £246k adverse)**

57. The service is projecting an adverse movement of £246k in Month 10, primarily as a result of revised projections for redundancy costs following extensive restructuring in the service.
58. The current forecast redundancy costs across Residents Services is £538k, which would provide a net pressure of £238k following full drawdown of the £300k in the earmarked reserve. It should be noted that this figure is expected to further increase before year-end.
59. In addition, there is a projected salary underspend of £127k (which reflects an adverse movement of £12k) further to revised salary forecasts across a number of enforcement teams in the service and an adverse movement of £12k for legal costs following a revised projection for the group.
60. The continuing, sustained reduced projection in Imported Food sampling income is based on receipts to end of January of £494k, which is £16k favourable. This income stream has experiencing sustained volatility following the cessation of green bean testing from 1st July 2015. The service is currently experiencing a sustained reduction in income of between £6k and £10k per week.
61. Following the cessation of the short-term grant funding from the DCLG in support of weekly recycling and food waste collections, the council has built up an earmarked reserve from the initial funding tranches. It is anticipated this will be sufficient to fund the cost of continuing to run the service over the next two financial years. The earmarked reserve is therefore projected to be used in full by the end of 2016/17.

#### **Development and Assets (£251k overspend, £6k adverse movement)**

62. The Development and Assets projection has been restated from Month 9 further to the transfer of the postage cost centre to business and technical support.
63. There is a forecast pressure of £184k (£6k adverse) due to revised view of the likely reactive maintenance works and ongoing cost pressures associated with the civic centre. Ongoing work on existing contracts has so far enabled this pressure to be managed down and ensure only essential works are undertaken.
64. 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 £67k (nil movement).

#### **Estates and Tenancy Management (£27k overspend, £37k improvement)**

65. There is a projected income pressure of £52k on garages income (£21k favourable). The current income projection is based on the most up to date income schedules received from the service. In Month 10 the service is also projecting a favourable movement of £16k on general corporate estates income based on latest actual income.



### **Policy, Highways & Community Engagement (£476k underspend, £145k improvement)**

66. At Month 10, the service is reporting a favourable salary projection of £73k. The exceptionally mild winter reduced the salary costs for winter maintenance by £26k, whilst vacant posts within the Town Centre Improvement team and planning policy team reduced salary projections by £26k and £21k respectively.
67. There are reductions in Highways expenditure projections at Month 10 (£72k) following revised modelling to factor in seasonal variations.

### **Planning and Enforcement (£439k underspend, £13k improvement)**

68. Income streams across the service remain robust, with a projection improvement at Month 10 of £8k. The service is reporting a favourable movement in car allowances of £5k following a revised projection.

### **Green Spaces, Sport & Culture (£137k underspend, £7k adverse movement)**

69. Follow a review of non-staffing costs, the projection across the service is adjusted to give a £4k adverse movement. Projected income from filming is reduced by £3k following a reduction in activity.

### **Communications, ICT and Customer Development (£158k underspend, £7k improvement)**

70. The service is reporting a salary underspend of £167k at Month 10 (£7k favourable). The movement can be attributed to a delay in recruitment to a vacant post in ICT.
71. A review into Hillingdon Grid for Learning (HGfL) has led to the decision to cease this service from 1 April 2016. Consequently, the level of commitment from schools to progress project work has dropped significantly with no new proposals now coming forward. This will result in a shortfall in income of £40k for 15/16. However, any variance at the year end is managed through the HGfL earmarked reserve, which will be able to absorb this projected shortfall in income.

### **Business and Technical Support (£169k underspend, £17k improvement)**

72. As stated earlier in the report, the postage cost centre has been transferred from Development & Assets to this service. The Month 9 position has therefore been restated.
73. 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 £303k (nil movement).
74. There is a revised projected underspend of £474k (£17k favourable) relating to vacant posts across the service that are not expected to be filled this year. There is a projected underspend on non-staffing costs of £38k (no change) that are not expected to be required further to the vacant posts discussed above.

### **Policy and Standards - Education, Housing and Public Health (£413k underspend, £81k improvement)**

75. A review of expenditure plans in the School Improvement Service has resulted in a favourable movement of £81k at Month 10, including a planned commitment of £30k that will

now take place in 2016/17 and finalisation of the number of defibrillators required for purchase following consultation with schools.

## SOCIAL CARE (£1,763k underspend, £275k improvement)

76. The Social Care Directorate is projecting an underspend of £1,763k as at Month 10, an improvement of £275k on Month 9 projections. Within the salaries position there is an underspend of £2,029k, an improvement of £114k, due to recruitment taking longer than previously forecast particularly in the AAD Service. The underspend relates to a high number of vacancies that existed in the Children's Early Intervention and Prevention Service and the AAD Service netted down by the additional cost of agency staff across the remainder of Children's Services, whilst the service undertakes a major recruitment campaign to the new structures. There remain a number of significant pressures on non salary expenditure within the service which the Social Care Directorate continues to mitigate through the robust management of the demand for both children's and adult social care. The projected variances at Month 10 are summarised in the following table, with more detail provided in the paragraphs below:

**Table 13: Social Care Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service	Month 10		Variance (+ adv / - fav)			
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 10) £'000	Variance (As at Month 9) £'000	Movement from Month 9 £'000	
1,038	677	Safeguarding Children	Salaries	1,715	1,768	53	48	5
1,579	20		Non-Sal Exp	1,599	1,738	139	140	(1)
(150)	(13)		Income	(163)	(166)	(3)	1	(4)
<b>2,467</b>	<b>684</b>		<b>Sub-Total</b>	<b>3,151</b>	<b>3,340</b>	<b>189</b>	<b>189</b>	<b>0</b>
3,545	953	Children's Early Intervention Services	Salaries	4,498	3,833	(665)	(653)	(12)
3,631	310		Non-Sal Exp	3,941	3,578	(363)	(339)	(24)
(707)	(278)		Income	(985)	(1,071)	(86)	(86)	0
<b>6,469</b>	<b>985</b>		<b>Sub-Total</b>	<b>7,454</b>	<b>6,340</b>	<b>(1,114)</b>	<b>(1,078)</b>	<b>(36)</b>
2,091	1,996	Looked After Children	Salaries	4,087	4,160	73	63	10
744	(21)		Non-Sal Exp	723	3,588	2,865	2,868	(3)
(294)	171		Income	(123)	(2,960)	(2,837)	(2,837)	0
<b>2,541</b>	<b>2,146</b>		<b>Sub-Total</b>	<b>4,687</b>	<b>4,788</b>	<b>101</b>	<b>94</b>	<b>7</b>
8,352	(1,152)	Children's Resources	Salaries	7,200	7,296	96	93	3
12,429	(355)		Non-Sal Exp	12,074	12,556	482	454	28
(7,178)	(842)		Income	(8,020)	(8,467)	(447)	(481)	34
<b>13,603</b>	<b>(2,349)</b>		<b>Sub-Total</b>	<b>11,254</b>	<b>11,385</b>	<b>131</b>	<b>66</b>	<b>65</b>
5,402	2,498	All-Age Disabilities	Salaries	7,900	6,811	(1,089)	(983)	(106)
44,007	498		Non-Sal Exp	44,505	46,004	1,499	1,585	(86)
(6,852)	(1,584)		Income	(8,436)	(8,718)	(282)	(334)	52
<b>42,557</b>	<b>1,412</b>		<b>Sub-Total</b>	<b>43,969</b>	<b>44,097</b>	<b>128</b>	<b>268</b>	<b>(140)</b>
4,294	7	Adult Social Work	Salaries	4,301	3,930	(371)	(373)	2
29,110	(15)		Non-Sal Exp	29,095	28,679	(416)	(460)	44
(8,266)	8		Income	(8,258)	(8,215)	43	70	(27)
<b>25,138</b>	<b>0</b>		<b>Sub-Total</b>	<b>25,138</b>	<b>24,394</b>	<b>(744)</b>	<b>(763)</b>	<b>19</b>
9,018	27	Adult's Early Intervention & Prevention	Salaries	9,045	9,030	(15)	1	(16)
3,370	(130)		Non-Sal Exp	3,240	3,199	(41)	(64)	23
(11,826)	0		Income	(11,826)	(11,740)	86	100	(14)
<b>562</b>	<b>(103)</b>		<b>Sub-Total</b>	<b>459</b>	<b>489</b>	<b>30</b>	<b>37</b>	<b>(7)</b>
2,185	206	Safeguarding, Quality & Partnerships	Salaries	2,391	2,330	(61)	(61)	0
7,165	138		Non-Sal Exp	7,303	6,918	(385)	(264)	(121)
(378)	(110)		Income	(488)	(450)	38	108	(70)
<b>8,972</b>	<b>234</b>		<b>Sub-Total</b>	<b>9,206</b>	<b>8,798</b>	<b>(408)</b>	<b>(217)</b>	<b>(191)</b>
294	120	Directorate & Support Services	Salaries	414	364	(50)	(50)	0
893	161		Non-Sal Exp	1,054	1,028	(26)	(34)	8
0	0		Income	0	0	0	0	0
<b>1,187</b>	<b>281</b>		<b>Sub-Total</b>	<b>1,468</b>	<b>1,392</b>	<b>(76)</b>	<b>(84)</b>	<b>8</b>
36,219	5,332	<b>Social Care Total</b>	Salaries	41,551	39,522	(2,029)	(1,915)	(114)
102,928	606		Non-Sal Exp	103,534	107,288	3,754	3,886	(132)
(35,651)	(2,648)		Income	(38,299)	(41,787)	(3,488)	(3,459)	(29)
<b>103,496</b>	<b>3,290</b>		<b>Total</b>	<b>106,786</b>	<b>105,023</b>	<b>(1,763)</b>	<b>(1,488)</b>	<b>(275)</b>

