

COUNCIL BUDGET - 2015/16 REVENUE AND CAPITAL BUDGET OUTTURN

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

HEADLINE INFORMATION

Purpose of report	<p>This report provides the Council's forecast financial position and performance against the 2015/16 revenue budget and Capital Programme.</p> <p>A net in-year underspend of £3,566k is reported against 2015/16 General Fund revenue budgets at outturn, representing an improvement of £1,546k from the position previously reported to Cabinet. This improvement includes £1,213k of equipment capitalisation reported as an exceptional item.</p> <p>The outturn positions on other funds and the Capital Programme are also detailed within the body of this report.</p>
Contribution to our plans and strategies	<p>Putting our Residents First: <i>Financial Management</i> Achieving Value for Money is an important element of the Council's Medium Term Financial Plan.</p>
Financial Cost	N/A
Relevant Policy Overview Committee	Corporate Services and Partnerships
Ward(s) affected	All

RECOMMENDATIONS

That Cabinet:

1. Note the outturn budget position as at March 2016 (Month 12).
2. Note the Treasury Management Update as at 31 March 2016.
3. Continue the delegated authority up until the July 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 21 April 2016 and 23 June 2016 Cabinet meetings, detailed at Appendix F.

4. Ratify the release of Development & Risk Contingency funds to Operating Budgets as set out in table 5 and approved by the Corporate Director of Finance in full consultation with the Leader of the Council.
5. Approve the rephrasing of £24,782k General Fund and £162k of Housing Revenue Account Capital Budgets from 2015/16 into future years as outlined in Appendix D.
6. Approve the addition of the following grants to 2016/17 revenue budgets:
 - a) Cabinet Office - Individual Electoral Registration Grant (£104,427) to Administration
 - b) Department for Education - Early Implementer Innovator Grant (£92,150) to Residents Services
7. Approve acceptance of Planning Performance Agreement income in respect of the following applications:
 - a) Waterloo Wharf, Uxbridge (£23,500)
 - b) Nestle Site (Commercial Phase), Nestles Avenue, Hayes (£38,600)
 - c) Nestle Site (Residential and other Phases), Nestles Avenue, Hayes (£89,000)
 - d) Access Self Storage Site, Nestles Avenue, Hayes (£34,100)
 - e) Harefield Hospital (£10,000)
8. Approve release of £1,881k from Development and Risk Contingency for Increased National Insurance Contributions to General Fund Operating Budgets in 2016/17.
9. Ratify an Emergency Contract Decision taken by the Leader of the Council and Chief Executive on 13 May 2016 to award contracts to Specialist Care Service and Care Outlook to transfer domiciliary care and support provision to residents living in the central area of Hillingdon from Mihomecare. This contract will be for a period of one year with the option to extend the arrangements for a further three (1+1+1) years.
10. Approve a contract variation of £72.5k to R Benson Property Maintenance for additional works that are required as part of the refurbishment of Harlington Bowls Club and Pinkwell Pavilion.
11. Approve release of £32k capital funding from the Harlington Bowls Club and Pinkwell Pavilion approved budget to cover revised total project costs.

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. In addition, a comprehensive update on the Council's Treasury Management activities for the year is included at Appendix E.
2. Recommendation 4 - At the Cabinet meeting on 21 April 2016 delegated authority was granted to the Director of Finance, in consultation with the Leader of the Council, to make necessary budget virements to allow closure of the 2015/16 accounts. Release of contingency funding to cover previously reported pressures was approved under this power, with allocations detailed in Table 5.

3. Recommendation 5 - The re-phasing of £24,782k 2015/16 General Fund and £162k HRA capital expenditure and financing budgets is recommended to realign existing unspent budgets to match delivery on various projects and programmes of works in future years and does not represent additional expenditure to the approved capital programme.
4. Recommendation 6 seeks approval to release grant funding to service budgets in the new financial year. Further support from the Cabinet Office has been made available to support the continuation of Individual Electoral Registration, which will be utilised to fund additional costs incurred by the authority in meeting new responsibilities. The Early Implementer Innovate grant is intended to support extension of the free entitlement to early years childcare to 30 hours per week, with funding to be utilised for a project officer and awareness raising initiatives.
5. Recommendation 7 seeks authority to accept Planning Performance Agreement income in order to expedite the processing of five major planning applications, gift funding has been offered by developers which if accepted by Cabinet will be utilised to fund dedicated staff to support these applications.
6. Recommendation 8 seeks authority to release £1,881k from 2016/17 Development and Risk Contingency to manage the increase in Employer's National Insurance Contributions for those employees within the pension scheme following the abolition of contracting out from April 2016. This is to be funded from the specific contingency established for this purpose.
7. Recommendation 9 - This emergency decision was taken because the incumbent care provider (Mihomecare) had served notice on the contract for domiciliary care and support to residents in the Central area of Hillingdon and it was imperative that the Council had a new provider in place as soon as possible to deliver care to older and disabled people living in this area (Eastcote, Ruislip Manor, Ruislip Gardens and Hillingdon areas). The new providers appointed provide similar services in other parts of the Borough to residents. All service users and their carers were contacted and advised about the change in care agency and supported with information and advice during the transition. As an alternative, officers had considered spot purchased arrangements, but it was determined that this would be likely to cause delays in service delivery and would not achieve best value for the Council.
8. Recommendations 10 and 11 - R Benson Property Maintenance were appointed to carry out the refurbishment of Harlington Bowls Club and Pinkwell Pavilion and whilst on site unforeseen items were identified due to the dilapidated nature of the building requiring further work. There is also a requirement for additional health & safety measures for the nursery being provided as part of the project. The contract variation of £72.5k can be managed from utilising the existing project contingency sum and other under spends on the original approved project budget of £318k. The original capital release approval was for a total project estimated cost of £263k following contract award. As a result of the contract variation the revised project cost is £295k and therefore a further release of £32k is required to complete the project. The total level of released funding will be within the original approved project budget of £318k.

SUMMARY

REVENUE

9. An underspend on normal operating activities of £1,903k is reported at outturn for General Fund revenue budgets, with management action across all service areas delivering underspends of £3,436k on Directorate Operating Budgets and £1,538k across Corporate Operating Budgets, which is sufficient to contain £3,071k emergent pressures within contingency. This represents an improvement of £333k on the position reported at Month 11. An adverse movement on Looked After Children's placement spend was off-set by improvements across other operating budgets. Outside normal operating activity, the previously reported recovery of £450k Icelandic investments and capitalisation of £1,213k of investment in equipment brings the headline underspend to £3,566k for 2015/16.
10. The 2015/16 revenue budget contained savings of £10,034k, including £127k items brought forward from 2014/15. At outturn, £8,202k of savings were banked in full, with the remaining £1,832k rephased in the MTFE and fully covered in-year with alternative savings.
11. General Fund balances total £39,005k at 31 March 2016, a net drawdown of £1,434k. The net drawdown comprises of the £5,000k drawdown to smooth the impact of front-loaded government funding cuts off-set by the £3,566k in-year underspend.
12. With the exception of the Collection Fund, there are no material variances on other funds affecting the General Fund position. Within the Collection Fund, an improved position is reported from Month 11 due to increased income from Heathrow Airport, which has led to a surplus on Business Rates of £382k. This is supplemented by a £2,385k surplus on Council Tax. £1,500k of the net surplus will be released to the General Fund in 2016/17, with the remainder of £1,267k available to support 2017/18 budgets.

CAPITAL

13. As at outturn an underspend of £32,242k is reported on the £81,221k General Fund Capital Programme for 2015/16, with £7,460k favourable cost variances and £24,782k slippage on project expenditure. A favourable movement of £2,013k is reported on cost variances, primarily as a result of releasing uncommitted budget where capacity already exists in 2016/17 budgets. Re-phasing is recommended to realign existing unspent budgets to match delivery on various projects and programmes of works in future years and does not represent additional expenditure to the approved capital programme.
14. General Fund Capital receipts applied in year totalled £23,411k and this included £13,138k in accumulated General Fund Share of Right to Buy receipts which were utilised to minimise prudential borrowing.

FURTHER INFORMATION

General Fund Revenue Budget

15. An underspend of £1,903k is reported on normal operating activities at outturn. This position incorporates a £3,436k net underspend across Directorate Operating Budgets and an underspend of £1,538k across Corporate Operating Budgets, off-set by contingency pressures of £3,071k, 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, alongside a £1,213k favourable movement in respect of capitalisation of expenditure which brings the reported underspend across the General Fund to £3,566k.
16. The Council's General Fund revenue budget contained £10,034k savings, with £8,202k banked and the balance covered in full in-year with alternative savings.

Table 1: General Fund Overview

Original Budget	Budget Changes	Service	Month 12		Variance (+ adv / - fav)		
			Revised Budget	Outturn	Variance (As at Month 12)	Variance (As at Month 11)	Movement from Month 11
£'000	£'000		£'000	£'000	£'000	£'000	£'000
186,216	3,192	Directorate Operating Budgets	189,408	185,972	(3,436)	(3,035)	(401)
8,792	(2,036)	Corporate Operating Budgets	6,756	5,218	(1,538)	(1,370)	(168)
12,340	(972)	Development & Risk Contingency	11,368	14,439	3,071	2,835	236
1,604	(184)	Priority Growth	1,420	1,420	0	0	0
208,952	0	Sub-total Normal Activities	208,952	207,049	(1,903)	(1,570)	(333)
		<u>Exceptional Items</u>					
		Recovered Icelandic Investment		(450)	(450)	(450)	0
		Capitalisation		(1,213)	(1,213)	0	(1,213)
208,952	0	Total Net Expenditure	208,952	205,386	(3,566)	(2,020)	(1,546)
(203,952)	0	Budget Requirement	(203,952)	(203,952)	0	0	0
5,000	0	Net Total	5,000	1,434	(3,566)	(2,020)	(1,546)
(40,439)	0	Balances b/fwd	(40,439)	(40,439)			
(40,439)	0	Balances c/fwd 31 March 2016	(35,439)	(39,005)			

17. There is an exceptional item relating to a payment received in respect of outstanding Icelandic investments, which enabled release of £450k from the remaining impairment of these investments. 98% of the £15,000k invested with Heritable has now been recovered.
18. In addition, the review of the Council's 2015/16 investment in equipment identified £1,213k of expenditure suitable for financing from capital resources, thereby delivering an improvement in the outturn position from Month 11 projections. The Council's 2016/17 budget assumes continuation of this revised approach to financing expenditure, reducing the need to identify savings from service budgets.

19. At 31 March 2015 General Fund Balances totalled £40,439k. After applying the budgeted drawdown of £5,000k and the £3,566k 2015/16 underspend, the closing balance at 31 March 2016 was £39,005k. The Council's current MTFF 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 (£3,436k underspend, £401k improvement)

20. 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 managed through Development and Risk Contingency are expanded upon below.

Table 2: Directorate Operating Budgets

Original Budget	Budget Changes	Service	Month 12		Variance (+ adv / - fav)			
			Revised Budget	Outturn	Variance (As at Month 12)	Variance (As at Month 11)	Movement from Month 11	
£'000	£'000		£'000	£'000	£'000	£'000	£'000	
11,133	135	Admin	Expenditure	11,268	11,076	(192)	(189)	(3)
(1,331)	55		Income	(1,276)	(1,244)	32	37	(5)
9,802	190		Sub-Total	9,992	9,832	(160)	(152)	(8)
16,867	251	Finance	Expenditure	17,118	17,271	153	(108)	261
(2,583)	(866)		Income	(3,449)	(3,737)	(288)	(26)	(262)
14,284	(615)		Sub-Total	13,669	13,534	(135)	(134)	(1)
111,957	(1,642)	Residents Services	Expenditure	110,315	112,735	2,420	(983)	3,403
(53,323)	971		Income	(52,352)	(56,038)	(3,686)	(99)	(3,587)
58,634	(671)		Sub-Total	57,963	56,697	(1,266)	(1,082)	(184)
139,147	6,110	Social Care	Expenditure	145,257	147,446	2,189	2,020	169
(35,651)	(1,822)		Income	(37,473)	(41,537)	(4,064)	(3,687)	(377)
103,496	4,288		Sub-Total	107,784	105,909	(1,875)	(1,667)	(208)
186,216	3,192	Total Directorate Operating Budgets		189,408	185,972	(3,436)	(3,035)	(401)

21. The Administration position is showing an underspend of £160k at outturn, an £8k improvement on Month 11. The underlying underspend is mainly due to elected Members no longer being eligible for membership of the Local Government Pension Scheme and shortfalls in income within the group managed through underspends on expenditure.
22. An underspend of £135k is reported against Finance budgets, primarily arising from vacant posts held across the Directorate.
23. Residents Services is reporting an underspend of £1,266k at outturn, an improvement of £184k from Month 11 due to a number of compensatory movements across the Directorate. These movements included £433k additional provision being set aside for dilapidations and additional provision for redundancy costs arising from extensive restructuring across the Group during 2015/16. There were off-set by reduced pressures from non-capitalisable project costs identified at Month 11. The headline underspend includes £1,325k underspends against the Directorate's £51,830k staffing budget and strong income generation across planning and highways functions. This is 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.
24. An underspend of £1,875k is reported across Social Care, with a £208k improvement from Month 11 as a result of £80k reduction in staffing spend and £377k of increased income

offset by an adverse movement on Deprivation of Liberty Assessment (DoLS) expenditure. Across the Group, underspends of £2,161k within workforce budgets account for the majority of the reported variance, netted down by pressures on DOLS and Children's Allowances.