77. The Council's 2015/16 Development and Risk Contingency contains provision for areas of expenditure within 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 and children requiring care and support for a range of care needs, including Asylum seekers and SEN Transport. Table 14 sets out the forecast spend against the development and risk contingency.

**Table 14: Social Care Development & Risk Contingency**

Original Budget £'000	Budget Changes £'000	Development & Risk Contingency	Month 10		Variance (+ adv / - fav)		
			Revised Budget	Forecast Outturn	Variance (As at Month 10)	Variance (As at Month 9)	Movement from Month 9
			£'000	£'000	£'000	£'000	£'000
1,272	0	Asylum Funding Shortfall	1,272	2,262	990	940	50
465	0	Social Care Pressures (Children's)	465	4,208	3,743	3,532	211
(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
129	0	Social Care Pressures (Adults)	129	129	0	0	0
380	0	Increase in Transitional Children due to Demographic Changes	380	380	0	0	0
393	0	Winterborne View	393	67	(326)	(326)	0
520	0	SEN transport	520	520	0	0	0
<b>4,340</b>	<b>0</b>	<b>Current Commitments</b>	<b>4,340</b>	<b>8,747</b>	<b>4,407</b>	<b>4,146</b>	<b>261</b>

**Asylum Service (£990k overspend, £50k adverse movement)**

78. This service is projecting a draw down of £2,262k from contingency, £990k above budget and an adverse movement of £50k on the Month 9 position, due to an increase in the cost of allowances. The overspend relates primarily to a reduction in the Home Office Grant, notified in March 2015, and a reduction in the grant funding received relating to the change in the age profile of Asylum Seeking Children. 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+).
79. Indications from other councils show they are still experiencing growth in this provision, especially those with Sea Ports and in particular Kent County Council. Kent has an agreed redistribution strategy with other councils and there are ongoing discussions with the Home Office asking them to fully fund the cost of support for Asylum Seeking Children. The Home Office sent a letter to all councils on 24 November setting out the proposed funding arrangements, which indicates that grant funding will be provided for these children at a rate of £114 per day for eligible under 16's, £91 per day for eligible 16 to 17 year olds and £200 per week for eligible 18+. The funding for the over 18's is £50 higher than that received by Hillingdon.
80. Over the last few months, it is evident that Hillingdon is starting to experience a slight increase in the number of Asylum Seeking Children. This position is being monitored closely to ascertain whether it is a bulge or a continuing theme. If it is the latter, then there is a possibility that the projected drawdown from the contingency will be higher than currently indicated.

## **Social Care Pressures - Children's Demographics (£3,743k overspend, £211k adverse movement)**

81. The service is projecting a drawdown of £4,208k from contingency, £3,743k above the budget, an adverse movement of £211k on the Month 9 position. This increase is as a result of abnormally high numbers of mother and baby placements and a high number of teenage children in residential placements, where the service is finding it very difficult to step down the type of provision due to the complex needs of the children. Earlier assumptions were based on a number of children being moved on, which is no longer possible.
82. The service continues to have a number of high cost placements, including residential placements for children with complex needs and identified safeguarding risks, where the current total placements totals is 34 (25 in Month 3). This equates to an in-year annual increased cost of approximately £1,800k. As at Month 10, there are 3 children in secure placements (one of which costs £6,250 per week); 9 placements are as a result of safeguarding responsibilities (weekly costs are in the region of £4,000), where children need to be placed out of borough; and a significant increase in the number of mother and baby placements (total projected cost estimated at £265k) when normally the annual cost would be around £65k.
83. Senior Management have implemented a vigorous monitoring and review process to ensure that the correct decisions are being made on the most appropriate placement for an individual child. Decisions are scrutinised and then agreed at a weekly panel meeting. The placement data is then reviewed each month with the main focus on higher cost placements. Steps have been taken to introduce a weekly review of placements to ensure that the most up to date financial position is available.
84. Over the last year there have been a number of changes including the extension of the Staying Put legislation, which increases the age range for children to 21 (up from 18) 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 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.
85. However, it should be noted that the performance data indicates that the service has stabilised. Looked After Children numbers are consistently within the range of 340 to 360 placements over the months from May 2015, those with a Child Protection Plan is consistent and stabilising on 340 cases, and those where children have been identified as Children in Need is relatively consistent standing at approximately 645 cases. Social Work caseloads are and have been consistently at or slightly below the recommended safe level since December 2014. Additionally, since month 3, the service has reduced the number of IFA placements and has been able to use more In-House Foster Carers, improving the proportions from a split of 54% IFA to 46% In-House in Month 3, to 49% IFA and 51% In House at Month 10.

## **Early Support Cost Avoidance (Nil variance, nil movement)**

86. 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 Integration Fund (Nil variance, nil movement)**

87. A drawdown of £1,298k from Contingency, will be required, no change from Month 9. This relates to the additional cost of appointing agency staff, whilst the service implements a major recruitment campaign.

**Social Care Pressures (Adults) (Nil variance, nil movement)**

88. At Month 10 it is forecast that the contingency (£129k) for Adult Demographic changes will be required in full. The demographic forecasting tool is regularly refreshed and expenditure areas are kept under close review.

**Increase in Transitional Children (Nil variance, nil movement)**

89. Similarly the contingency (£380k) for Transitional Children will be required in full. The forecast is regularly refreshed and expenditure is kept under close review.

**Winterbourne View (£326k underspend, nil movement)**

90. A review of the Winterbourne View cases this month has identified that the position is unchanged since Month 9. Of the 6 expected to transfer in 2015/16, 1 transferred in October and 1 is not now expected to move until 2016/17. The remaining 4 are still forecast to move this financial year and the part year cost for 2015/16 is now forecast to be £67k, unchanged from Month 9 forecast. The balance of the remaining £326k will be needed in 2016/17 to fund the full year cost of these placements and the slippage of one case into 2016/17.

**SEN Transport (Nil variance, nil movement)**

91. An external review of the Transport Service has recently taken place, this coupled with a further review of the forecast spend identified that there was a £200k adverse movement in Month 7. Work is continuing to review and revise route plans and to re-procure private vehicles for transporting eligible children. It is anticipated that the completion of this work in this financial year will provide a more accurate financial position for the service.

**DIRECTORATE OPERATING BUDGETS**

**Safeguarding Children (£189k overspend, nil movement)**

92. The service is reporting an overspend of £189k, no change on the Month 9 position. The service pressure relates to an overspend of £53k on staff due to a number of agency staff covering vacant posts and an overspend of £139k on non-staffing which relates to an increase in Child Protection, LSCB and Family Conference delivery costs.

**Children's Early Intervention & Prevention Services (£1,114k underspend, £36k improvement)**

93. An underspend of £1,114k, an improvement of £36k on Month 9 is reported due primarily to a slight reduction in the projected cost of salaries following a further review of agency staffing costs. This relates to an underspend of £665k on salaries due to late recruitment to a relatively high number of posts in the new structure; an underspend of £363k on non-staffing costs from the cessation of the CfBT (young people's support, information, advice and guidance (YSIAG) services) contract; and a surplus of £86k on grant income for programme management for the next phase Troubled Families.

**Looked After Children (£101k overspend, £7k adverse movement)**

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94. An overspend of £101k, an adverse movement of £7k, is reported to a slight increase in the projected cost of agency staff. The overspend reported relates to a £73k overspend on staffing costs; an overspend of £2,865k on non-staffing costs relating to the cost of the Skylakes managed service; and a surplus of £2,837k on income to reflect the proposed use of earmarked reserve to fund the Skylakes service up to the end of March 2016.

#### **Children's Resources (£131k overspend, £65k adverse movement)**

95. The service is reporting an overspend of £131k, an adverse movement of £65k on Month 9 due primarily to an increase in the cost of providing support for families under Section 17 regulations or who have No Recourse to Public Funds (NRPF). The overspend reported relates to an overspend of £96k on staffing due to a high level of agency staff being employed prior to instigating a major staff recruitment campaign and an overspend of £482k on non-staffing costs due primarily to the cost of allowances, including the cost of temporary Bed and Breakfast accommodation. This is netted down by additional income of £447k, from the use of earmarked reserves to fund the Coram and HCL managed service and the cost of agency staff and the receipt of additional grant income for the use of Hillingdon Adopters by Other Local Authorities.

#### **All Age Disabilities (AAD) (£128k overspend, £140k improvement)**

96. The AAD restructure is being implemented and a recruitment drive is underway to fill the remaining vacant posts in the new service. The staff budget is currently forecast to underspend by £1,089k, an improvement of £106k since Month 9. The improvement is due to recruitment taking longer than estimated with some posts being re-advertised to find people with the right skills and experience. £346k of the underspend is offset by reduced recharge income from the Dedicated Schools Grant (DSG) as posts remain vacant.
97. Within the placements budget a pressure of £1,499k is forecast, a favourable movement of £86k since Month 9. Part of this pressure arises from the slippage in the Supported Living Programme. The main movement this month relates to one client being approved for CHC funding and other minor changes to placement costs.
98. A key continuing pressure on the placements budgets arises from the devolution of the Independent Living Fund (ILF) from the DWP to the Council in July 2015. The fund provided additional resources to 34 clients and there are a number of these clients receiving support which may be classified as continuing health care (CHC) and CHC referrals have been made to the CCG. To date the outcome of only two cases has been received, one receiving funding and the other being declined. The outcome of others is still awaited but if assessed as eligible for CHC then funding received from the CCG will further help to mitigate this pressure both in year and future years.
99. The Department of Health have announced £542k of grant for 2016/17 to cover the ILF pressures for these clients. The additional costs of these clients is estimated at £735k leaving a full year pressure of £193k for 2016/17 if no further clients received CHC funding.

#### **Social Work (£744k underspend, £19k adverse movement)**

100. There are a number of vacant posts within the Social Work Service which are currently subject to recruitment. In addition, there are continuing vacancies within the Telecareline staff establishment of four posts. The forecast underspend is £371k, an adverse movement of £2k.
101. The non-staffing budget is forecast to underspend by £416k, an adverse movement of £44k. The increase this month is in respect of increased costs on homecare provision.

102. Income, mainly from client contributions, is currently forecast to underachieve by £43k, a favourable movement of £27k. A reduction in the number of clients has reduced forecast contributions.

### **Adults Early Intervention & Prevention (£30k overspend, £7k improvement)**

103. There is a net pressure of £30k with the EI&P Service, a favourable movement of £7k since Month 9. As at Month 10 it is forecast that the salaries budget will be underspent by £15k. This is due to the continued proactive management action in significantly reducing the level of staff absence and therefore the requirement for agency provider support.
104. The slippage in the project to develop new models of delivery for in house Learning Disability services into 2017/18 has led to the rephasing of saving in the draft MTFE agreed at Cabinet in December. In year compensatory savings have been identified to make up the shortfall in savings.
105. There is a pressure on the income budget of £86k mainly due to a forecast reduction in client contributions and the amount of Housing Benefit recovered.

### **Safeguarding Quality & Partnerships (£408k underspend, £191k improvement)**

106. There is an underspend forecast on staff costs of £61k, this underspend is within the Community Mental Health Teams and the Supported Living Team with no movement from Month 9.
107. The non-staffing budget forecast is for an underspend of £385k, an improvement of £121k. There has been a reduction in forecast spend of £84k in the cost of client packages due to reduced demand. Previously £50k was forecast for recruitment costs which are no longer anticipated to be spent which has now been removed. The forecast for client support costs has been reduced by £25k as fewer clients moving into new supported living units have needed financial support than previously anticipated.
108. Offsetting the reductions above is a forecast pressure of £52k for work associated with DoLs cases. This is additional pressure above the Government grant for £111k has been received which partly offsets this pressure.
109. The income budget is forecast to overspend by £38k an improvement of £70k since Month 9. This improved forecast is from two areas, £35k from CCG as a contribution to S117 clients and the balance from increased client income.

### **Directorate & Support (£76k underspend, £8k adverse movement)**

110. 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. The movement in forecast this month is in respect of subscription costs being higher than previously forecast.

### **Better Care Fund**

111. The Month 10 budget monitoring for the BCF shows a forecast pressure of £323k on the council share of the pooled budget an improvement of £410k, no change from Month 9. This pressure is made up of £673k on the Care Act burdens from the cost of providing support and



Care to Carers as a new responsibility following the implementation of the Care Act. The Council holds a contingency provision to fund pressures relating to the implementation of Care Act responsibilities.

112. Some of this pressure is off-set by forecast underspends on the TeleCareLine service of £53k and the proposal to implement the proposal in the draft MTFB Budget for 2016/17 to capitalise expenditure on telecare equipment (£280k) using the annual social care capital grant within the BCF to fund this expenditure.

## Appendix B – Other Funds

### SCHOOLS BUDGET

#### Dedicated Schools Grant (£2,530k overspend, £46k adverse movement)

113. The Dedicated Schools Grant is projecting an in year overspend of £2,530k, an adverse movement of £46k on the Month 9 projections, due to an increase in the projected payments that will be released for creating two year old places. 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, which could result in further amendments to the DSG. An amendment was received on 19 February 2016, which has seen the DSG increase by £338k, reflecting an increase in the take up of two year old places.
114. 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. 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 and the impact of the introduction of the changes set out in the Children and Families Act 2014, which extends the age range down to 0 and up to 25, where there is evidence of additional pressures coming through in pre-school and post 16 children, and an increase in the cost of Looked After Children placements out of Borough. The table below summarises the total DSG income and expenditure for 2015/16.

**Table 15: DSG Income and Expenditure 2015/16**

Original Budget	Budget Changes	Funding Block	Month 10		Variance (+ adv / - fav)		
			Revised Budget	Forecast Outturn	Variance (As at Month 10)	Variance (As at Month 9)	Change from Month 9
£'000	£'000		£'000	£'000	£'000	£'000	£'000
(145,373)	8,876	<b>Dedicated Schools Grant Income</b>	(136,497)	(136,835)	(338)	0	(338)
113,606	(11,287)	<b>Delegated to Schools</b>	102,319	104,031	1,712	1,712	0
4,581	(137)	<b>Early Years</b>	4,444	4,440	(3)	(402)	398
3,604	(155)	<b>Centrally Retained</b>	3,449	3,979	530	549	(19)
23,582	2,703	<b>Special Needs</b>	26,285	26,914	629	625	4
<b>0</b>	<b>0</b>	<b>Total Schools Budget</b>	<b>0</b>	<b>2,530</b>	<b>2,530</b>	<b>2,484</b>	<b>46</b>
0	0	Balance Brought Forward 1 April 2015	(4,083)	(4,083)			
<b>0</b>	<b>0</b>	<b>Balance Carried Forward 31 March 2016</b>	<b>(4,083)</b>	<b>(1,553)</b>			

#### Dedicated Schools Grant Income (£338k surplus, £338k improvement)

115. On the 19 February 2016, the Department for Education (DfE) released a further update to the DSG reflecting the actual take up of two year old free entitlement places. Based on the latest set of data, Hillingdon's DSG will increase by £338k, which accounts for the surplus noted. The budgets will need to be realigned to account for this adjustment, as the increased cost is reported under the Early Years funding block.