Corporate Operating Budgets (£1,538k underspend, £168k improvement)

25. Corporately managed expenditure includes revenue costs of the Council's Capital Programme, externally set levies and income arising from the provision of support services to other funds and ring-fenced budgets.
26. On-going reviews of capital financing options and proactive treasury management delivered an in-year underspend of £1,269k on Interest and Investment Income, an improvement of £169k from Month 11.

Table 4: Corporate Operating Budgets

Original Budget	Budget Change	Service	Month 12		Variance (+ adv / - fav)			
			Revised Budget	Outturn	Variance (As at Month 12)	Variance (As at Month 11)	Movement from Month 11	
£'000	£'000		£'000	£'000	£'000	£'000	£'000	
0	0	Interest and Investment Income	Salaries	0	0	0	0	0
9,861	(494)		Non-Sal Exp	9,367	8,098	(1,269)	(1,100)	(169)
(691)	153		Income	(538)	(538)	0	0	0
9,170	(341)		Sub-Total	8,829	7,560	(1,269)	(1,100)	(169)
493	3	Levies and Other Corporate Budgets	Salaries	496	476	(20)	(20)	0
11,924	(218)		Non-Sal Exp	11,706	11,657	(49)	(50)	1
(12,235)	(1,480)		Income	(13,715)	(13,915)	(200)	(200)	0
182	(1,695)		Sub-Total	(1,513)	(1,782)	(269)	(270)	1
0	0	Housing Benefit Subsidy	Salaries	0	0	0	0	0
151,736	(104)		Non-Sal Exp	151,632	151,632	0	0	0
(152,296)	104		Income	(152,192)	(152,192)	0	0	0
(560)	0		Sub-Total	(560)	(560)	0	0	0
8,792	(2,036)	Total Corporate Operating Budgets		6,756	5,218	(1,538)	(1,370)	(168)

Development & Risk Contingency (£3,071k overspend, £236k adverse movement)

27. The Council 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 issues. 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 12		Variance (+ adv / - fav)		
			Revised Budget £'000	Outturn £'000	Variance (As at Month 12) £'000	Variance (As at Month 11) £'000	Movement from Month 11 £'000
400	0	Fin.	400	300	(100)	(100)	0
236	(236)	Residents Services	0	0	0	0	0
1,836	0		1,836	1,836	0	0	0
2,211	0		2,211	2,211	0	(7)	7
1,272	0	Social Care	1,272	2,128	856	971	(115)
465	0		465	4,719	4,254	3,910	344
(117)	0		(117)	(117)	0	0	0
1,298	0		1,298	1,298	0	0	0
129	0		129	129	0	0	0
380	0		380	380	0	0	0
393	0		393	10	(383)	(383)	0
520	0		520	520	0	0	0
250	0	Corp. Items	250	250	0	0	0
2,067	(736)		1,331	775	(556)	(556)	0
1,000	0		1,000	0	(1,000)	(1,000)	0
12,340	(972)	Total Development & Risk Contingency	11,368	14,439	3,071	2,835	236

28. There has been movement on a limited number of Contingency items from Month 11 forecast to outturn, mainly relating to support for Children within Social Care.
29. A £115k improvement is reported on the outlook for Asylum, resulting from reductions in expected spend on allowances. The £2,128k call on contingency represents the net cost to Hillingdon residents of supporting Asylum Seekers in 2015/16, with Government funding insufficient to meet the overall costs arising from Unaccompanied Asylum Seeking Children.
30. A further adverse movement of £344k 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 £4,254k is

higher than 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. There have been no calls on General Contingency during 2015/16.

Priority Growth

32. The 2015/16 General Fund revenue budget set aside £804k of unallocated Priority Growth, in addition to £800k of specific growth monies to support HIP Initiatives. £184k has been allocated from Unallocated Priority Growth, including £150k support for the First Time Buyer's Initiative and £17k match funding for the Textile Recycling donation to the Mayor's Charity. The remaining Unallocated Growth monies will be carried forward as an earmarked reserve to support future initiatives.
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 2015/16. Approved projects totalled £444k, leaving £786k available for new initiatives. This unspent balance remains available to fund new projects from 2016/17 onwards.

Table 6: Priority Growth

Original Budget	Budget Changes	Priority Growth	Month 12		
			Revised Budget	Approved Allocations	Unallocated Balance
£'000	£'000		£'000	£'000	£'000
800	0	HIP Initiatives Budgets	800	14	(786)
430	0	B/fwd Funds	430	430	0
804	(184)	Unallocated Priority Growth	620	0	(620)
2,034	(184)	Total Priority Growth	1,850	444	1,406

Schools Budget, Parking Revenue Account and Collection Fund

34. The outturn positions on other funds were favourable at year end and will not adversely impact upon the General Fund in 2015/16 or 2016/17.
35. A headline pressure of £3,217k is identified on the Schools Budget at outturn, representing an adverse movement of £809k from Month 11 to reflect deferral of grant income for Three and Four Year Old Provision into 2016/17. 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 £399k increases in the cost of SEN placements under the new banded funding model. An outturn balance of £866k remains in retained schools balances at 31 March 2016.
36. A surplus of £602k is forecast on the Parking Revenue Account at outturn, an improvement of £250k on the position at Month 11 due to higher than anticipated income being recorded for the year. Surplus balances within the Parking Revenue Account will be available to support future investment, including support for introduction of CCTV Enforcement of School Keep Clear Zones if required.
37. The Collection Fund is reporting a surplus of £2,767k at outturn, a £807k improvement on Month 11. This is as a result of confirmation of the significant number of properties at Terminal 2, Heathrow Airport, which opened in June 2014, now being brought into the rating

list by the Valuation Office Agency. Within the overall position, a surplus of £2,385k is reported on Council Tax with a £382k surplus on Business Rates. The Council's 2016/17 budget draws down £1,500k of this surplus, with the remainder available to support the 2017/18 General Fund budget.

Housing Revenue Account

38. There is a surplus of £1,706k on the Housing Revenue Account, a £198k improvement from Month 11 after providing for additional legal costs in relation to the Triscott House dispute. Unallocated General Balances within the HRA have reached £33,946k as a result of the forecast £1,706k surplus and £1,663k planned contribution to balances. This outturn position reflects the full delivery of the £2,448k savings included in the 2015/16 budget.
39. 130 properties have been sold under Right to Buy arrangements during 2015/16. Sufficient expenditure on the acquisition of new properties has been incurred to fully utilise the initial tranche of retained receipts and therefore avoid repayment to DCLG.

Future Revenue Implications of Capital Programme

40. Appendix D to this report outlines the outturn position for the 2015/16 Capital Programme, which was an underspend of £32,242k. This underspend includes £24,782k recommended rephasing and £7,460k cost underspends after allowing for the capitalisation of £1,213k equipment expenditure. The reported cost underspend remains broadly consistent with that reflected in the Council's 2016/17 to 2020/21 MTFF and is therefore not expected to impact materially upon future capital financing costs.
41. While overall expenditure remains consistent with previous projections, application of £13,182k accumulated Capital Receipts has enabled the Council to avoid new borrowing in 2015/16 and therefore defer borrowing costs in later years of the MTFF. The impact on 2016/17 budgets will be reflected in budget monitoring, with longer-term implications captured through future refreshes of the MTFF.

Appendix A – Detailed Group Forecasts (General Fund)

ADMINISTRATION (£160k underspend, £8k improvement)

45. The Administration Group is showing an underspend of £160k at outturn, an improvement of £8k on the Month 11 position. The majority of the overall underspend in the Group is largely due to reduced expenditure on Members' Allowances as Members are no longer part of the Local Government Pensions Scheme, this additional budget has been removed from 2016/17 budgets as part of the MTFF process.

Table 7: Administration Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 12		Variance (+ adv / - fav)			
			Revised Budget £'000	Outturn £'000	Variance (As at Month 12) £'000	Variance (As at Month 11) £'000	Movement from Month 11 £'000	
1,461	52	Democr. Services	Salaries	1,513	1,510	(3)	(7)	4
1,841	60		Non-Sal Exp	1,901	1,811	(90)	(86)	(4)
(658)	(111)		Income	(769)	(741)	28	15	13
2,644	1		Sub-Total	2,645	2,580	(65)	(78)	13
2,319	80	Human Resources	Salaries	2,399	2,414	15	(51)	66
626	60		Non-Sal Exp	686	582	(104)	(46)	(58)
(286)	38		Income	(248)	(231)	17	30	(13)
2,659	178		Sub-Total	2,837	2,765	(72)	(67)	(5)
1,955	34	Legal Services	Salaries	1,989	2,011	22	36	(14)
111	0		Non-Sal Exp	111	86	(25)	(28)	3
(341)	41		Income	(300)	(294)	6	10	(4)
1,725	75		Sub-Total	1,800	1,803	3	18	(15)
592	0	Policy & Partnerships	Salaries	592	597	5	5	0
2,228	(151)		Non-Sal Exp	2,077	2,065	(12)	(12)	0
(46)	87		Income	41	22	(19)	(18)	(1)
2,774	(64)		Sub-Total	2,710	2,684	(26)	(25)	(1)
6,327	166	Admin. Directorate	Salaries	6,493	6,532	39	(17)	56
4,806	(31)		Non-Sal Exp	4,775	4,544	(231)	(172)	(59)
(1,331)	55		Income	(1,276)	(1,244)	32	37	(5)
9,802	190		Total	9,992	9,832	(160)	(152)	(8)

FINANCE (£135k underspend, £1k improvement)

46. The Finance Group is showing an underspend of £135k at outturn, an improvement of £1k on the Month 11 position.
47. The overall underspend position is due to salaries underspends in Operational Finance following the restructure of Assistant Finance Business Partners; in Revenues and Benefits 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 12		Variance (+ adv / - fav)			
			Revised Budget £'000	Outturn £'000	Variance (As at Month 12) £'000	Variance (As at Month 11) £'000	Movement from Month 11 £'000	
487	(10)	Internal Audit	Salaries	477	482	5	5	0
56	4		Non-Sal Exp	60	63	3	3	0
0	6		Income	6	(5)	(11)	(11)	0
543	0		Sub-Total	543	540	(3)	(3)	0
2,185	(152)	Procurement	Salaries	2,033	2,053	20	21	(1)
121	507		Non-Sal Exp	628	728	100	100	0
(2)	(564)		Income	(566)	(597)	(31)	(28)	(3)
2,304	(209)		Sub-Total	2,095	2,184	89	93	(4)
3,360	(102)	Operation. Finance	Salaries	3,258	3,176	(82)	(94)	12
679	(311)		Non-Sal Exp	368	408	40	10	30
(159)	(91)		Income	(250)	(288)	(38)	2	(40)
3,880	(504)		Sub-Total	3,376	3,296	(80)	(82)	2
3,868	219	Revenues & Benefits	Salaries	4,087	4,012	(75)	(75)	0
2,285	(46)		Non-Sal Exp	2,239	2,202	(37)	(37)	0
(2,166)	(36)		Income	(2,202)	(2,188)	14	11	3
3,987	137		Sub-Total	4,124	4,026	(98)	(101)	3
1,300	76	Strategic Finance	Salaries	1,376	1,323	(53)	(54)	1
2,526	66		Non-Sal Exp	2,592	2,824	232	13	219
(256)	(181)		Income	(437)	(659)	(222)	0	(222)
3,570	(39)		Sub-Total	3,531	3,488	(43)	(41)	(2)
11,200	31	Finance Directorate	Salaries	11,231	11,046	(185)	(197)	12
5,667	220		Non-Sal Exp	5,887	6,225	338	89	249
(2,583)	(866)		Income	(3,449)	(3,737)	(288)	(26)	(262)
14,284	(615)		Total	13,669	13,534	(135)	(134)	(1)

48. The year-end drawdown from the Insurance contingency was £300k, as per the projection at Month 11.
49. The contingency of £400k provided for Insurance 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. The payments this year have dropped and claim payments were in the region of £660k.