#### Delegated to Schools (£1,712k overspend, nil movement)

116. The overspend 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 allocation.

#### **Early Years (£3k underspend, £398k adverse movement)**

117. The Early Years funding block is projecting an underspend of £3k, an adverse movement of £398k on the Month 9 position, due to a further review of the funding allocations for increasing two year old provision, where a number of schemes have now started and an increase in the payments made for two year old free entitlement places. The underspend is due to an underspend on the two year old capacity funding budget of £135k, an underspend of £168k on the Early Years Educational Psychology provision, where there is uncertainty around the delivery model required and an underspend of £236k relating to funding set aside to support the placement of vulnerable children, where the criteria has not yet been agreed. This is netted down by an overspend of £264k, which relates to an allocation of DSG funds above the base budget to fund the continuation of the 2 year old capacity building initiative and an overspend of £272k across the Early Years Centres.

#### **Centrally Retained (£530k overspend, £19k improvement)**

118. The centrally retained budgets are projecting an overspend of £530k, an improvement of £19k on the Month 9 position, due to a slight improvement in the salary projections. £244k of 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 opened in September 2015. The increased costs of support services in line with the 2014/15 outturn figures, which will be charged to the DSG is contributing £182k to the overspend. Additionally a review of the Barnhill PFI costs has identified a cost pressure of £130k as the PFI grant is cash limited, whereas the PFI contract allows for indexation.

#### **Special Needs (£629k overspend, £4k adverse movement)**

119. The Special Needs budgets are projecting an overspend of £629k, an adverse movement of £4k on the Month 9 position. The overspend relates to an increase in the number of SEN pupils, especially in the post 19 age range and an increase in the number of Looked After Children being placed out of Borough. However, it is worth noting that there is a significant movement in the cost of Independent School placements, which is projected to be significantly lower than that incurred in 2014/15.

#### **School Academy Conversions**

120. 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 People's Academy) converted on 1 April 2015 and The Hillingdon Tuition Centre (renamed The Skills Hub) converted on 1 September 2015.

#### **Year End Balances**

121. The DSG is allowed to carry forward any in year over or underspend. 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 £1,553k.

### Maintained School Balances

122. An ongoing review of school balances has identified that there are a number of schools facing cash flow difficulties, with a number setting an in year deficit, which will be funded from the schools surplus balances. Across Hillingdon, there is only one school that has an approved licensed deficit of £729k, however, it is evident that one primary school will be in deficit by the year end with a projected deficit of £66k (this is a further improvement on the position reported last month).
123. The following table provides an update on the in year financial position of schools maintained by the Council (this excludes academy schools), based on school budget plans:

School Type	Total Number of Schools	Number of Schools In Year Deficits	Value of In Year Deficit £000
Primary	51	41	3,600
Secondary	2	2	600
Special	2	2	200
<b>Total</b>	<b>55</b>	<b>45</b>	<b>4,400</b>

124. Maintained Schools started the year with an opening surplus balance of £12.5 million, based on the school budget plans and the projected in year deficits, the year-end total schools surplus balance will reduce to £8.1 million.

### PARKING REVENUE ACCOUNT (£242k in year surplus, £16k adverse movement)

125. 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 16: Parking Revenue Account**

Original Budget £'000	Budget Changes £'000	Service	Month 10		Variance (+ adv / - fav)		
			Revised Budget £'000	Forecast Outturn £'000	Month 10 £'000	Month 9 £'000	Movement £'000
(4,076)	0	Income	(4,076)	(4,128)	(52)	(8)	(44)
4,076	0	Expenditure	4,076	3,886	(190)	(250)	60
<b>0</b>	<b>0</b>	<b>In-year (Surplus) / Deficit</b>	<b>0</b>	<b>(242)</b>	<b>(242)</b>	<b>(258)</b>	<b>16</b>

126. An in-year surplus of £242k is forecast for the 2015/16 financial year. There is a total income surplus of £52k (£44k favourable). The increase in income projection is a result of additional income from parking bay suspensions, permits and bailiffs.

127. The income pressure is offset by compensating savings totalling £190k (£60k adverse). The adverse movement is a result of additional enforcement activity which has improved the income position.

## COLLECTION FUND (£1,500k surplus, nil movement)

128. 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.
129. The overall outlook for the fund is positive, with a surplus of £1,500k anticipated at this stage of the year arising from a £2,625k 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.

**Table 17: Collection Fund**

Original Budget	Budget Changes	Service	Month 10		Variance (+ adv / - fav)			
			Revised Budget	Forecast Outturn	Variance (As at Month 10)	Variance (As at Month 9)	Movement from Month 9	
£'000	£'000		£'000	£'000	£'000	£'000	£'000	
(115,652)	0	Council Tax	Gross Income	(115,652)	(116,841)	(1,189)	(1,189)	0
14,153	0		Council Tax Support	14,153	13,699	(454)	(454)	0
(2,697)	0		B/fwd Surplus	(2,697)	(3,679)	(982)	(982)	0
<b>(104,196)</b>	<b>0</b>		<b>Sub-Total</b>	<b>(104,196)</b>	<b>(106,821)</b>	<b>(2,625)</b>	<b>(2,625)</b>	<b>0</b>
(111,480)	0	Business Rates	Gross Income	(111,480)	(109,432)	2,048	2,048	0
(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	3,561	(1,037)	(1,037)	0
500	0		B/fwd Deficit	500	590	90	90	0
<b>(46,955)</b>	<b>0</b>	<b>Sub-Total</b>	<b>(46,955)</b>	<b>(45,830)</b>	<b>1,125</b>	<b>1,125</b>	<b>0</b>	
<b>(151,151)</b>	<b>0</b>	<b>Total Collection Fund</b>	<b>(151,151)</b>	<b>(152,589)</b>	<b>(1,500)</b>	<b>(1,500)</b>	<b>0</b>	

130. As a result of strong performance on collection to December 2015 and resulting reduction in provision for doubtful debts, a £1,189k overachievement of income is projected on Council Tax income at Month 10. 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 £454k in 2015/16. Taking account of the £982k surplus brought forward from 2014/15, £2,625k is therefore expected to be available for release to the General Fund in future years.
131. 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 continues to be 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 months.

## Appendix C – HOUSING REVENUE ACCOUNT

132. The Housing Revenue Account (HRA) forecast is an in-year surplus of £1,131k, an improvement of £398k from Month 9.

**Table 18: Housing Revenue Account**

Original Budget	Budget Changes	Function	Month 10			Variance (+ adv / - fav)	
			Revised Budget	Forecast Outturn	Variance (As at Month 10)	Variance (As at Month 9)	Change from Month 9
£'000	£'000		£'000	£'000	£'000	£'000	£'000
(57,573)	0	Rent Income	(57,573)	(57,391)	182	194	(12)
(5,346)	0	Other Income	(5,347)	(4,874)	473	499	(26)
<b>(62,919)</b>	<b>0</b>	<b>Net Income</b>	<b>(62,919)</b>	<b>(62,265)</b>	<b>655</b>	<b>693</b>	<b>(38)</b>
10,806	0	Housing Management	10,805	10,845	40	67	(27)
5,320	0	Tenant Services	5,320	4,862	(459)	(436)	(23)
5,078	0	Repairs	5,078	4,969	(109)	(24)	(85)
3,477	166	Planned Maintenance	3,643	2,385	(1,258)	(1,033)	(225)
19,810	(166)	Contribution to Works to Stock	19,644	19,644	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
<b>61,256</b>	<b>0</b>	<b>Operating Costs</b>	<b>61,256</b>	<b>59,470</b>	<b>(1,786)</b>	<b>(1,426)</b>	<b>(360)</b>
<b>(1,663)</b>	<b>0</b>	<b>(Surplus) / Deficit</b>	<b>(1,663)</b>	<b>(2,794)</b>	<b>(1,131)</b>	<b>(733)</b>	<b>(398)</b>
(30,577)		General Balance 1 April 2015	(30,577)	(30,577)	0	0	0
<b>(32,240)</b>	<b>0</b>	<b>General Balance 31 March 2016</b>	<b>(32,240)</b>	<b>(33,371)</b>	<b>(1,131)</b>	<b>(733)</b>	<b>(398)</b>

### Income

133. Rental income is improved by £12k from the position shown in Month 9 and reflects RTB sales of 140 sales. There have been 107 sales to the end of January, with the pace of sales slowing over recent months. The reason for this slowdown in RTB completions is due to an increase in cancellations when compared to previous years. This is explained by the following:

- The increase in house prices over the last few months has deterred some applicants from proceeding with their applications. This is highlighted by the large number of valuation reviews in the system.
- The Fraud team have included an additional information sheet re: financial information into the application process which has deterred some applicants from proceeding. The Fraud team have also identified tenants trying to exercise the RTB when they were not entitled to, usually through sub-letting.
- The Notice to Complete which allows the Council to cancel applications after an offer is made is up-to-date. Tenants have 12 weeks to complete after legal are instructed to progress or the Council serve notices to complete, and these notices last for 4 months after which the application is cancelled.