50. In addition to the improvement in the claim payments position, 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.

Table 9: Finance Development & Risk Contingency

Original Budget £'000	Budget Changes £'000	Development & Risk Contingency	Month 12		Variance (+ adv / - fav)		
			Revised Budget £'000	Outturn £'000	Variance (As at Month 12) £'000	Variance (As at Month 11) £'000	Movement from Month 11 £'000
400	0	Uninsured Claims	400	300	(100)	(100)	0
400	0	Current Commitments	400	300	(100)	(100)	0

RESIDENTS SERVICES (£1,266k underspend, £184k improvement)

51. Residents Services reported an underspend of £1,266k at outturn, excluding pressure areas provided for in contingency. The overall variance results from underspends across the group and favourable income movements in highways and planning, off-set by income pressures at Cedars and Grainges car parks and in Imported Food sampling.

Table 10: Residents Services Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 12		Variance (+ adv / - fav)			
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 12) £'000	Variance (As at Month 11) £'000	Movement from Month 11 £'000	
13,368	202	Deputy Director Residents Services	Salaries	13,570	14,147	577	130	447
21,204	(1,308)		Non-Sal Exp	19,896	19,928	32	50	(18)
(10,051)	1,067		Income	(8,984)	(8,571)	413	471	(58)
24,521	(39)		Sub-Total	24,482	25,504	1,022	651	371
1,844	404	Development and Assets	Salaries	2,248	2,263	15	0	15
7,575	49		Non-Sal Exp	7,624	7,807	183	469	(286)
(2,397)	(251)		Income	(2,648)	(2,696)	(48)	0	(48)
7,022	202		Sub-Total	7,224	7,374	150	469	(319)
803	(324)	Estates and Tenancy Management	Salaries	479	388	(91)	(15)	(76)
1,254	(2)		Non-Sal Exp	1,252	1,843	591	(61)	652
(3,414)	210		Income	(3,204)	(3,355)	(151)	22	(173)
(1,357)	(116)		Sub-Total	(1,473)	(1,124)	349	(54)	403
5,050	(47)	Policy, Highways and Community Engagement	Salaries	5,003	4,692	(311)	(134)	(177)
6,004	(488)		Non-Sal Exp	5,516	5,863	347	(146)	493
(12,572)	1,098		Income	(11,474)	(12,055)	(581)	(287)	(294)
(1,518)	563		Sub-Total	(955)	(1,500)	(545)	(567)	22
4,135	(2,153)	Planning and Development	Salaries	1,982	1,911	(71)	(54)	(17)
1,626	(562)		Non-Sal Exp	1,064	1,123	59	(3)	62
(2,972)	(164)		Income	(3,136)	(3,901)	(765)	(496)	(269)
2,789	(2,879)		Sub-Total	(90)	(867)	(777)	(553)	(224)
12,777	(1,527)	Green Spaces, Sport & Culture	Salaries	11,250	11,212	(38)	80	(118)
9,229	(329)		Non-Sal Exp	8,900	8,800	(100)	(168)	68
(9,819)	(276)		Income	(10,095)	(10,147)	(52)	(24)	(28)
12,187	(2,132)		Sub-Total	10,055	9,865	(190)	(112)	(78)
7,916	(73)	Communication, ICT and Customer Development	Salaries	7,843	7,573	(270)	(188)	(82)
4,241	202		Non-Sal Exp	4,443	4,620	177	(6)	183
(2,767)	83		Income	(2,684)	(2,665)	19	(4)	23
9,390	212		Sub-Total	9,602	9,528	(74)	(198)	124
5,279	(107)	Business and Technical Support	Salaries	5,172	4,356	(816)	(529)	(287)
879	451		Non-Sal Exp	1,330	1,547	217	(15)	232
(3,772)	190		Income	(3,582)	(3,343)	239	293	(54)
2,386	534		Sub-Total	2,920	2,560	(360)	(251)	(109)
3,537	746	Policy and Standards - Education, Housing and Public Health	Salaries	4,283	3,963	(320)	(277)	(43)
5,236	3,224		Non-Sal Exp	8,460	10,699	2,239	(116)	2,355
(5,559)	(986)		Income	(6,545)	(9,305)	(2,760)	(74)	(2,686)
3,214	2,984		Sub-Total	6,198	5,357	(841)	(467)	(374)
54,709	(2,879)	Residents Services	Salaries	51,830	50,505	(1,325)	(987)	(338)
57,248	1,237		Non-Sal Exp	58,485	62,230	3,745	4	3,741
(53,323)	971		Income	(52,352)	(56,038)	(3,686)	(99)	(3,587)
58,634	(671)		Total	57,963	56,697	(1,266)	(1,082)	(184)

52. The Council's 2015/16 contingency budget contained provision for areas of expenditure or income within Residents Services for which there was a greater degree of uncertainty. At outturn, the required contingency call was against the full provision (£7k adverse). The position against these contingency items is shown in Table 11 below.

Table 11: Development and Risk Contingency

Original Budget £'000	Budget Changes £'000	Development & Risk Contingency	Month 12		Variance (+ adv / - fav)		
			Revised Budget £'000	Outturn £'000	Variance (As at Month 12) £'000	Variance (As at Month 11) £'000	Movement from Month 11 £'000
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	2,211	0	(7)	7
4,047	0	Current Commitments	4,047	4,047	0	(7)	7

53. The financial year 2015/16 has seen continuing pressures on the Housing Needs budget that has required a full drawdown of the £1,836k contingency. The temporary accommodation expenditure requirement remained consistently above the original MTFF forecast, showing a net increase in the final quarter of 2015/16 as per Table 12.
54. Within this increase, a higher proportion continues to be in high cost Bed & Breakfast (B&B) placements given the challenges on housing supply. Key variables in terms of keeping B&B type accommodation to a minimum are the prevention rate on approaches for housing and the supply of properties.
55. These pressures have been partially mitigated by net demand over the year 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, better than expected performance on arrears and ongoing work to control average cost of B&B accommodation.

Table 12: Housing Needs performance data

	2015/16		
	January	February	March
Homeless Threat, Priority Need & Eligible	117	100	97
Presenting As Homeless	49	44	57
Duty Accepted	39	26	31
Households in Temporary Accommodation	578	591	610
Households in B&B	201	221	225

56. An additional £2,211k was added to the base budget to resource expected increases in the waste disposal levy, which has been required in full. 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.
57. 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 (£1,022k overspend, £371k adverse movement)

58. There was a £447k adverse movement in staffing costs at outturn. Residents Services has undergone extensive restructuring during 2015/16, with a corresponding requirement to fund redundancy costs. These were met by a drawdown from earmarked reserves of £300k and the remaining pressure of £576k contained within the group's overall base budget.
59. Throughout the majority of 2015/16, there was a sustained pressure in Imported Food sampling income - at outturn this represented a pressure of £430k. This represents a £41k favourable movement from Month 11, continuing an improving trend following implementation of new EU statutory charges for increased testing of animal products originating from New Zealand.
60. 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 16/17.

Development and Assets (£150k overspend, £319k improvement)

61. There was a net favourable movement of £319k at outturn. The majority of the movement relates to corporate construction costs where the capitalisation of CCT fees was finalised at year end.
62. There was also reduced Facilities Management contract spend further to final billing for monthly chargeable fees.

Estates and Tenancy Management (£349k overspend, £403k adverse movement)

63. At outturn the service reported a net favourable movement (before provisions) of £30k. This was mainly due to further improvements in the garages income position.
64. The overall position for Residents Services has enabled an increase in the provision for dilapidations (£433k adverse).

Policy, Highways & Community Engagement (£545k underspend, £22k adverse movement)

65. The outturn underspend in staffing costs resulted from delays to recruitment across the service and the impact of vacant posts within planning specialists and the matching of external grant to budgeted expenditure.
66. There was a net adverse movement of £22k across the service area at outturn, after netting off the effect of non-staffing movements against favourable movements in income.

Planning and Development (£777k underspend, £224k improvement)

67. There was an overall outturn favourable movement of £224k, primarily as a result of Development Control income being ahead of target, resulting in an improvement of £269k from the Month 11 position.
68. The adverse movement of £62k in non-salaries was netted down by £17k favourable movement in staffing costs.

Green Spaces, Sport & Culture (£190k underspend, £78k improvement)

69. There was an outturn underspend on salaries across the group of £38k (£118k favourable). The movement reflects delays to recruitment across the directorate, as new structures continue to be actively recruited to.
70. There were other minor non-salary and income movements across the service, net effect £40k adverse.

Communications, ICT and Customer Development (£74k underspend, £124k adverse movement)

71. There was an outturn underspend on staffing of £270k, £82k favourable movement, relating to vacant posts in ICT and the Contact Centre.
72. There was a net adverse movement of £206k reflecting the residual pressure on HGfL budgets, reflecting in the main reducing income and redundancy costs, following the discontinuation of the service.

Business and Technical Support (£360k underspend, £109k improvement)

73. The off-street parking income at the Cedars and Graingess multi-storey car parks experienced pressure relating to the loss of season ticket income at both car parks throughout the financial year. Despite some uplift in income at smaller car parks throughout the Borough, at outturn the service had a net income pressure of £239k (£54k favourable).
74. There was an outturn underspend of £816k in Technical Administration and Business Support, due to the impact of vacant posts that were held open during the restructuring process for this service, an improvement of £287k compared to Month 11, reflecting slower than anticipated recruitment.
75. As a consequence the directorate has been able to contribute £300k to earmarked reserves for redundancies in 2016/17 as the restructuring of Technical Administration and Business Support continues into the new financial year.

Policy and Standards - Education, Housing and Public Health (£841k underspend, £374k improvement)

76. There was an outturn underspend of £841k, with the key variances represented by staffing underspend across each service, including the BID review held in-year for the Performance & Intelligence team, vacant posts in the Low Cost Home Ownership team and staffing reviews within the School Improvement Service.
77. There was an underspend in non-B&B Temporary Accommodation (Old PSL and and MPA schemes) plus in-house PSL.

SOCIAL CARE (£1,875k underspend, £208k improvement)

78. The Social Care outturn position for 2015/16 is reporting an underspend of £1,875k, an improvement of £208k on the Month 11 projections. Within the salaries position there is an underspend of £2,161k, an improvement of £80k, due to staff recruitment taking longer than previously forecast across specific services and a high number of vacancies that existed in the Children's Early Intervention and Prevention Service, All Age Disabilities Service and Adult Social Work Service. The underspend generated by these vacancies have been netted down by the additional cost of agency staff particularly within Children's Services, whilst the service continues with a major staff recruitment campaign to the new structures. There were a number of significant pressures on non salary expenditure within the service which the Social Care Directorate mitigated through the robust management of the demand for both children's and adult social care. The final outturn position is 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 12		Variance (+ adv / - fav)			
			Revised Budget £'000	Outturn £'000	Variance (As at Month 12) £'000	Variance (As at Month 11) £'000	Movement from Month 11 £'000	
1,038	657	Safeguarding Children	Salaries	1,695	1,665	(30)	54	(84)
1,579	(1,020)		Non-Sal Exp	559	580	21	123	(102)
(150)	(831)		Income	(981)	(1,005)	(24)	(8)	(16)
2,467	(1,194)		Sub-Total	1,273	1,240	(33)	169	(202)
3,545	1,044	Children's Early Intervention Services	Salaries	4,589	4,019	(570)	(762)	192
3,631	576		Non-Sal Exp	4,207	3,558	(649)	(357)	(292)
(707)	(186)		Income	(893)	(1,058)	(165)	(86)	(79)
6,469	1,434		Sub-Total	7,903	6,519	(1,384)	(1,205)	(179)
2,091	(194)	Looked After Children	Salaries	1,897	3,291	1,394	73	1,321
744	(48)		Non-Sal Exp	696	3,391	2,695	2,735	(40)
(294)	336		Income	42	(2,772)	(2,814)	(2,827)	13
2,541	94		Sub-Total	2,635	3,910	1,275	(19)	1,294
8,352	1,687	Children's Resources	Salaries	10,039	8,704	(1,335)	123	(1,458)
12,429	838		Non-Sal Exp	13,267	14,551	1,284	735	549
(7,177)	243		Income	(6,934)	(7,306)	(372)	(422)	50
13,604	2,768		Sub-Total	16,372	15,949	(423)	436	(859)
5,402	2,635	All-Age Disabilities	Salaries	8,037	6,957	(1,080)	(1,127)	47
44,007	314		Non-Sal Exp	44,321	45,982	1,661	1,707	(46)
(6,852)	(1,267)		Income	(8,119)	(8,512)	(393)	(384)	(9)
42,557	1,682		Sub-Total	44,239	44,427	188	196	(8)
4,294	7	Adult Social Work	Salaries	4,301	3,844	(457)	(395)	(62)
29,110	501		Non-Sal Exp	29,611	29,268	(343)	(307)	(36)
(8,267)	(175)		Income	(8,442)	(8,642)	(200)	(60)	(140)
25,137	333		Sub-Total	25,470	24,470	(1,000)	(762)	(238)
9,018	(287)	Adult's Early Intervention & Prevention	Salaries	8,731	8,643	(88)	(13)	(75)
3,370	(87)		Non-Sal Exp	3,283	3,014	(269)	(39)	(230)
(11,826)	169		Income	(11,657)	(11,604)	53	77	(24)
562	(205)		Sub-Total	357	53	(304)	25	(329)
2,185	(4)	Safeguarding, Quality & Partnerships	Salaries	2,181	2,180	(1)	14	(15)
7,165	140		Non-Sal Exp	7,305	7,046	(259)	(431)	172
(378)	(111)		Income	(489)	(603)	(114)	23	(137)
8,972	25		Sub-Total	8,997	8,623	(374)	(394)	20
294	315	Directorate & Support Services	Salaries	609	615	6	(47)	53
893	(964)		Non-Sal Exp	(71)	138	209	(66)	275
0	0		Income	0	(35)	(35)	0	(35)
1,187	(649)		Sub-Total	538	718	180	(113)	293
36,219	5,860	Social Care Total	Salaries	42,079	39,918	(2,161)	(2,080)	(81)
102,928	250		Non-Sal Exp	103,178	107,528	4,350	4,100	250
(35,651)	(1,822)		Income	(37,473)	(41,537)	(4,064)	(3,687)	(377)
103,496	4,288		Total	107,784	105,909	(1,875)	(1,667)	(208)

79. The Council's 2015/16 Development and Risk Contingency contained 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 12		Variance (+ adv / - fav)		
			Revised Budget	Outturn	Variance (As at Month 12)	Variance (As at Month 11)	Movement from Month 11
			£'000	£'000	£'000	£'000	£'000
1,272	0	Asylum Funding Shortfall	1,272	2,128	856	971	(115)
465	0	Social Care Pressures (Children's)	465	4,719	4,254	3,910	344
(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	10	(383)	(383)	0
520	0	SEN transport	520	520	0	0	0
4,340	0	Current Commitments	4,340	9,067	4,727	4,498	229

Asylum Service (£856k overspend, £115k improvement)

80. This service required £2,128k from contingency, £856k above the budget and an improvement of £115k on the Month 11 position, due to a reduction 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 increased 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+).
81. Over the last few months, it has become evident that Hillingdon was starting to experience a slight increase in the number of Asylum Seeking Children. This position will continue to be monitored closely in the 2016/17 financial year.

Social Care Pressures - Children's Demographics (£4,254k overspend, £344k adverse movement)

82. The outturn position was a £4,719k contingency requirement, £4,254k above budget and an adverse movement of £344k on the Month 11 position. This resulted from abnormally high numbers of mother and baby placements and a high number of teenage children in residential placements, where there was difficulty in stepping 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, but this was not possible within the 2015/16 financial year.

83. The service ended the year with 34 high cost placements, including residential placements for children with complex needs and identified safeguarding risks, an in-year increase of 9 placements from the beginning of the financial year, equating to an in-year annual increased cost of approximately £1,800k. Throughout the year the service had 3 children in secure placements (one of which costs £6,250 per week) and 9 placements in high cost residential placements as a result of safeguarding responsibilities as the children needed to be placed out of borough, where the weekly costs are in the region of £4,000. The service also experienced a significant increase in the number of mother and baby placements.
84. During the year, Senior Management implemented a vigorous monitoring and review process to ensure that the correct decisions were being made on the most appropriate placement for an individual child. Decisions were being scrutinised and then agreed at a weekly panel meeting and reviewed further each month with the main focus on higher cost placements.
85. Over the last year, a number of changes to legislation impacted on services for children, including the extension of the Staying Put legislation, which increased 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. These changes added to the cost of placements.
86. However, it should be noted that the number of Looked After Children placements stabilised and were consistently within the range of 340 to 360 placements over the months from May 2015, those with a Child Protection Plan were consistent and stabilised on 340 cases, and those where children have been identified as Children in Need was relatively consistent standing at approximately 645 cases. Social Work caseloads have been consistently at or slightly below the recommended safe level since December 2014. Additionally, from April 2015, the service reduced the number of IFA placements and was able to use more In-House Foster Carers, improving the proportions from a split of 54% IFA to 46% In-House at the beginning of the year, to 48% IFA and 52% In-House at the end of the year.

Early Support Cost Avoidance (Nil variance, nil movement)

87. The service successfully delivered 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)

88. The service drew down £1,298k from Contingency to fund the additional cost of appointing agency staff, whilst the service implemented a major recruitment campaign.

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

89. The full contingency of £129k for Adult Demographic changes was drawn down at year end.

Increase in Transitional Children (Nil variance, nil movement)

90. Similarly the full contingency of £380k for Transitional Children was drawn down.

Winterbourne View (£383k underspend, nil movement)

91. One client from the Winterbourne cohort transferred in 2015/16 at a part year effect cost of £10k. Further clients are expected to transfer early in 2016/17 and it is anticipated the contingency will be needed in 2016/17.

SEN Transport (Nil variance, nil movement)

92. The full contingency of £520k has been drawn down against SEN Transport. Work continues in reviewing this service and re-routing of school transport.

DIRECTORATE OPERATING BUDGETS

Safeguarding Children (£33k underspend, £202k improvement)

93. The outturn position is an underspend of £33k, an improvement of £202k on the Month 11 position, due to a reduction in the cost of the Local Safeguarding Children's Board activity, the cost of which will fall in 2016/17, and a slight reduction in the cost of agency staff. The underspend relates to £30k on staffing due to a realignment of the Safeguarding Board function, which now covers all of Social Care, an overachievement of £24k on income, reflecting a range of recharges to external service users, netted down by an overspend of £21k on non-staffing which relates to an increase in Child Protection, LSCB and Family Conference delivery costs.

Children's Early Intervention Services (£1,384k underspend, £179k improvement)

94. The outturn position is an underspend of £1,384k, an improvement of £179k on the Month 11 position, due primarily to an improved position on the school based Children Centre costs. This relates to an underspend of £570k on salaries due to a number of recruitment difficulties to a relatively high number of posts in the new structure; an underspend of £649k on non-staffing costs from the cessation of the CfBT (young people's support, information, advice and guidance services) contract; lower commitments being made on targeted support programmes; and an underspend on the Children Centre programme delivery budgets, including school based centres. There was a surplus of £165k on income, primarily relating to the receipt of additional grant income for the next phase of the Troubled Families programme.

Looked After Children (£1,275k overspend, £1,294k adverse movement)

95. The outturn position is an overspend of £1,275k, an adverse movement of £1,294k on the Month 11 position, relating to the balance of workforce spend across salary budgets in this service and Children's Resources. The overspend reported relates to a £1,394k overspend on staffing costs, due to the continued use of agency staff; an overspend of £2,695k on non-staffing costs, which primarily relates to the cost of the Skylakes managed service; and a surplus of £2,814k on income reflecting the use of earmarked reserves to fund the Skylakes service up to the end of March 2016.

Children's Resources (£423k underspend, £859k improvement)

96. The outturn position for the service is an underspend of £423k, an improvement of £859k on the Month 11 position, relating to the balance of workforce spend across salary budgets in this service and Children's Resources. However, there was a significant increase in the cost of providing support for families under Section 17 regulations or who have No Recourse to Public Funds (NRPF) and an increase in the cost of Legal support. The underspend reported relates to an underspend of £1,335k on staffing and the receipt of additional income of £372k, 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. This was netted down by an overspend of £1,284k on non-staffing costs due primarily to the cost of allowances, including the cost of temporary Bed and Breakfast accommodation and the cost of providing financial support to families under

Section 17 regulations or who have No Recourse to Public Funds (NRPF), and the cost of Legal support.

All Age Disabilities (AAD) (£188k overspend, £8k improvement)

97. The AAD restructure was implemented during the year, as a result of this implementation a number of posts were not filled during the year and the staffing budget was underspent by £1,080k, an adverse variance of £47k from the Month 11 forecast position. The movement from Month 11 was offset by a corresponding underspend in non staffing costs with the SEN Reform Grant. £360k of the underspend is offset by reduced recharge income from the Dedicated Schools Grant (DSG).
98. The non staffing budget had a pressure of £1,661k, a favourable movement of £46k from the Month 11 forecast. The principal element of this pressure arises from the slippage in the Supported Living Programme.
99. 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 six cases has been received, two have received CHC funding, one is joint funded and three have been declined. The outcome of another two are still awaited and if assessed as eligible for CHC then funding received from the CCG will further help to mitigate this pressure in future years, this has not changed since Month 11.
100. 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 £643k leaving a full year pressure of £101k for 2016/17 if no further clients receive CHC funding.

Social Work (£1,000k underspend, £238k improvement)

101. The staffing budget was £457k underspent at year end, a favourable movement of £62k from the Month 11 forecast, as a result of reduced costs in the Social Work Teams with recruitment taking longer than planned. Many of the vacant posts within the Social Work Teams have now been filled.
102. The non-staffing budget underspent by £343k, a favourable movement of £36k from the Month 11 forecast position.
103. Income overachieved budget by £200k, a favourable movement of £140k from the Month 11 forecast. The favourable movement was in respect of additional funding from Hillingdon CCG for one client receiving a backdated CHC assessment and other clients receiving joint funding from the new arrangements for sharing costs for clients being discharged from hospital under S117 of the Mental Health Act.

Adults' Early Intervention & Prevention (£304k underspend, £329k improvement)

104. There is an underspend of £304k within the Adults EI&P Service, a favourable movement of £329k since the Month 11 forecast.
105. The staffing position improved by £75k as the contingent labour budget was not fully utilised. This was due to the proactive management action in significantly reducing the level of staff absence and therefore the requirement for agency support.

106. The non-staffing expenditure has underspent by £269k, a favourable movement of £230k since the Month 11 forecast position. The main areas of movement relate to Equipment & Materials £60k variance; Transport £34k; Utilities £25k; Catering £30k.
107. At year end the income was underachieved by £53k, an improvement of £24k from the Month 11 forecast. The improvement was in respect of the earmarked reserve for Dementia Training that was drawn down.

Safeguarding, Quality & Partnerships (£374k underspend, £20k adverse movement)

108. There was a £1k underspend on staffing, an improvement of £15k from the Month 11 forecast.
109. The non-staffing budget was underspent by £259k, this was an adverse movement of £172k from the Month 11 forecast. £50k of this movement was for the lift at Church Road Supported Housing Scheme which has been funded by an earmarked reserve which was forecast as a net variance, the balance was in respect of the cost of assessments associated with DoLS cases. The pressure on DoLS assessments was offset by underspends against placement budgets within Mental Health Services.
110. In 2015/16 the net DoLS pressure was £199k, after receiving £111k of one off Government Grant. As the number of referrals for DoLS increases, this pressure is continuing to grow and will likely impact upon the 2016/17 budget position. To date no additional central government funding has been announced to cover this pressure.
111. Income exceeded budget by £114k, an improvement of £137k from the Month 11 forecast position. The improved position was from the earmarked reserve for the Church Road lift for £50k being drawn down to cover expenditure. The balance was from additional income from Health as a contribution towards clients discharge from hospital under S117 of the Mental Health Act.

Directorate & Support (£180k underspend, £293k adverse movement)

112. This budget was underspent by £180k at year end an adverse movement of £293k from the Month 11 forecast position. The movement relates to additional costs relating the Care Act than previously anticipated. The income recovered was from the CCG as a contribution towards a joint funded post leading on the review of the Learning Disabilities Pooled Budget.

Better Care Fund

113. The outturn position for the BCF was a pressure of £374k against the total pooled budget of £17,991k, £195k remains the responsibility of the CCG whilst £179k of this pressure falls to the Council, an improvement of £144k, from Month 11.
114. The Council pressure is made up of £534k 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. This pressure is off-set by underspends on the TeleCareLine service of £124k and the capitalisation of expenditure on telecare equipment (£167k) using the annual social care capital grant within the BCF to fund this expenditure. There is also an underspend of £64k on the reablement service which is currently undergoing a restructuring as part of BID process. The balance of the pressure has been funded by contingency provision to fund pressures relating to the implementation of Care Act requirements.