134. Other income has been forecast to increase by £27k against budget. This is based on revised income projections for service and leaseholder charges which have been recalculated to reflect current income performance coupled with likely income to year end.

## **Expenditure**

135. Housing management shows a £28k positive variance when compared to Month 9. This is mainly due to a reduction in the forecast cost of valuing RTBs. These are now valued in-house which reduces the required budget by £30k, but £10k of the budget remains for any revaluations required to be undertaken by the District Valuer.
136. There are significant legal and consultancy costs arising from the Triscott House dispute with the latest projected costs for the year being £500k. Due to the uncertainty over the scale and timing of the costs and any cost recovery, these costs are to be funded from the general contingency of £873k.
137. For tenancy services, the projected underspend of £459k an increase of £23k on Month 9. Delays in staff recruitment for the sheltered and careline teams account for £12k of this reduction. The sheltered schemes also have additional income from the solar panels at Sibley Court and a £6k reduction in data communication costs.
138. The repairs budget is forecasting a £109k underspend, a positive movement of £85k compared to Month 9. The underspend relates to cost savings arising from vacant operative posts which total £53k and also a saving on material costs of £28k. However, the underspend excludes the projected cost of external management of service and interim support for the restructuring process estimated at £271k which is covered by the repairs element of the Development & Risk Contingency. There are also continuing costs from remedial works at Triscott House estimated at an additional £194k 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 and totals £680k.
139. The remaining balance on the general contingency (£373k) is to be made available if required to increase the level of the bad debt provision. The exact figure will be calculated at year end but an initial estimate is that approximately £300k will be needed.
140. Planned maintenance is currently showing an underspend of £1,258k, an increase of £225k from Month 9. The reduced expenditure is due to a number of reasons including anticipated further underspends within the Better Neighbourhood Team budget (£100k) and a reduction in the forecast spend for lift works (£75k) and planned plumbing upgrades (£50k). It is anticipated that the required spend on lifts and plumbing will now be funded from capital resources.

## **Savings**

141. The original budget included savings of £2,448k as shown within the table below which have been delivered in full:



**Table 19: 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	(650)	(123)	(675)	(1,000)	(2,448)	100.00%
G On track for delivery	0	0	0	0	0	0.00%
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%
<b>Total 2015/16 Savings</b>	<b>(650)</b>	<b>(123)</b>	<b>(675)</b>	<b>(1,000)</b>	<b>(2,448)</b>	<b>100.00%</b>

**HRA Capital**

142. The forecast outturn on the HRA Capital Programme is set out in the table below:

**Table 20: 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 9 £000
Dwelling Components	7,750	2,040	(3,680)	(2,030)	34,355	30,675	(3,680)	(157)
Estates / Blocks	2,477	525	(1,455)	(497)	9,951	8,496	(1,455)	(30)
Welfare	2,600	1,924	424	(1,100)	9,500	9,924	424	(64)
Other Projects	524	397	(127)	-	524	397	(127)	-
Contingency	2,000	2,000	-	-	10,000	10,000	-	-
Total Works to Stock	15,351	6,886	(4,838)	(3,627)	64,330	59,492	(4,838)	(251)
Purchase & Repair	4,267	4,267	-	-	11,566	11,566	-	-
New Build - General Needs	5,927	5,927	-	-	31,252	31,011	(241)	-
New Build - RSL	-	-	-	-	5,400	5,400	-	-
Supported Housing	872	872	-	-	39,737	39,978	241	-
Land Appropriations	3,508	3,508	-	-	8,026	8,026	-	-
Total Major Projects	14,574	14,574	-	-	95,981	95,981	-	-
Former New Build Schemes	97	-	(97)	-	97	995	898	-
Total	30,022	21,460	(4,935)	(3,627)	160,408	156,468	(3,940)	(251)
Movement from Month 9		(993)	(301)	(692)				

## Works to Stock

143. The Works to Stock programme is forecasting a cost variance of £4,838k and a phasing underspend of £3,627k as a number of schemes will not be implemented this financial year.
- a) Dwelling Components - the forecast cost variance of £3,680k is partly due to the kitchens and bathrooms programme being under review, as well as projected underspends on existing roofing projects, structural works and double glazing installation. There are also slippages requiring rephasing of Dwelling Components budgets of £2,030k for future roofing projects, structural works, electrical upgrade works and storage heaters replacement at Rabbs Mill House.
  - b) Estates and Block Renewal - the forecast cost variance of £1,455k is partly due to the time required to tender and carry out leaseholder consultation on lift works which will now require to be met from next year's budget. In addition, environmental and security works planned at five low rise blocks of flats in Hayes are to be tendered. The works will be completed in 2016/17 and will be contained within next year's budget. There are also cost savings on playgrounds, security works lift works and refuse collection.
  - c) There are also slippages requiring rephasing of the Estates and Block Renewal budgets of £497k, for fire door replacements; partial lift refurbishment works (expected to be appropriate for capitalisation), not included in 2016/17 budgets (£300k); and £47k from the communal heating budget to part fund the fitting of heat meters (it is a Government requirement for all communal systems to have heat meters fitted by December 2016).
  - d) Welfare - the overspend of £424k is mainly due to increased volumes of adaptations to HRA properties in 2015/16 which will exceed the budget. The sheltered remodelling works programme of £1,000k is rephased into 2016/17 to enable a detailed programme to be prepared. The extensions budget of £100k is also rephased into 2016/17.
  - e) 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.
144. Land Appropriations - two sites are expected to be appropriated to the HRA this financial year for supported housing schemes that are currently being tendered. Appropriation of the Acol site has now been slipped into 2016/17 as it is unlikely that any development of the site for supported housing will commence this financial year.

## Major Projects

145. Purchase and Repair Programme - There have been 13 purchases in 2015/16 at a total cost of £3,124k (including stamp duty and repairs costs). There are 5 other potential buy back properties (2 of which have been valued) and which are at different stages of the acquisition process.
146. 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.
147. Approval has been given to the acquisition of one site containing 41 units, currently being developed by Paradigm Housing. The development will cost £10,300k (plus possible stamp duty costs of £206k and survey costs of £10k). The net approved cost is £5,927k, partly funded by the application of the Trickle Transfer Funding and also by utilising RTB receipts. Acquisition of this development has resulted in the rephasing of £3,177k of the New Build General Needs Stock budget into 2015/16.

148. Supported Housing Programme - Approval of 2 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 £300k. 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. Planning consent has now been obtained and the works have recently gone out to tender with submissions due by mid March 2016.
149. Other potential sites are being considered and results in the rephasing of the budget totalling £8,232k.
150. The forecast underspend 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, but increased expenditure is forecast to be made in 2016/17.

### HRA Capital Receipts

151. There have been 107 Right to Buy sales of Council dwellings as at end of January 2016 for a total sales value of £12,700k and a total of a further 33 sales are forecast to bring the yearly total to 140, totalling approximately £16,900k in 2015/16.
152. The Council has signed an agreement with DCLG to re-invest the proceeds in housing stock regeneration, enabling 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 to 2020 approved by Cabinet in February has been phased to utilise these receipts within the allowed timescales.

**Table 22: 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
<b>Total Retained Receipts</b>	<b>330</b>	<b>29,584</b>	<b>9,543</b>	<b>20,040</b>	

153. Up to the end of 2014/15 there were £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.
154. 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.