Appendix B – Other Funds

SCHOOLS BUDGET

Dedicated Schools Grant (£3,217k overspend, £809k adverse movement)

115. The Dedicated Schools Grant outturn position is a £3,217k overspend, an adverse movement of £809k on the Month 11 projections. The additional overspend is predominantly as a result of an increase in the number of three and four year olds in Early Years provision for which funding will not be received until next financial year therefore impacting on the overall DSG overspend in 2015/16.
116. 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 an increase in the number of children in Early Years provision along with the increased costs of Special Educational Need/Education Health and Care Plan placements. High Needs costs continue to increase as the new banded funding rates are applied along with 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. The following table 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 12		Variance (+ adv / - fav)		
			Revised Budget	Outturn	Variance (As at Month 12)	Variance (As at Month 11)	Change from Month 11
£'000	£'000		£'000	£'000	£'000	£'000	£'000
(145,373)	8,311	Dedicated Schools Grant Income	(137,062)	(137,213)	(151)	(146)	(5)
113,606	(10,709)	Delegated to Schools	102,897	105,561	2,664	2,190	474
4,581	201	Early Years	4,782	4,319	(463)	(556)	93
3,604	245	Centrally Retained	3,849	4,477	628	521	107
23,582	1,952	Special Needs	25,534	26,073	539	399	140
0	0	Total Schools Budget	0	3,217	3,217	2,408	809
		Balance Brought Forward 1 April 2015	(4,083)	(4,083)			
		Balance Carried Forward 31 March 2016	(4,083)	(866)			

Dedicated Schools Grant Income (£151k surplus, £5k improvement)

117. The budget has been realigned to reflect the receipt of additional funding for two year old placements above the current DSG, which was notified on the 19 February 2016. The surplus outturn position of £151k, relates to an adjustment to the Early Years Pupil Premium, where it was previously anticipated that any unspent funds would have to be returned to the DfE, however it has now been confirmed that all Council's can keep their original funding.

Delegated to Schools (£2,664k overspend, £474k adverse movement)

118. 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. The adverse movement from the Month 11 position is due to the increase in three and four year old provision. Funding for the additional Early Years children will not be adjusted by the DfE until next financial year leading to an overspend in 2015/16 in this area.

Early Years (£463k underspend, £93k adverse movement)

119. The Early Years funding block is underspent by £463k, an adverse movement of £93k on the Month 11 position. This underspend is made up of £175k on two year old provision, £273k on the two year old capacity funding budget where funding has been agreed but works not yet started, an underspend of £185k on the Early Years Educational Psychology provision, where there has been uncertainty around the delivery model required and an underspend of £155k relating to funding set aside to support the placement of vulnerable children. This is netted down by an overspend of £325k across the Early Years Centres and Early Years Advisory teacher service.

Centrally Retained (£628k overspend, £107k adverse movement)

120. The centrally retained budgets are overspent by £628k. £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 have been charged to the DSG is contributing £182k to the overspend. Additionally there is a £146k cost pressure in relation to the Barnhill PFI contract as the PFI grant is cash limited, whereas the PFI contract allows for indexation. The £116k overspend on the admissions team is also contributing to the overall overspend on the centrally retained DSG. These areas of overspend have all been addressed with an increase to the budgets for 2016/17.

Special Needs (£539k overspend, £140k adverse movement)

121. The Special Needs budget is overspent by £539k. The overspend is due to an increase in the high needs population, especially in the post-19 age range, and the continued roll out of the new banded funding model. It is worth noting that there is a significant movement in the spend on Independent School placements, which is significantly lower than that incurred in 2014/15.

School Academy Conversions

122. 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 are required to realign the DSG grant budget and the amount delegated to schools.
123. 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 (this was delayed by one month).

Year End Balances

124. 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 outturn position reported in the table above, the year-end balance has reduced to

£866k. Whilst this is less than projected, there will be an increase in DSG funding in July 2016 due to the increase in the actual numbers of 3 & 4 year olds in Early Years provision.

Maintained School Balances

125. A review of school year end balances has identified an increase in the number of maintained schools in deficit. Across Hillingdon, there is only one school that has an approved licensed deficit, however, a further three primary schools have deficit balances at 31 March 2016 and it is expected that one or all of these may need to apply for a licensed deficit in 2016/17. Any schools that fall into deficit are subject to more focused monthly monitoring by LA officers to ensure that everything possible is being done to address the situation.
126. The following table provides an update on the year end financial position of schools maintained by the Council, based on school outturns:

School Type	Total Number of Schools	Number of Schools In Deficit	Value of Deficit £000
Nursery	1	0	0
Primary	51	3	62
Secondary	2	1	761
Special	2	0	0
Total	56	4	823

127. Maintained schools started the year with an opening surplus balance of £12.5 million (revenue and capital), based on the school outturn positions, the total balances as at 31 March 2016 have increased by £0.3 million to £12.8 million.

PARKING REVENUE ACCOUNT (£602k surplus, £250k improvement)

128. 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 12		Variance (+ adv / - fav)		
			Revised Budget £'000	Outturn £'000	Month 12 £'000	Month 11 £'000	Movement £'000
(4,076)	0	Income	(4,076)	(4,386)	(310)	(102)	(208)
4,076	0	Expenditure	4,076	3,784	(292)	(250)	(42)
0	0	In-year (Surplus) / Deficit	0	(602)	(602)	(352)	(250)

129. At outturn, an in-year surplus of £602k was recorded for the 2015/16 financial year. There was a total income surplus of £310k (£208k favourable). The overall position reflects a recovery in Penalty Charge Notice (PCN) income late in the financial year, as well as additional income from parking bay suspensions, permits and bailiffs. The income position is supplemented by underspends of £292k (£42k favourable), including contracted expenditure.

COLLECTION FUND (£2,767k surplus, £767k improvement)

130. 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 relate to the Council's own share of income and disregard monies collected on behalf of the Greater London Authority and Central Government.
131. An improved position for the Collection Fund is reported at outturn, with a further £807k increase in retained Business Rates as recently reported growth at Heathrow was confirmed alongside substantial backdating of income to secure a £382k surplus for the year. A marginal £40k adverse movement is reported on Council Tax.
132. Overall a surplus of £2,767k is reported on the Collection Fund for 2015/16, with £1,500k of this surplus being released to the General Fund in 2016/17 and the remainder available to support the Council's 2017/18 budget. This headline position consists of a £2,385k surplus on Council Tax and a £382k surplus on Business Rates.

Table 17: Collection Fund

Original Budget £'000	Budget Changes £'000	Service	Month 12		Variance (+ adv / - fav)			
			Revised Budget £'000	Outturn £'000	Variance (As at Month 12) £'000	Variance (As at Month 11) £'000	Movement from Month 11 £'000	
(115,652)	0	Council Tax	Gross Income	(115,652)	(116,302)	(650)	(789)	139
14,153	0		Council Tax	14,153	13,400	(753)	(654)	(99)
(2,697)	0		Support B/fwd Surplus	(2,697)	(3,679)	(982)	(982)	0
(104,196)	0		Sub-Total	(104,196)	(106,581)	(2,385)	(2,425)	40
(111,480)	1,215	Business Rates	Gross Income	(110,265)	(111,206)	(941)	648	(1,589)
(860)	(1,215)		Section 31 Grants	(2,075)	(2,075)	0	24	(24)
60,287	0		Less: Tariff	60,287	60,287	0	0	0
4,598	0		Less: Levy	4,598	5,067	469	(337)	806
500	0		B/fwd Deficit	500	590	90	90	0
(46,955)	0	Sub-Total	(46,955)	(47,337)	(382)	425	(807)	
(151,151)	0	Total Collection Fund	(151,151)	(153,918)	(2,767)	(2,000)	(767)	

133. A surplus of £2,385k is reported on Council Tax at outturn, which represents an adverse movement of £40k on the position reported at Month 11 due to adjustments to doubtful debt provisions. The overall surplus reflects strong collection performance during 2015/16, lower than projected demand for the Council Tax Reduction Scheme and release of the brought forward surplus from 2014/15.
134. A further significant improvement is reported on Business Rates, with the overall deficit being replaced with a £382k surplus relating to confirmation of values for the new properties at Heathrow Terminal 2 identified at Month 11, including backdating to June 2014 in a number of high value cases. Within this reported position, the backdated income from Heathrow properties has been sufficient to off-set higher than budgeted loss of income from empty properties.

Appendix C – HOUSING REVENUE ACCOUNT

135. The Housing Revenue Account (HRA) showed an n-year surplus of £3,369k for the year, an improvement of £198k from Month 11, £1,706k in excess of the budgeted £1,663k surplus. The table below presents key variances by service area:

Table 18: Housing Revenue Account

Original Budget	Budget Changes	Function	Month 12		Variance (+ adv / - fav)		
			Revised Budget	Outturn	Variance (As at Month 12)	Variance (As at Month 11)	Change from Month 11
£'000	£'000		£'000	£'000	£'000	£'000	£'000
(57,573)	0	Rent Income	(57,573)	(57,520)	53	165	(112)
(5,346)	0	Other Income	(5,346)	(4,834)	512	474	38
(62,919)	0	Net Income	(62,919)	(62,354)	565	639	(74)
10,806	0	Housing Management	10,806	11,718	912	(108)	1,020
5,320	0	Tenant Services	5,320	4,262	(1,058)	(461)	(597)
5,078	0	Repairs	5,078	4,679	(399)	(265)	(134)
3,477	166	Planned Maintenance	3,643	2,089	(1,554)	(1,313)	(241)
19,810	(166)	Contribution to Works to Stock	19,644	19,644	0	0	0
15,212	0	Interest & Investment Income	15,212	15,116	(96)	0	(96)
373	0	Provision for Bad and Doubtful Debts	373	378	5	0	5
1,180	0	Development & Risk Contingency	1,180	1,099	(81)	0	(81)
61,256	0	Operating Costs	61,256	58,985	(2,271)	(2,147)	(124)
(1,663)	0	(Surplus) / Deficit	(1,663)	(3,369)	(1,706)	(1,508)	(198)
(30,577)	0	General Balance 1 April 2015	(30,577)	(30,577)	0	0	0
(32,240)	0	General Balance 31 March 2016	(32,240)	(33,946)	(1,706)	(1,508)	(198)

Income

136. Rental income improved by £112k from the position shown in Month 11 and reflects a reduction in rental income loss due to void properties and fewer RTB sales.

137. The number of RTB applications averaged 14 per month for the period from April 2012 to December 2014. However, since January 2015 the number of RTB applications has averaged 19 per month, a significant increase in activity on previous trends.

138. The reason for the 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 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 which are not progressing. 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.

139. A reduction of £38k is reported on other income from Month 11, relating to reduced tenant service charge and leaseholder income receipts.

Expenditure

140. Housing Management costs increased by £1,020k compared to Month 11. This is mainly due to a £729k new provision relating to the on-going legal fees relating to Triscott House. Although, the case is progressing the costs are now significantly greater than previously expected. The Housing Management spend also includes a favourable write back of two provisions to revenue in respect of dilapidation costs and an industrial tribunal case.
141. Tenant Services underspent by £1,058k, an increase of £597k compared to Month 11. This was mainly due to underspends on heating and utilities bills of £209k partly due to a mild winter; a recharge for Pooled Transport of £71k as the service now use dedicated vehicles; a reduction in buildings insurance costs of £70k; building cleaning, tree and playground maintenance of £62k; water rates administration and voids costs of £112k; additional income from care services and services of 66k; and other net miscellaneous of £8k.
142. The repairs service budget underspent by £399k, an improvement of £134k from Month 11. The underspend is mainly due to delays in carrying out the planned electrical testing. The required works will now be carried out in the new financial year. However, the underspend excludes the spend on external management of services and interim support of £271k which was fully funded from the repairs element of the Development & Risk Contingency budget.
143. Planned maintenance underspent by £1,554k, an increase of £241k compared to Month 11 forecasts. This is mainly due to underspends of £200k on the various servicing contracts (CCTV, Water Quality, and Ventilation), underspend on asbestos costs of £11k and other efficiency savings of £31k due to improved management in procuring works.
144. Interest and Investment Income. The outturn actual spend was £15,116k, an improvement of £96k, due to interest earned on HRA balances being higher than forecast in Month 11.

Savings

145. The original budget included savings of £2,448k which are now fully banked.

HRA Capital

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

Table 19: HRA Capital Expenditure

2015/16 HRA Capital Expenditure Outturn					Analysis of 2015/16 Variance	
Directorate	2015/16 Revised Budget £'000	2015/16 Actual £'000	2015/16 Variance £'000	2015/16 Movement from Month 11 £'000	2015/16 Cost Variance £'000	Re-Phasing to 2016/17 Variance £'000
Dwelling Components	7,750	1,721	(6,029)	(279)	(6,029)	-
Estates / Blocks	2,477	389	(2,088)	(99)	(2,088)	-
Welfare	2,600	1,851	(749)	2	(749)	-
Other Projects	524	397	(127)	-	(127)	-
Contingency	2,000	-	(2,000)	-	(2,000)	-
Total Works to Stock	15,351	4,359	(10,992)	(375)	(10,992)	-
Purchase & Repair	4,267	4,001	(266)	482	-	(266)
Council New Build	5,927	6,125	198	198	-	198
Supported Housing	872	778	(94)	(63)	-	(94)
Land Appropriations	3,508	3,508	-	-	-	-
Total Major Projects	14,574	14,412	(162)	617	-	(162)
Former New Build Schemes	97	-	(97)	-	(97)	-
Grand Total	30,022	18,771	(11,251)	242	(11,089)	(162)

Works to Stock

147. The Works to Stock Capital Programme underspent by £10,992k. This was an expected result of a fundamental review of how the programme is managed and programmed. More emphasis is now placed on the need to spend rather than spending on a cyclical basis irrespective of need. This brings the HRA more into line with practices elsewhere in the Council. There is sufficient existing budget provision already in 2016/17 to not require any re-phasing from 2015/16 as a result of the new approach. The main reasons for the underspends are set out below.

- Dwelling Components & Estates and Block Renewal - the respective underspends of £6,029k and £2,088k respectively arise as a result of the new approach outlined above.
- Welfare - sheltered scheme upgrades and conversions projects that are still being developed are the main reason for the underspend of £749k. Spend on adaptations of HRA properties exceeded budget by £342k due to the volume of demand for these services and clearance of prior years' backlog.
- Other Projects - £397k expenditure was incurred on purchasing the remaining new housing fleet vehicles, resulting in an underspend of (£127k).
- Contingency - The contingency budget of £2,000k remained uncommitted.

Major Projects

148. The Major Projects programmes have delivered almost to budget in 2015/16. Grassy Meadow and Parkview sites have been appropriated to the HRA for redevelopment as supported housing at a value of £3,508k.

149. Purchase and Repair - sixteen buy-backs were achieved in 2015/16 at a cost of £4,001k (inclusive of stamp duty and refurbishment costs incurred in 2015/16). Funding of £266k is to be re-phased in respect of currently identified properties that will be purchased in 2016/17.

Spend for 2015/16 was £482k higher than Month 11 forecast, due to the completion of one property which had not been forecast to complete before the year-end deadline.

150. Council New Build - the Council purchased Packet Boat House (a 41 unit new development) from Paradigm Housing in 2015/16. The Council's contribution is £6,125k (inclusive of £414k stamp duty) with a further contribution of £4,589k Trickle Transfer funds held by Paradigm. The increase in spend compared to Month 11 forecast is due to the increase in stamp duty costs resulting from changes in stamp duty rules and calculations.
151. Supported Housing - the Grassy Meadow and Parkview supported housing sites obtained planning approval and professional fees were incurred to progress the design of these developments in 2015/16. Tenders for the construction works are currently under evaluation. Spend in 2015/16 is slightly below budget and Month 11 forecasts, due to lower than anticipated professional fees.
152. Former New Build schemes - this scheme relating to Triscott House is in contractual dispute which is expected to go through arbitration in 2016/17.

HRA Capital Receipts

153. There have been 130 RTB Sales during 2015/16, 10 lower than projected at Month 11 due to a number of completions taking place after 31 March 2016. Capital expenditure on the provision of new dwellings has been sufficient during 2015/16 to avoid the repayment of any previously retained receipts to HM Treasury.

Appendix D - GENERAL FUND CAPITAL PROGRAMME

154. At outturn an underspend of £32,242k is reported on the £81,221k General Fund Capital Programme for 2015/16, with £7,460k favourable cost variances and £24,782k slippage on project expenditure. A favourable movement of £2,013k is reported on cost variances, primarily as a result of releasing uncommitted budget where capacity already exists in 2016/17 budgets.

Capital Programme Overview

155. Table 20 below sets out the outturn on General Fund capital projects, with project level detail contained in annexes A - C to this report. General Fund capital expenditure outturn totalled £48,979k against a revised budget of £81,221k resulting in an overall underspend of £32,242k in 2015/16.

Table 20: General Fund Capital Programme Summary

2015/16 General Fund Capital Programme Outturn					Analysis of 2015/16 Variance	
Directorate	2015/16 Budget £'000	2015/16 Actual £'000	2015/16 Variance £'000	Movement from Month 11 £'000	2015/16 Cost Variance £'000	Re-Phasing to 2016/17 Variance £'000
Schools Programme	34,391	25,652	(8,739)	(186)	(2,730)	(6,009)
Main Programme	17,704	9,867	(7,837)	484	(1,275)	(6,562)
Programme of Works	25,421	13,193	(12,228)	(1,111)	(2,076)	(10,152)
Future Projects	3,194	267	(2,927)	(41)	(868)	(2,059)
Total Main Programme	80,710	48,979	(31,731)	(854)	(6,949)	(24,782)
Development & Risk Contingency	511	-	(511)	-	(511)	-
Total Capital Programme	81,221	48,979	(32,242)	(854)	(7,460)	(24,782)
Movement from Month 11	141	(713)	(854)		(2,013)	1,159

156. The total underspend of £32,242k consists of £7,460k net cost underspend variances and £24,782k net slippage proposed to be re-phased into future financial years. The reduction in expenditure of £713k from the Month 11 forecast is due mainly to ongoing works on several major programmes and projects being re-profiled for completion early in 2016/17. These include Highways Structural Works and Transport for London Borough Principal Road programmes and the Cedars and Grainges car parks improvements project.

157. The movement of £2,013k in cost underspends from Month 11 is largely due to a combination of uncommitted budgets in the Capital Programme as at financial year end or schemes which are able to be financed from the 2016/17 approved budget allocation and hence do not require re-phasing. This is also reflected in the £1,159k reduction in total re-phasing.

158. The general contingency budget had £511k remaining funds which were not required in year. As there is a 2016/17 contingency budget allocation of £1,500k it is not proposed that these funds are re-phased.

Capital Financing - General Fund

159. Table 21 below outlines the outturn financing for the Capital Programme, with the total underspend of £32,242k comprised of £27,470k on Council resourced schemes and £4,772k on schemes funded from grants and contributions.

Table 21: General Fund Capital Programme Financing Summary

	Revised Budget 2015/16 £'000	Outturn 2015/16 £'000	Variance £'000	Financing Cost Variance 2015/16 £'000	Financing Re-Phasing into 2016/17 Variance £'000
Council Resource Requirement	52,801	25,331	(27,470)	(5,010)	(22,460)
Financed By					
Capital Receipts	9,956	23,411	13,455	39	13,416
CIL	2,000	1,920	(80)	-	(80)
Prudential Borrowing	40,845	-	(40,845)	(5,049)	(35,796)
Total Council Resources	52,801	25,331	(27,470)	(5,010)	(22,460)
Grants & Contributions	28,420	23,648	(4,772)	(2,450)	(2,322)
Total Programme	81,221	48,979	(32,242)	(7,460)	(24,782)

160. Capital receipts applied in year totalled £23,411k and this included £13,138k in accumulated General Fund Share of Right to Buy receipts which were utilised to minimise prudential borrowing. Major sales in 2015/16 included the former RAF/USAF school site and Fassnidge Depot. The favourable income variance of £39k was due to a higher than anticipated sale price on one site sold in 2015/16.

161. Community Infrastructure Levy receipts for the year totalled £1,920k from several developments and the shortfall of £80k on the revised budget is expected to be recovered in future years as further CIL liable developments emerge. CIL receipts have been fully utilised to support financing of infrastructure related capital expenditure in 2015/16.

162. Grants and Contributions report a shortfall of £2,450k which is mainly due to the shortfall of £2,303k in Basic Needs and Capital Maintenance grant awards for 2015/16 since the original budget was set. There was also a grant financed underspend of £202k on Private Sector Renewal grants received that were lower than assumed in the budget. There were other small favourable movements of £55k on Section 106 and third party contributions above the revised budget. Net grants and contributions totalling £2,322k require to be re-phased in to 2016/17. This largely relates to the Transport for London programme and schools' Devolved Formula Capital.

163. Prudential borrowing has been deferred into future years due to the accelerated use of capital receipts in 2015/16. As a result borrowing provision of £35,796k will be re-phased consisting of £22,460k relating to carried forward expenditure budgets on existing Council resourced schemes and also £13,336k to offset reduced future capital receipts that will no longer be available due to their utilisation in 2015/16. A saving of £5,049k has been achieved on cost under spends on various Council resourced schemes and programmes.

Appendix 1a - 2015/16 Schools Expansions Programme

Prior Years Cost	Project	2015/16 Revised Budget	2015/16 Outturn	2015/16 Variance	Cost Variance	Project Re-phasing to future years	2015/16 Project Financed by:		
							Council Resources	Government Grants	Other Cont'ns
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Schools Programme								
127,228	Primary Schools Expansions	12,082	8,877	(3,205)	(2,705)	(500)	3,609	2,622	2,646
0	New Primary Schools Expansions	300	278	(22)	0	(22)	278	0	0
84	Secondary Schools Expansions	300	115	(185)	0	(185)	0	115	0
1,207	Secondary Schools New Build	21,499	16,198	(5,301)	0	(5,301)	8,893	6,055	1,250
0	Hearing Impaired Resource Base (Vyners)	210	184	(26)	(25)	(1)	184	0	0
128,519	Total Schools Programme	34,391	25,652	(8,739)	(2,730)	(6,009)	12,964	8,792	3,896

Appendix 1b - 2015/16 Main Programme

Prior Year Cost	Project	2015/16 Revised Budget	2015/16 Outturn	2015/16 Variance	Cost Variance	Project Re-phasing to future years	2015/16 Project Financed by:		
							Council Resources	Government Grants	Other Cont'ns
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Main Programme								
3,899	Environmental Assets	556	113	(443)	(378)	(65)	113	0	0
5,196	Purchase of Vehicles	492	424	(68)	(68)	0	405	0	19
0	Natural England Fencing & Gating	30	0	(30)	0	(30)	0	0	0
32,198	Hillingdon Sports & Leisure Centre	100	0	(100)	0	(100)	0	0	0
285	Sport & Cultural Projects	678	636	(42)	(7)	(35)	283	0	353
237	Yiewsley Health Centre	4,302	0	(4,302)	0	(4,302)	0	0	0
813	Eascote House Buildings and Gardens	399	352	(47)	0	(47)	60	0	292
158	ICT Infrastructure	822	715	(107)	0	(107)	715	0	0
1,089	Harlington Road Depot Refurbishment	236	195	(41)	(41)	0	195	0	0
0	Uxbridge Cemetery Gatehouse & Chapel	150	12	(138)	0	(138)	12	0	0
0	Social Care Investment	580	0	(580)	(580)	0	0	0	0
255	Hayes Town Centre Improvements	2,096	1,216	(880)	0	(880)	3	1,145	68
25	Inspiring Shopfronts	147	111	(36)	0	(36)	96	0	15
0	Gateway Hillingdon	50	79	29	0	29	79	0	0
45	Whiteheath Farm Refurbishment	50	0	(50)	(265)	215	0	0	0
326	Grounds Maintenance	677	677	0	0	0	677	0	0
19	West Drayton Cemetery & Resurfacing	450	6	(444)	(220)	(224)	6	0	0
192	Kings College Pavilion Running Track	38	23	(15)	(15)	0	0	0	23
0	Telecare Equipment	300	167	(133)	(433)	300	0	167	0
152	CCTV Programme	140	52	(88)	(88)	0	52	0	0
1	Youth Centres Kitchen Upgrades	142	113	(29)	(25)	(4)	0	83	30
9,488	Libraries Refurbishment - Central Library	0	13	13	13	0	13	0	0
0	Yiewsley Library Purchase	702	707	5	5	0	707	0	0
609	Infant Free School Meals	1,222	1,024	(198)	0	(198)	254	713	57
0	Youth Centre Project	150	97	(53)	0	(53)	0	97	0
0	Cedars & Grainges Car Park	2,998	1,720	(1,278)	(404)	(874)	1,520	0	200
0	Dementia Centre	53	47	(6)	0	(6)	0	47	0
0	Equipment Capitalisation	0	1,213	1,213	1,213	0	1,213	0	0
25,035	Major Projects Completing in 2015/16	144	155	11	18	(7)	94	61	0
80,023	Total Main Programme	17,704	9,867	(7,837)	(1,275)	(6,562)	6,497	2,313	1,057