## Appendix D - GENERAL FUND CAPITAL PROGRAMME

155. As at Month 10 an underspend of £27,843k is reported on the £80,996k General Fund Capital Programme for 2015/16, with £4,655k favourable cost variances and £23,188k slippage on project expenditure. The forecast outturn variance over the life of the 2015/16 to 2019/20 programme is £4,710k underspend relating partly to completed Primary Schools expansions projects and also on various other schemes.
156. General Fund Capital Receipts of £10,084k are forecast for 2015/16, with total receipts to 2019/20 expected to reach £62,267k, representing a favourable variance of £362k against budget.
157. Overall, Prudential Borrowing required to support the 2015/16 to 2019/20 capital programme is forecast to be within budget by £4,248k. Cost underspends of £4,710k and improvements in capital receipts and CIL forecasts totalling £1,862k are partly offset by shortfalls of grant and contributions funding of £2,324k. The grant shortfall is mainly due to 2015/16 Department for Education grant being £2,303k lower than the original budget estimates.

### Capital Programme Overview

158. The table below sets out the latest forecast outturn on General Fund capital projects, with project level detail contained in annexes A - C to this report. Forecasts for future years include capital projects and programmes of work approved by Cabinet and Council in February 2015.

**Table 23: 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 9
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Schools Programme	34,391	26,362	(2,647)	(5,382)	152,679	150,032	(2,647)	(199)
Main Programme	17,732	10,346	(1,223)	(6,163)	40,324	39,101	(1,223)	(3)
Programme of Works	25,168	15,246	(785)	(9,137)	74,955	74,170	(785)	(188)
Future Projects	3,194	688	-	(2,506)	67,997	67,942	(55)	(67)
<b>Total Main Programme</b>	<b>80,485</b>	<b>52,642</b>	<b>(4,655)</b>	<b>(23,188)</b>	<b>335,955</b>	<b>331,245</b>	<b>(4,710)</b>	<b>(457)</b>
General Contingency	511	511			6,511	6,511	-	-
Provision for Additional Schools Funding	-	-			7,022	7,022	-	-
<b>Total Capital Programme</b>	<b>80,996</b>	<b>53,153</b>	<b>(4,655)</b>	<b>(23,188)</b>	<b>349,488</b>	<b>344,778</b>	<b>(4,710)</b>	<b>(457)</b>
<b>Movement from Month 9</b>	<b>85</b>	<b>(3,465)</b>	<b>(402)</b>	<b>(3,148)</b>	<b>85</b>	<b>(372)</b>	<b>(457)</b>	

159. The 2015/16 Capital Programme budget has increased by £85k due to a grant award from British Cycling for enhancements of Hillingdon Cycle Circuit match funded from existing Transport for London grant.
160. The Schools Programme reports a cost underspend of £2,647k which is a favourable movement of £199k from the previous month. The overall saving is mainly due to completed

schemes within the Primary Schools expansions (phase 2) and new build programmes (phase 3). 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.

161. The main programme forecasts an overall underspend of £1,223k on various schemes inclusive of minor cost pressures of £45k on completion of the Central Library Refurbishment and other residual costs totalling £47k on several prior year schemes.
162. The forecast underspend on Programme of Works has increased by £188k and this is partly due to Landlord Property Renovation Grants which are not anticipated to be fully committed this financial year. The Property Works Programme is forecast to underspend by a further £75k as there are schemes that will not be completed this financial year and will require to be funded from next year's allocation.
163. Within Future Projects there is a favourable movement of £67k due to a lower than anticipated evaluated tender price on Harlington/Pinkwell Bowls Club and Pavilion refurbishment.
164. Slippage of £23,188k is reported across the capital programme and this is partly on various Programme of Works schemes. The reduction in forecast expenditure of £3,465k in month is partly due to anticipated re-phasing of payments to the Education Funding Agency for the replacement of Abbotsfield Secondary School. There is also further slippage on the Schools Conditions Building Programme and Transport for London programme.
165. There remain £6,511k unallocated funds within the 2015/16 - 2019/20 programme. The remaining £7,022k provision for additional school expansions will be required in full to manage growing demand for schools places within the Borough.

#### **Capital Financing - General Fund**

166. The table below outlines the latest financing projections for the Capital Programme, with a favourable medium term variance of £4,248k reported on Prudential Borrowing, due to scheme cost underspends and increase in other sources of finance largely offset by a shortfall in grant income for the 2015/16 Schools Programme.

**Table 24: General Fund Capital Programme Financing 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 9 £'000
Council Resource Requirement	52,801	28,363	(24,438)	211,542	207,077	(4,465)	(2,695)
Financed by							
Capital Receipts	9,956	10,084	128	61,905	62,267	362	40
CIL	2,000	2,000	-	20,000	21,500	1,500	-
Prudential Borrowing	40,845	19,155	(21,690)	129,637	125,389	(4,248)	(656)
<b>Total Council Resources</b>	<b>52,801</b>	<b>31,239</b>	<b>(21,562)</b>	<b>211,542</b>	<b>209,156</b>	<b>(2,386)</b>	<b>(616)</b>
Grants & Contributions	28,195	21,914	(6,281)	137,946	135,622	(2,324)	159
<b>Total Programme</b>	<b>80,996</b>	<b>53,153</b>	<b>(27,843)</b>	<b>349,488</b>	<b>344,778</b>	<b>(4,710)</b>	<b>(457)</b>

167. Total receipts achieved for the year to the end of January amount to £5,428k and the forecast is £10,084k for 2015/16 with the remainder of the forecast largely relating to the appropriations of two General Fund sites to the HRA for the supported housing programme. The overall forecast has marginally improved by £40k due to a slightly higher sale price on one property expected to be completed in February.
168. There was no further movement in Community Infrastructure Levy (CIL) receipts in January. A total of £1,728k CIL receipts (after administration fees) have been invoiced or received by the Council this financial year. The forecast has improved by £1,500k over the medium term as it is expected that there will be increased residential development over the next five years.
169. Spend to date on eligible activity exceeds the £1,728k 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 £7,932k 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.
170. There is a favourable movement of £656k on Prudential Borrowing which is due mainly to further cost under spends and also schools' contributions above budget estimates for the Schools Conditions Building Programme. This is also the main reason for the movement on Grants & Contributions financing. The overall shortfall of £2,324k on grants and contributions is largely due to Basic Needs and Capital Maintenance grant allocations for 2015/16 being substantially lower than the original budget estimate in February 2015.

## ANNEX A - Schools Programme

Prior Year Cost	Project	2015/16 Revised Budget	2015/16 Forecast	2015/16 Cost Variance	Project Re-phasing	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
	<b>Schools Expansion Programme</b>										
127,228	Primary Schools Expansions	12,082	9,571	(2,622)	111	15,097	12,475	(2,622)	9,418	1,621	1,436
0	New Primary Schools Expansions	300	300	0	0	13,500	13,500	0	5,246	8,254	0
84	Secondary Schools Expansions	300	200	0	(100)	76,816	76,816	0	18,499	56,754	1,563
1,207	Secondary Schools New Build	21,499	16,106	0	(5,393)	47,047	47,047	0	37,598	9,449	0
0	Hearing Impaired Resource Base (Vyners)	210	185	(25)	0	219	194	(25)	194	0	0
<b>128,519</b>	<b>Total Schools Programme</b>	<b>34,391</b>	<b>26,362</b>	<b>(2,647)</b>	<b>(5,382)</b>	<b>152,679</b>	<b>150,032</b>	<b>(2,647)</b>	<b>70,955</b>	<b>76,078</b>	<b>2,999</b>



## ANNEX B - Main Programme

Prior Year Cost	Project	2015/16 Revised Budget	2015/16 Forecast	2015/16 Cost Variance	Project Re-phasing	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
	<b>Main Programme</b>										
3,899	Environmental Assets	556	193	(278)	(85)	556	278	(278)	278	0	0
5,196	Purchase of Vehicles	473	405	0	(68)	2,545	2,545	0	2,545	0	0
0	Natural England Fencing & Gating	30	0	0	(30)	30	30	0	0	30	0
32,198	Hillingdon Sports & Leisure Centre	100	0	0	(100)	862	862	0	862	0	0
285	Sport & Cultural Projects	594	594	0	0	629	629	0	353	0	276
237	Yiewsley Health Centre	4,302	0	0	(4,302)	8,233	8,233	0	8,233	0	0
813	Eascote House Buildings and Gardens	399	354	0	(45)	434	434	0	0	0	434
158	ICT Infrastructure	822	747	0	(75)	1,042	1,042	0	1,042	0	0
1,089	Harlington Road Depot Refurbishment	236	190	0	(46)	263	263	0	263	0	0
0	Uxbridge Cemetery Gatehouse & Chapel	150	30	0	(120)	1,000	1,000	0	1,000	0	0
0	Social Care Investment	580	0	(580)	0	2,900	2,320	(580)	0	2,320	0
255	Hayes Town Centre Improvements	2,227	1,370	0	(857)	4,770	4,770	0	334	4,206	230
25	Inspiring Shopfronts	147	147	0	0	1,553	1,553	0	1,553	0	0
0	Gateway Hillingdon	50	50	0	0	3,378	3,378	0	3,378	0	0
45	Whiteheath Farm Refurbishment	50	0	0	(50)	265	265	0	265	0	0
326	Grounds Maintenance	677	677	0	0	677	677	0	677	0	0
128	West Drayton Cemetery & Resurfacing	450	50	(150)	(250)	503	353	(150)	353	0	0
192	Kings College Pavilion Running Track	38	38	0	0	38	38	0	0	0	38
0	Telecare Equipment	300	300	0	0	600	600	0	300	300	0
152	CCTV Programme	140	75	0	(65)	335	335	0	258	0	77
1	Youth Centres Kitchen Upgrades	142	120	(22)	0	142	120	(22)	90	0	30
9,488	Central Library Refurbishment	0	45	45	0	0	45	45	45	0	0
0	Yiewsley Library Purchase	702	702	0	0	702	702	0	702	0	0
609	Infant Free School Meals	1,222	1,222	0	0	1,248	1,248	0	476	715	57
0	Youth Centre Project	150	50	0	(100)	2,400	2,400	0	2,374	26	0
0	Cedars & Granges Car Park Improvements	2,998	2,743	(285)	30	3,075	2,790	(285)	2,590	0	200
0	Dementia Centre	53	53	0	0	2,000	2,000	0	1,947	53	0
25,033	Major Projects Completing in 2015/16	144	191	47	0	144	191	47	107	84	0
<b>80,129</b>	<b>Total Main Programme</b>	<b>17,732</b>	<b>10,346</b>	<b>(1,223)</b>	<b>(6,163)</b>	<b>40,324</b>	<b>39,101</b>	<b>(1,223)</b>	<b>30,025</b>	<b>7,734</b>	<b>1,342</b>

## ANNEX C - Programme of Works

Prior Year Cost	Project	2015/16 Revised Budget	2015/16 Forecast	2015/16 Cost Variance	Project Re-phasing	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
	<b>Programme of Works</b>										
N/A	Leaders Initiative	536	203	0	(333)	1,336	1,336	0	1,336	0	0
N/A	Chrysalis Programme	1,896	1,196	0	(700)	5,896	5,896	0	5,784	0	112
N/A	Civic Centre Works Programme	1,300	140	0	(1,160)	2,300	2,300	0	2,300	0	0
N/A	Formula Devolved Capital to Schools	1,826	1,678	0	(148)	3,538	3,538	0	0	2,597	941
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	2,758	0	(518)	6,316	6,316	0	6,316	0	0
N/A	Pavement Priority Growth	2,000	1,000	0	(1,000)	2,000	2,000	0	2,000	0	0
N/A	ICT Single Development Plan	682	281	0	(401)	2,282	2,282	0	2,282	0	0
N/A	Property Works Programme	480	315	(165)	0	2,400	2,235	(165)	2,118	117	0
N/A	Road Safety	380	262	0	(118)	1,180	1,180	0	1,180	0	0
N/A	Street Lighting	144	90	0	(54)	720	720	0	720	0	0
N/A	Transport for London	5,068	3,141	0	(1,927)	19,703	19,703	0	0	18,745	958
N/A	Urgent Building Condition Works	3,597	912	0	(2,685)	9,429	9,429	0	2,190	5,380	1,859
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	80	(120)	0	1,000	880	(120)	880	0	0
N/A	Private Sector Renewal Grant	562	162	(400)	0	3,610	3,110	(500)	1,862	1,248	0
N/A	Landlord Property Renovation Grant	200	100	(100)	0	200	200	0	100	100	0
N/A	Section 106 Projects	485	392	0	(93)	485	485	0	0	0	485
<b>0</b>	<b>Total Programme of Works</b>	<b>25,168</b>	<b>15,246</b>	<b>(785)</b>	<b>(9,137)</b>	<b>74,955</b>	<b>74,170</b>	<b>(785)</b>	<b>32,783</b>	<b>37,032</b>	<b>4,355</b>

## ANNEX D - Future Projects

Prior Year Cost	Project	2015/16 Revised Budget	2015/16 Forecast	2015/16 Cost Variance	Project Re-phasing	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
	<b>Future Projects</b>										
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	32	32	0	0	1,000	1,000	0	968	0	32
N/A	Capital Priority Growth	0	0	0	0	965	965	0	965	0	0
N/A	RAGC Car Park	100	0	0	(100)	250	250	0	250	0	0
N/A	Car Park Resurfacing	180	56	0	(124)	250	250	0	250	0	0
N/A	Ruislip Lido Boat House	286	25	0	(261)	301	301	0	301	0	0
N/A	Bowls Club Refurbishments	150	30	0	(120)	750	750	0	8	0	742
N/A	Harlington/Pinkwell Bowls Club & Football Pavillion	303	150	0	(153)	318	263	(55)	0	0	263
N/A	Haste Hill Golf Club	400	0	0	(400)	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	200	20	0	(180)	44,000	44,000	0	42,950	0	1,050
N/A	New Museum	200	25	0	(175)	5,000	5,000	0	4,250	0	750
N/A	Battle of Britain Bunker Heritage Pride Project	896	350	0	(546)	4,996	4,996	0	4,996	0	0
N/A	Local Plan Requirement	197	0	0	(197)	197	197	0	197	0	0
N/A	Community Safety Assets	250	0	0	(250)	250	250	0	250	0	0
<b>0</b>	<b>Total Future Projects</b>	<b>3,194</b>	<b>688</b>	<b>0</b>	<b>(2,506)</b>	<b>67,997</b>	<b>67,942</b>	<b>(55)</b>	<b>61,859</b>	<b>3,246</b>	<b>2,837</b>
	<b>Development &amp; Risk Contingency</b>										
0	General Contingency	511	511	0	0	6,511	6,511	0	6,511	0	0
0	Provision for Additional Secondary Schools Funding	0	0	0	0	7,022	7,022	0	7,022	0	0
	<b>Total Development &amp; Risk Contingency</b>	<b>511</b>	<b>511</b>	<b>0</b>	<b>0</b>	<b>13,533</b>	<b>13,533</b>	<b>0</b>	<b>13,533</b>	<b>0</b>	<b>0</b>
<b>208,648</b>	<b>Total GF Capital Programme</b>	<b>80,996</b>	<b>53,153</b>	<b>(4,655)</b>	<b>(23,188)</b>	<b>349,488</b>	<b>344,778</b>	<b>(4,710)</b>	<b>209,156</b>	<b>124,090</b>	<b>11,533</b>

## Appendix E – Treasury Management Report as at 31 January 2016

**Table 25: Outstanding Deposits - Average Rate of Return on Deposits: 0.55%**

	Actual (£m)	Actual (%)	Bench-mark (%)
Up to 1 Month	65.8	36.48%	40.00%
1-2 Months	45.0	24.95%	10.00%
2-3 Months	12.4	6.87%	5.00%
3-6 Months	35.0	19.40%	25.00%
6-9 Months	7.0	3.88%	5.00%
9-12 Months	15.0	8.31%	10.00%
12-18 Months	0.0	0.00%	5.00%
18-24 Months	0.0	0.00%	0.00%
<b>Subtotal</b>	<b>180.2</b>	<b>99.89%</b>	<b>100.00%</b>
Unpaid Maturities	0.2	0.11%	0.00%
<b>Grand Total</b>	<b>180.4</b>	<b>100.00%</b>	<b>100.00%</b>

171. With the exception of the unpaid Heritable investments, deposits are held with UK or overseas institutions, all of which hold a minimum A- Fitch (or lowest equivalent) long-term credit rating. UK deposits are currently held in AAA rated Money Market Funds, Pooled Funds, Birmingham CC, Blaenau Gwent CBC, Lancashire CC, Monmouthshire CC, Salford CC, Wolverhampton CC, Coventry Building Society, Nationwide Building Society, Close Brothers, Goldman Sachs International, Lloyds, Santander and UK Treasury Bills. Overseas deposits are held with Svenska Handelsbanken, Development Bank of Singapore, Oversea China Banking Corporation and National Australia Bank. The Council also holds two Certificates of Deposit, with Standard Chartered and Nordea Bank and a Covered Bond with Lloyds Bank.
172. The Council aims to minimise its exposure to bail-in risk by utilising bail-in exempt instruments and institutions whenever possible. However, due to the significant amount held instant access facilities to manage daily cashflows, it is not possible to fully protect Council funds from bail-in risk. Currently at the end of January 44% of the Council's total funds have exposure to bail-in risk compared to a December benchmark average of 67% in the Local Authority sector (benchmark provided quarterly). The Council's exposure reduces to 26% once instant access facilities are removed from the bail-in total.
173. During the month cash was mainly placed and withdrawn from instant access accounts. To improve yield and maintain diversification two one year deposits were placed, one with Lloyds and one with Monmouthshire County Council.