Appendix 1c - 2015/16 Programme of Works

Prior Years Cost	Project	2015/16 Revised Budget	2015/16 Outturn	2015/16 Variance	Cost Variance	Project Re-phasing to future years	2015/16 Project Financed by:		
							Council Resources	Government Grants	Other Cont'ns
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Programme of Works								
N/A	Leaders Initiative	536	210	(326)	0	(326)	210	0	0
N/A	Chrysalis Programme	1,896	1,227	(669)	(894)	225	1,100	0	127
N/A	Civic Centre Works Programme	1,300	108	(1,192)	(223)	(969)	108	0	0
N/A	Formula Devolved Capital to Schools	1,986	1,528	(458)	0	(458)	0	444	1,084
N/A	Highways Localities Programme	236	177	(59)	0	(59)	177	0	0
N/A	Highways Structural Works	3,276	2,534	(742)	0	(742)	2,534	0	0
N/A	Pavement Priority Growth	2,000	563	(1,437)	0	(1,437)	563	0	0
N/A	ICT Single Development Plan	682	258	(424)	0	(424)	202	56	0
N/A	Property Works Programme	480	260	(220)	(220)	0	170	70	20
N/A	Road Safety	380	249	(131)	(78)	(53)	249	0	0
N/A	Street Lighting	144	47	(97)	0	(97)	47	0	0
N/A	Transport for London	5,161	2,431	(2,730)	(24)	(2,706)	0	2,431	0
N/A	Urgent Building Condition Works	3,597	764	(2,833)	0	(2,833)	0	155	609
N/A	Disabled Facilities Grant	2,300	2,246	(54)	(54)	0	338	1,769	139
N/A	Adaptations for Adopted Children	200	80	(120)	(120)	0	80	0	0
N/A	Private Sector Renewal Grant	562	99	(463)	(463)	0	(9)	86	22
N/A	Landlord Property Renovation Grant	200	52	(148)	0	(148)	28	24	0
N/A	Section 106 Projects	485	360	(125)	0	(125)	0	0	360
	Total Programme of Works	25,421	13,193	(12,228)	(2,076)	(10,152)	5,797	5,035	2,361

Appendix 1d - Future Projects

Total Cost including Prior Years	Project	2015/16 Revised Budget	2015/16 Outturn	2015/16 Variance	Cost Variance	Project Re-phasing to future years	2015/16 Project Financed by:		
							Council Resources	Government Grants	Other Cont'ns
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Future Projects								
0	Youth Centre Projects x 2	0	0	0	0	0	0	0	0
0	Environmental and Recreational Initiatives	32	0	(32)	(32)	0	0	0	0
0	Capital Priority Growth	0	0	0	0	0	0	0	0
0	RAGC Car Park	100	0	(100)	0	(100)	0	0	0
0	Car Park Resurfacing	180	41	(139)	(139)	0	41	0	0
0	Ruislip Lido Boat House	286	1	(285)	0	(285)	1	0	0
0	Bowls Club Refurbishments	150	38	(112)	0	(112)	0	0	38
0	Harlington/Pinkwell Bowls Club & Football Pavilion	303	156	(147)	0	(147)	0	0	156
0	Haste Hill Golf Club	400	0	(400)	(250)	(150)	0	0	0
0	New Years Green Lane EA Works	0	0	0	0	0	0	0	0
0	New Theatre	200	0	(200)	0	(200)	0	0	0
0	New Museum	200	0	(200)	0	(200)	0	0	0
0	Battle of Britain Bunker Projects	896	31	(865)	0	(865)	31	0	0
0	Local Plan Requirement	197	0	(197)	(197)	0	0	0	0
0	Community Safety Assets	250	0	(250)	(250)	0	0	0	0
0	Total Future Projects	3,194	267	(2,927)	(868)	(2,059)	73	0	194
	Development & Risk Contingency								
	General Contingency	511	0	(511)	(511)	0	0	0	0
	Provision for Additional Secondary Schools Funding	0	0	0	0	0	0	0	0
	Total Development & Risk Contingency	511	0	(511)	(511)	0	0	0	0
208,541	Total GF Capital Programme	81,221	48,979	(32,242)	(7,460)	(24,782)	25,331	16,140	7,508

Appendix E – Treasury Management Report as at 31 March 2016

Summary

164. This report summaries the Council's treasury management activities during 2015/16 and presents details of capital financing, borrowing, debt management and investment transactions alongside an outturn position.
165. During the year the Council utilised internal balances and no new borrowing was taken to fund capital expenditure. The Council's loan portfolio has an average rate of 3.01%. The portfolio was reduced by £12.3m with debt that matured naturally leaving a balance at year end of £314.7m (GF £79.1m, HRA £235.6m). Total interest paid over the year was £9.6m (GF £2.8m, HRA £6.8m).
166. Investment income returns for the year on internally managed cash yielded 0.57% (0.57% 2014/15), resulting in total investment income this year of £992k.
167. At the start of the financial year there were unpaid investments with Icelandic bank Heritable of £0.8m. During the year the administrators of Heritable issued a dividend leaving a principal balance of £0.3m outstanding at year end. There will be no further distributions until outstanding administration issues come to a conclusion.

The Borrowing Requirement and Debt Management

	Balance on 31/3/2015 £m	New Borrowing £m	Debt Maturing £m	Debt Prematurely Repaid £m	Balance on 31/3/2016 £m	Average Rate %
CFR	401				389	
GF Loans						
PWLB Fixed Rate	60.38	-	2.28	-	58.10	3.48
Market Fixed Rate	15.00	-	-	-	15.00	4.28
PWLB Variable Rate	7.50	-	1.50	-	6.00	0.67
Total GF Loans	82.88	0.00	3.78	0.00	79.10	
HRA Loans						
PWLB Fixed Rate	171.07	-	8.50	-	162.57	3.17
Market Fixed Rate	33.00	-	-	-	33.00	4.03
PWLB Variable Rate	40.00	-	-	-	40.00	0.67
Total HRA Loans	244.07	0.00	8.50	0.00	235.57	
Total Loans	326.95	0.00	12.28	0.00	314.67	3.01
Other Long Term Liabilities	2.22		0.27		1.95	
Total External Debt	329.17		12.55		316.62	

168. The Council's underlying need to borrow is measured by the Capital Financing Requirement (CFR) which at 31/3/2016, was £389m (31/3/2015 £401m). The Council's borrowing requirement, the difference between the CFR and total physical borrowing, was £74m, representing the level of internal borrowing, primarily supported by the Council's own reserves.
169. The Council holds £266.67m of PWLB debt (£64.10m General Fund and £202.57m HRA) containing a broad range of loan types including Maturity and EIP loans with fixed and variable rates and with varying maturities. With interest rates remaining low the strategy of holding a proportion of variable rate debt proved successful as a hedge against the fixed element.
170. The Council has £48m of market loans (£15m General Fund and £33m HRA), which are LOBO loans (Lender's Option Borrower's Option), of which £13m of loans were in their option

state in 2015/16. During the year the lenders of these loans did not exercise any call options and therefore the loans remain outstanding on the same terms.

171. The Council's loan portfolio has an average rate 3.01% with the General Fund loans average rate of 3.42% and HRA average rate of 2.87%. By using internal resources in lieu of borrowing, loan interest costs for the year totalled £9.6m, avoiding interest costs of approximately £2.2m that would have been incurred otherwise. There was no early repayment of debt in year due to premiums charged on premature repayment being cost prohibitive.
172. In January 2015 the Department of Communities and Local Government (CLG) confirmed that HM Treasury (HMT) would be taking the necessary steps to abolish the Public Works Loans Board. HMT has confirmed however that its lending function will continue and local authorities will retain access to borrowing rates which offer value for money. The Council intends to use the PWLB's replacement as a potential source of borrowing if required.

Investment Activity

173. The table below shows investment balances on 31st March 2016 whilst the average balance of investments over the year was £174.3m.

Investments	Balance on 31/3/2015 £m	Balance on 31/03/2016 £m
Call Accounts	15.00	0.4
Notice Accounts	7.00	10.00
Money Market Funds	44.10	30.10
Pooled Funds	-	10.00
Short Term Investments	54.20	79.40
Long Term Investments	5.00	-
Investment Default (Principal only)	0.80	0.30
Total Investments	126.10	130.20
Average Rate % Received	0.57%	0.57%

174. Security of capital remained the Council's chief investment objective. This was maintained by following the Council's counterparty policy as set out in its Treasury Management Strategy Statement for 2015/16. Investments during the year included deposits with the Debt Management Office and Local Authorities, purchase of Treasury Bills and a Covered Bond, investments in AAA-rated Money Market Funds & Pooled Funds and deposits, both instant access and fixed term with Banks and Building Societies systematically important to the UK banking system. In addition to the instant access facility which opened with Swedish bank Svenska Handelsbanken at the end of 2014/15 and represented the first use of an overseas institution since the collapse of the Icelandic banking system in 2008, a further Swedish bank, one Australian and two Singaporean banks have been used for deposits in 2015/16. All of which hold a minimum credit rating of A+ or higher.
175. **Credit Risk:** Counterparty credit quality was assessed and monitored with reference to credit ratings (Council's minimum long-term counterparty rating of BBB+ across all three rating agencies, Fitch, Standard & Poor's and Moody's). However reliance does not rest solely with these agencies and are supplemented by use of market/economic information, media updates and intelligence from the Council's Treasury Advisers. With the introduction of the Banking Reform Act in January 2015 the Council optimised its use of Bail-in exempt instruments and institutions by utilising T-bills, local authorities, a covered bond and banks where this legislation has not been adopted.

176. **Liquidity:** In keeping with CLG's Guidance on Investments, the Council maintained a sufficient level of liquidity through the use of Money Market Funds, targeted maturity deposits and the use of call accounts.
177. **Yield:** The Council sought to optimise returns commensurate with its objectives of security and liquidity. The UK Bank Rate was maintained at 0.5% through the year with short-term money market rates also remaining at very low levels. Short-term money was placed in fixed-term deposits when capacity allowed as these were paying higher rates of interest than those offered on most instant access accounts. Once capacity was exhausted instant access accounts were utilised. A small proportion of longer dated deposits were placed to enhance income in a low interest rate environment. The two approaches resulted in an average return on investments of 0.57%
178. All investments made during the year complied with the Council's agreed Treasury Management Strategy, Prudential Indicators, Treasury Management Practices and prescribed limits. Maturing investments were repaid to the Council in full and in a timely manner.

Investments with Icelandic Banks

179. At the beginning of 2015/16 the Council had unpaid investments of £0.8m with Heritable Bank. In August 2015 a further dividend was received from the administrators of Heritable leaving a principal balance of £0.3m. Until outstanding administration issues come to a conclusion there will be no further distributions.

Compliance with the Prudential Code and Prudential Indicators

180. The Local Government Act 2003 gave freedoms to Local Authorities to borrow subject to macroeconomic considerations however, only on condition that compliance with the Prudential Code is observed. The code developed a series of 'Prudential Indicators' (Annex A) that were designed to provide greater information to the Council Tax payer and the rent payer on the impact of any borrowing decisions taken.
181. The main objectives of the Prudential Code are to demonstrate affordability of the authority's capital expenditure plans and ensure prudent external borrowing levels, which are sustainable in the future. It also verifies that treasury management decisions are taken in accordance with best professional practice.
182. The Council can confirm that it has complied with its Prudential Indicators for 2015/16, set in February 2015 as part of the Council's Treasury Management Strategy Statement. The levels of debt were measured on an ongoing basis during the year for compliance with the Authorised Limit of £504m and the Operational Boundary of £474m, the former being somewhat higher to allow for fluctuations in cash-flow. Total external borrowing and other long-term liabilities were maintained within both limits; at its peak this figure was £329.17m.

Upper limits for Interest Rate Exposure:

Upper Limits for Interest Rate Exposure	Actual Level at 31/03/16 %	2015/16 Approved %
Upper Limit for Fixed Interest Rate Exposure on Debt	85	100
Upper Limit for Fixed Interest Rate Exposure on Investments	(0)	(75)
Upper Limit for Variable Interest Rate Exposure on Debt	15	50
Upper Limit for Variable Interest Rate Exposure on Investments	(100)	(100)

Maturity Structure of Fixed Rate borrowing:

	Upper limit %	Lower limit %	Actual Borrowing as at 31/3/2016 (£m)	Percentage of total as at 31/3/2016
under 12 months	25	0	5.78	2.15%
12 months and within 24 months	25	0	15.78	5.87%
24 months and within 5 years	50	0	45.44	16.91%
5 years and within 10 years	100	0	27.50	10.24%
10 years and within 20 years	100	0	64.00	23.82%
20 years and within 30 years	100	0	33.57	12.50%
30 years and within 40 years	100	0	23.60	8.78%
40 years and within 50 years	100	0	31.00	11.54%
50 years and above	100	0	22.00	8.19%

(The above table includes LOBO's as fixed rate and at their maturity date)

183. For 2015/16 the Prudential Indicator which limits principal sums invested for periods longer than 364 days was set at £32m. During the year there was one £2.5m covered bond purchased for Bank of Scotland with a maturity of more than 364 days. Non-Treasury related Prudential Indicators are included in Annex A.