**Table 26: Outstanding Debt - Average Interest Rate on Debt: 3.01%**

		Actual (£m)	Actual (%)
<b>General Fund</b>	PWLB	64.85	20.45
	Long-Term Market	15.00	4.73
<b>HRA</b>	PWLB	204.32	64.42
	Long-Term Market	33.00	10.40
	<b>Total</b>	<b>317.17</b>	<b>100.00</b>

174. There were no scheduled debt repayments. Premiums still remain high resulting in no early repayment opportunities. There were no breaches of the prudential indicators or non-compliance with the treasury management policy and practices.
175. In order to maintain liquidity for day-to-day business operations, daily cash balances will either be placed in instant access accounts or short term deposits. Opportunities to place longer term deposits will be monitored and placed if viable.

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

176. 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 27: Consultancy and agency assignments**

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
<b>Finance</b>						
Senior Category Manager	17/08/2015	15/02/2016	01/05/2016	89	27	116
Forensic Accountant	23/11/2015	04/02/2016	05/06/2016	38	37	75
Finance Business Partner - Residents Services	08/12/2014	19/02/2016	27/05/2016	176	26	202
<b>Residents Services</b>						
Planning Enforcement Officer	27/04/2015	16/02/2016	06/05/2016	40	13	53
Interim Public Health Consultant	19/08/2013	26/02/2016	27/05/2016	369	37	406
Education Strategy and Quality Assurance Manager	29/04/2015	04/04/2016	08/07/2016	102	58	160
Head of Virtual School	10/11/2014	07/03/2016	05/08/2016	163	56	219
Major Applications Planner	20/10/2014	04/03/2016	02/06/2016	69	18	88
Project Manager/Building Surveyor	27/07/2015	14/03/2016	09/09/2016	39	25	64
<b>Social Care</b>						
Early Years Practitioner	22/02/2015	07/03/2016	03/04/2016	48	2	50
Social Worker	31/08/2015	07/03/2016	03/04/2016	48	6	54
Senior Social Worker	01/07/2015	07/03/2016	03/04/2016	49	6	55
Social Worker	06/10/2014	07/03/2016	03/04/2016	50	5	55
Panel Advisor	10/08/2015	07/03/2016	03/04/2016	49	7	56
Independent Domestic Violence Advisor	12/01/2015	07/03/2016	03/04/2016	52	4	56
Child Protection Chair	20/07/2015	07/03/2016	03/04/2016	49	7	56
Social Worker	30/03/2015	07/03/2016	03/04/2016	53	5	58
Social Worker	05/10/2015	07/03/2016	03/04/2016	55	3	58
Social Worker	04/05/2015	07/03/2016	03/04/2016	56	5	61
Social Worker	15/12/2014	07/03/2016	03/04/2016	61	5	66
Key Worker - NEET (Post 16 care leavers)	15/06/2014	07/03/2016	03/04/2016	63	3	66
Social Worker	04/02/2015	07/03/2016	03/04/2016	70	5	75
Social Worker	18/05/2015	07/03/2016	03/04/2016	70	6	76

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
Social Worker	13/04/2015	07/03/2016	03/04/2016	70	6	76
SW Practice & Development Mentor	17/11/2014	07/03/2016	03/04/2016	72	6	78
Child Protection Chair	13/04/2015	07/03/2016	03/04/2016	73	7	80
Social Worker	11/10/2014	07/03/2016	03/04/2016	78	5	83
Social Worker	27/10/2014	07/03/2016	03/04/2016	77	6	83
Social Worker	06/01/2015	07/03/2016	03/04/2016	77	6	83
Quality Assurance Auditor (Social Work Cases)	08/05/2014	07/03/2016	03/04/2016	84	7	91
Social Worker	01/10/2013	07/03/2016	03/04/2016	86	5	91
Independent Reviewing Officer	27/05/2014	07/03/2016	03/04/2016	86	7	93
Social Worker	05/03/2014	07/03/2016	03/04/2016	88	6	94
Social Worker	27/10/2014	07/03/2016	03/04/2016	96	6	102
Senior Social Worker	25/09/2013	07/03/2016	03/04/2016	97	6	103
Social Worker	13/05/2014	07/03/2016	03/04/2016	101	6	107
Social Worker	06/06/2014	07/03/2016	03/04/2016	103	6	109
Social Worker	19/06/2014	07/03/2016	03/04/2016	105	6	111
Social Worker	30/09/2014	07/03/2016	03/04/2016	106	6	112
Social Worker	19/08/2014	07/03/2016	03/04/2016	107	5	112
Social Worker	05/09/2014	07/03/2016	03/04/2016	109	6	115
Team Manager	30/09/2014	07/03/2016	03/04/2016	114	7	121
Corporate Parenting Manager	01/09/2014	07/03/2016	03/04/2016	116	6	122
Child Sexual Exploitation (CSE) Co-ordinator	03/11/2014	07/03/2016	03/04/2016	117	6	123
Social Worker	23/12/2013	07/03/2016	03/04/2016	119	6	125
Social Worker	19/06/2014	07/03/2016	03/04/2016	119	6	125
Social Worker	11/08/2014	07/03/2016	03/04/2016	122	7	129
Social Worker	03/03/2014	07/03/2016	03/04/2016	127	4	131
Team Manager - MASH	28/09/2014	07/03/2016	03/04/2016	128	7	135
Social Worker	02/12/2013	07/03/2016	03/04/2016	134	6	140
Social Worker	30/04/2012	07/03/2016	03/04/2016	136	6	142
Social Worker	01/04/2013	07/03/2016	03/04/2016	137	6	143
Social Worker	01/04/2013	07/03/2016	03/04/2016	166	6	172
Social Worker	01/01/2013	07/03/2016	03/04/2016	170	5	175
Case Progression Manager	07/04/2014	07/03/2016	03/04/2016	170	7	177
Social Worker	01/01/2013	07/03/2016	03/04/2016	181	6	187
Social Worker	19/12/2011	07/03/2016	03/04/2016	183	6	189
Social Worker	19/12/2011	07/03/2016	03/04/2016	198	6	204
MASH Manager	13/01/2014	07/03/2016	03/04/2016	194	10	204
Team Manager	01/01/2013	07/03/2016	03/04/2016	218	7	225
Social Worker	19/12/2011	07/03/2016	03/04/2016	223	6	229

<b>Post Title</b>	<b>Original Start Date</b>	<b>Approved From</b>	<b>Proposed End Date</b>	<b>Previous Approval £'000</b>	<b>Approved £'000</b>	<b>Total £'000</b>
Social Worker	05/03/2012	07/03/2016	03/04/2016	235	6	241
Social Worker	06/01/2012	07/03/2016	03/04/2016	246	6	252
Social Worker	05/03/2012	07/03/2016	03/04/2016	251	6	257
Senior Residential Worker	01/09/2014	07/03/2016	31/05/2016	61	3	64
Residential Care Worker	01/04/2014	07/03/2016	31/05/2016	104	2	106
Principal Educational Psychologist	01/06/2015	07/03/2016	31/05/2016	65	9	74
Senior Social Worker	29/03/2015	07/03/2016	31/05/2016	52	4	56
Project Officer	02/10/2014	07/03/2016	31/05/2016	221	13	234
Approved Mental Health Worker	29/06/2015	07/03/2016	31/05/2016	53	4	57
Contract Management Officer	01/06/2015	07/03/2016	31/05/2016	70	11	81
Occupational Therapist (Children's)	01/04/2015	07/03/2016	31/05/2016	62	5	67
Occupational Therapist	07/10/2013	07/03/2016	31/05/2016	143	5	148