Balanced Budget

184. The Council complied with the Balanced Budget requirement.

Training

185. As part of the Council's continuous performance and development programmes, officers received treasury management training by attending workshops and seminars provided by the Council's treasury advisers Arlingclose.

A) Estimated and Actual Capital Expenditure

Prudential Indicator	2015/16	2015/16
Capital Expenditure	Estimated (£m)	Outturn (£m)
General Fund	97	48
HRA	26	20
Total	123	68

B) Estimated and Actual Ratio of Financing Costs to Net Revenue Stream

Prudential Indicator	2015/16	2015/16
Ratio of Financing Costs to Net Revenue Stream	Estimated %	Outturn %
General Fund	4%	4%
HRA	25%	25%
Total	9%	9%

C) Capital Financing Requirement

Prudential Indicator	Estimated (£m)	Outturn (£m)
CFR	2015/16	2015/16
General Fund	231	183
HRA	211	206
Total	442	389

Within the General Fund, as additional Capital Receipts were used to reduce the borrowing requirement budgeted for the HRA there has been rephasing of projects to be funded from borrowing in future years, accounting for the reduction in capital expenditure & CFR for 2015/16.

D) Actual External Debt

Actual External Debt as at 31/03/2016	£m
Borrowing	314.67
Other Long-term Liabilities	1.95
Total	316.62

E) Incremental Impact of Capital Investment Decisions

Incremental Impact of Capital Investment Decisions	2015/16 (£)
Increase in Band D Council Tax	-24.40
Increase in average weekly housing rents	0.00

As an indicator of affordability, the Incremental Impact of Capital Decisions shows the notional impact of capital investment decisions on Council Tax and Housing Rent levels and represents the impact on these if the financing of the Capital Programme were to be funded from taxes and rents. The reduction in Band D Council Tax noted above reflects savings from and the reported underspend on Interest & Investment Income budgets in 2015/16. The fixed nature of the HRA business plan results in no incremental increase in housing rents.

F) HRA Limit on Indebtedness

Following settlement and the introduction of the self-financing regime, a borrowing cap of £303.3m has been imposed by HM Treasury on HRA indebtedness. Current HRA CFR at 31 March 2016 is £206.0 and actual borrowing is £235.6 This gives the HRA potential headroom borrowing of up to £67.7m to finance future capital.

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

186. 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
Administration						
Housing Lawyer	01/10/2015	01/04/2016	30/09/2016	27	27	54
Finance						
Senior Category Manager	11/05/2015	02/05/2016	31/07/2016	116	29	145
Head of Category Management	18/01/2016	18/04/2016	15/07/2016	33	35	68
Category Manager	17/08/2015	04/04/2016	04/07/2016	37	35	72
Residents Services						
Project Manager	08/07/2013	11/04/2016	03/07/2016	198	22	220
Senior School Improvement Advisor	01/09/2015	15/04/2016	15/07/2016	47	26	73
Senior School Improvement Advisor	01/09/2015	15/04/2016	06/05/2016	47	20	67
Casual Smoking Cessation Sessional Advisors	01/04/2013	11/04/2016	03/07/2016	91	8	99
Highways Technician	29/06/2015	31/05/2016	28/08/2016	55	16	71
Education Officer	09/03/2015	16/05/2016	07/08/2016	64	16	80
Education Officer	31/08/2015	16/05/2016	07/08/2016	48	16	64
Development Surveyor	10/03/2014	02/05/2016	31/07/2016	67	13	80
Quantity Surveyor	03/04/2011	06/06/2016	04/12/2016	462	75	537
Project Engineer	10/06/2013	13/06/2016	11/09/2016	190	19	209
Planning Service Manager	27/07/2015	25/04/2016	21/10/2016	86	60	146
Development Surveyor	01/07/2011	11/04/2016	10/07/2016	307	18	325
Planning Enforcement Officer	06/10/2014	03/06/2016	02/12/2016	102	33	135
Major Applications Planner	20/10/2014	02/06/2016	02/12/2016	88	40	128
Right to Buy officer	25/03/2013	01/05/2016	15/08/2016	114	9	123
Legal Assistant	10/01/2013	29/04/2016	28/10/2016	121	20	141
Legal Assistant	01/04/2016	29/04/2016	28/10/2016	44	19	63
Housing Lawyer	06/01/2014	16/05/2016	13/11/2016	95	27	122
Planning Enforcement Officer	27/04/2015	16/05/2016	22/05/2016	53	13	66
Senior Estates Surveyor	01/11/2015	02/05/2016	31/07/2016	44	22	66

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
DFG Adaptations Surveyor	01/12/2015	02/05/2016	28/10/2016	28	42	70
OPHS Officer	01/06/2014	23/04/2016	15/07/2016	67	10	77
Telecare Officer	01/06/2014	28/05/2016	19/08/2016	59	8	67
Major Applications (PPA) Planner	01/11/2015	15/05/2016	11/11/2016	36	38	74
Major Applications (PPA) Planner	01/11/2015	10/05/2016	04/11/2016	36	38	74
Social Care						
Social Worker	06/10/2014	06/06/2016	03/07/2016	45	5	50
Early Years Practitioner	30/03/2015	06/06/2016	03/07/2016	50	2	52
Social Worker	01/08/2015	06/06/2016	03/07/2016	47	5	52
Independent Reviewing Officer	05/10/2015	06/06/2016	03/07/2016	49	7	56
Senior Social Worker	17/08/2015	07/03/2016	01/05/2016	53	7	57
Social Worker	05/05/2015	06/06/2016	03/07/2016	57	6	63
Advanced Practitioner	10/08/2015	06/06/2016	03/07/2016	58	6	64
Social Worker	04/05/2015	06/06/2016	03/07/2016	60	5	65
Child Protection Chair	17/08/2015	02/05/2016	03/06/2016	57	9	65
Independent Domestic Violence Advisor	12/01/2015	06/06/2016	03/07/2016	63	4	67
Early Years Practitioner	01/05/2015	06/06/2016	03/07/2016	70	2	72
Social Worker	08/09/2014	06/06/2016	03/07/2016	67	6	73
Social Worker	04/02/2015	06/06/2016	03/07/2016	70	5	75
Panel Advisor	10/08/2015	06/06/2016	03/07/2016	69	7	76
Senior Social Worker	01/06/2015	06/06/2016	03/07/2016	70	6	76
Child Protection Chair	20/07/2015	06/06/2016	03/07/2016	69	7	76
Participation Worker YOS - NEET	15/06/2014	06/06/2016	03/07/2016	73	3	76
Social Worker	27/10/2014	06/06/2016	03/07/2016	82	6	88
Social Worker	01/10/2013	06/06/2016	03/07/2016	84	5	89
Social Worker	13/04/2015	06/06/2016	03/07/2016	87	6	93
Child Protection Chair	13/04/2015	06/06/2016	03/07/2016	88	7	95
Social Worker	18/05/2015	06/06/2016	03/07/2016	90	6	96
Social Worker	06/01/2015	06/06/2016	03/07/2016	91	6	97
Social Worker	05/03/2014	06/06/2016	03/07/2016	99	6	105
Practice Improvement Practitioner	08/05/2014	06/06/2016	03/07/2016	104	7	111
Practice Improvement Practitioner	17/11/2014	06/06/2016	03/07/2016	113	6	119

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
Social Worker	06/06/2014	06/06/2016	03/07/2016	114	6	120
Social Worker	27/10/2014	06/06/2016	03/07/2016	115	6	121
Senior Social Worker	25/09/2013	06/06/2016	03/07/2016	115	6	121
Social Worker	19/06/2014	06/06/2016	03/07/2016	122	6	128
Social Worker	13/05/2014	06/06/2016	03/07/2016	124	6	130
Social Worker	30/09/2014	06/06/2016	03/07/2016	125	6	131
Social Worker	19/08/2014	06/06/2016	03/07/2016	127	5	132
Social Worker	05/09/2014	06/06/2016	03/07/2016	129	6	135
Team Manager	30/09/2014	02/05/2016	03/06/2016	127	9	135
Social Worker	19/06/2014	06/06/2016	03/07/2016	130	6	136
Social Worker	23/12/2013	06/06/2016	03/07/2016	135	6	141
Corporate Parenting Manager	01/09/2014	06/06/2016	03/07/2016	139	6	145
Child Sexual Exploitation (CSE) Co-ordinator	03/11/2014	06/06/2016	03/07/2016	140	6	146
Social Worker	11/08/2014	06/06/2016	03/07/2016	143	7	150
Social Worker	03/03/2014	06/06/2016	03/07/2016	148	4	152
Social Worker	01/04/2013	06/06/2016	03/07/2016	152	6	158
Social Worker	02/12/2013	06/06/2016	03/07/2016	153	6	159
Team Manager - MASH	28/09/2014	06/06/2016	03/07/2016	152	7	159
Senior Social Worker	30/04/2012	06/06/2016	03/07/2016	156	6	162
Independent Reviewing Officer	27/05/2014	06/06/2016	03/07/2016	164	7	171
Social Worker	01/04/2013	06/06/2016	03/07/2016	184	6	190
Social Worker	01/01/2013	06/06/2016	03/07/2016	186	5	191
Social Worker	19/12/2011	06/06/2016	03/07/2016	186	6	192
Case Progression Manager	07/04/2014	06/06/2016	03/07/2016	192	7	199
Social Worker	01/01/2013	06/06/2016	03/07/2016	193	6	199
Social Worker	19/12/2011	06/06/2016	03/07/2016	217	6	223
MASH Manager	13/01/2014	06/06/2016	03/07/2016	227	10	237
Social Worker	19/12/2011	06/06/2016	03/07/2016	239	6	245
Team Manager	01/01/2013	06/06/2016	03/07/2016	241	7	248
Social Worker	05/03/2012	06/06/2016	03/07/2016	254	6	260
Social Worker	06/01/2012	06/06/2016	03/07/2016	265	6	271
Social Worker	05/03/2012	06/06/2016	03/07/2016	270	6	276
Residential Care Worker	01/04/2012	02/05/2016	26/06/2016	109	4	113
Assistant Psychologist	12/11/2014	02/05/2016	26/06/2016	80	5	85
Lead Nurse	07/12/2014	02/05/2016	26/06/2016	87	11	104
Approved Mental Health Worker	01/03/2014	02/05/2016	26/06/2016	97	13	110

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
Lead Approved Mental Health Practitioner	01/06/2012	02/05/2016	26/06/2016	169	10	179
Occupational Therapist	07/10/2013	02/05/2016	26/06/2016	154	10	164
Special Needs Officer	05/01/2015	02/05/2016	26/06/2016	54	4	58
Safeguarding and DOLS Co-ordinator	19/10/2014	02/05/2016	26/06/2016	69	13	82
Speech & Language therapist	16/03/2015	02/05/2016	26/06/2016	70	14	84
Care Act Programme Implementation Manager	02/10/2014	02/05/2016	26/06/2016	248	28	276
Occupational Therapist	01/04/2015	02/05/2016	26/06/2016	73	11	84
Senior Social Worker	29/03/2015	02/05/2016	26/06/2016	61	9	70
Community Learning Disability Nurse	30/04/2015	02/05/2016	26/06/2016	53	5	58
Approved Mental Health Worker	29/06/2015	02/05/2016	26/06/2016	58	2	70
Contract Management Officer	24/08/2015	02/05/2016	26/06/2016	90	18	108
AMHP	01/06/2015	02/05/2016	26/06/2016	62	12	74
Maingrade Educational Psychologist	15/11/2015	02/05/2016	26/06/2016	60	17	77
Principle Educational Psychologist	01/06/2015	02/05/2016	26/06/2016	75	14	99
AMPH Social Worker	18/08/2015	02/05/2016	26/06/2016	54	12	66
AMHP	12/09/2015	02/05/2016	26/06/2016	51	11	62
Senior Social Worker	01/08/2015	02/05/2016	26/06/2016	45	11	56
LD Programme Review	29/07/2015	02/05/2016	26/06/2016	88	20	108
Business Objects Officer	19/10/2015	02/05/2016	26/06/2016	69	21	90
Social Worker	10/08/2015	02/05/2016	26/06/2016	41	10	51
SEND Transport Consultant	03/03/2014	02/05/2016	26/06/2016	180	91	271
Senior Residential Worker	01/09/2014	02/05/2016	29/05/2016	68	3	71
Team Manager	03/11/2014	02/05/2016	29/05/2016	121	7	128