

# COUNCIL BUDGET - 2016/17

## MONTH 6 REVENUE AND CAPITAL BUDGET MONITORING

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

### HEADLINE INFORMATION

<b>Purpose of report</b>	<p>This report provides the Council's forecast financial position and performance against the 2016/17 revenue budget and Capital Programme.</p> <p>A net in-year underspend of £1,170k is projected against 2016/17 General Fund revenue budgets as of September 2016 (Month 6), representing an improvement of £24k from the position previously reported to Cabinet.</p> <p>The latest positions on other funds and the Capital Programme are detailed within the body of this report.</p>
<b>Putting our Residents First</b>	<p>This report supports the following Council objectives of: <i>Our People; Our Built Environment; Our Natural Environment; Our Heritage and Civic Pride; Financial Management</i></p> <p>Achieving Value for Money is an important element of the Council's Medium Term Financial Plan.</p>
<b>Financial Cost</b>	N/A
<b>Policy Overview Committee</b>	Corporate Services and Partnerships
<b>Ward(s) affected</b>	All

### RECOMMENDATIONS

That Cabinet:

1. Note the forecast budget position as at September 2016 (Month 6).
2. Note the Treasury Management update as at September 2016 at Appendix E.
3. Continue the delegated authority up until the December 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 20 October 2016 and 17th November 2016 Cabinet meetings, detailed at Appendix F.

4. **Note the transfer and release of £965k Capital Priority Growth funding and £79k General Contingency funding to the Battle of Britain Heritage Pride Project.**
5. **Approve the re-phasing of £2,000k for the New General Needs Housing Stock budget from 2017/18 to 2016/17 for the purchase of additional Buy-Back properties.**
6. **Approve acceptance of gift funding in relation to Planning Performance Agreements on major developments within the Borough in accordance with the provisions of Section 93 of the Local Government Act 2003, in respect of the following applications:**
  - a. **Former British Legion, West Drayton (up to £17,500)**
  - b. **Arena, Stockley Park (£10,000)**
  - c. **Mount Vernon Hospital, Rickmansworth Road (up to £15,000)**

## **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 25 February 2016.
2. Appendix E provides an update to Cabinet on Treasury Management performance during this financial year.
3. In September 2015 Cabinet delegated authority to the Leader of the Council and the Cabinet Member for Finance, Property and Business Services to make all necessary decisions pertaining to the enhancement of the facilities within the curtilage of the RAF Battle of Britain Bunker Enclave. Cabinet is asked to note a decision under this delegated authority for the contract award for the construction of the Battle of Britain Education and Visitors Centre. The final tendered price was £1,044k higher than the approved project budget due mainly to changes to the scope of works and therefore the funding gap is to be met by transferring the remaining 2016/17 Capital Priority Growth budget of £965k and the further required £79k from the remaining unallocated General Fund capital contingency budget of £899k.
4. The current New General Needs Housing stock budget could be used to fund additional Buy-backs by re-phasing budget from 2017/18 back to 2016/17. The total programme is budgeted at £44,190k over the period 2016/17 to 2020/21 of which £10,000k was earmarked for Buy-Backs. Re-phasing of £2,000k would give adequate resource to purchase 6 to 8 additional properties during 2016/17 and reduce the risk of retained Right to Buy receipts being returned to Central Government. There are several prospective properties that can be considered for purchase at short notice.
5. Recommendation 5 seeks authority to accept gift funding for major development sites in order to expedite the processing of three 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.

### **Alternative options considered**

6. There are no other options proposed for consideration

## FURTHER INFORMATION

### General Fund Revenue Budget

7. An underspend of £1,170k is reported on normal operating activities at Month 6. This position incorporates a £1,950k net underspend across Directorate Operating Budgets and an underspend of £800k across Corporate Operating Budgets, offset by contingency pressures of £1,580k, primarily relating to Looked After Children placement expenditure and Deprivation of Liberty Safeguards (DoLS) assessments. There are no exceptional items reported at this stage in the financial year.
8. The headline underspend of £1,170k represents an improvement of £24k on the position reported at Month 5, consisting of a £246k improvement across Directorate budgets; a £49k contingency reduction in the cost of waste disposal, a £241k adverse movement on Looked After Children contingency due to high cost placements, a £80k adverse movement on Transitional Children and a £50k improvement in DOL's due to a reduction in the number of forecast annual assessments .
9. The Council's General Fund revenue budget contains £13,309k savings, with £8,764k already banked and £3,334k on track for delivery. Those savings classed as amber due to being at an early stage of implementation total £1,211k at Month 6, representing an improvement of £652k from Month 5. The reported position on operating budgets reflects the status of these savings.

**Table 1: General Fund Overview**

Original Budget	Budget Changes	Service	Month 6		Variance (As at Month 6)	Variance (As at Month 5)	Movement from Month 5
			Revised Budget	Forecast Outturn			
£'000	£'000		£'000	£'000	£'000	£'000	£'000
178,502	858	Directorate Operating Budgets	179,360	177,410	(1,950)	(1,704)	(246)
2,420	1,023	Corporate Operating Budgets	3,443	2,643	(800)	(800)	0
18,453	(1,881)	Development & Risk Contingency	16,572	18,152	1,580	1,358	222
1,134	0	Priority Growth	1,134	1,134	0	0	0
<b>200,509</b>	<b>0</b>	<b>Sub-total Normal Activities</b>	<b>200,509</b>	<b>199,339</b>	<b>(1,170)</b>	<b>(1,146)</b>	<b>(24)</b>
<b>200,509</b>	<b>0</b>	<b>Total Net Expenditure</b>	<b>200,509</b>	<b>199,339</b>	<b>(1,170)</b>	<b>(1,146)</b>	<b>(24)</b>
(196,293)	0	Budget Requirement	(196,293)	(196,293)	0	0	0
<b>4,216</b>	<b>0</b>	<b>Net Total</b>	<b>4,216</b>	<b>3,046</b>	<b>(1,170)</b>	<b>(1,146)</b>	<b>(24)</b>
(39,005)	0	Balances b/fwd	(39,005)	(39,005)			
<b>(34,789)</b>	<b>0</b>	<b>Balances c/fwd 31 March 2017</b>	<b>(34,789)</b>	<b>(35,959)</b>			

10. At 31 March 2016 General Fund Balances totalled £39,005k. With the budgeted drawdown of £4,216k and the projected £1,170k surplus, the forecast closing balance at 31 March 2017 is £35,959k. The Council's current MTFF assumes that balances will remain between

£15,000k 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 (£1,950k underspend, £246k improvement)

11. An overview of the forecast outturn on Directorate Operating Budgets is contained in Table 2, with further detail for each directorate contained within Appendix A. Variances relating to those more volatile areas of activity being managed through Development and Risk Contingency are expanded upon below.
12. From 1 April 2016 the Council is able to utilise Capital Receipts, rather than revenue resources, to finance the costs of service reform, both one-off implementation costs and transformation staffing costs. Across the Council, all staff working on transformation have been assigned to the BID team and at this stage it is proposed to capitalise £1,246k of that staffing cost; resulting in staffing underspends across various services. In addition, £816k of further transformation costs are forecast to be met from Capital, although this position will be refreshed as the year progresses.
13. In order to support the delivery of Zero Based Review savings for 2017/18, substantially uncommitted budgets within non-staffing budgets have been consolidated into service-level contingencies. These service-level contingencies will remain under close review over the remainder of the financial year, enabling release of any budgets not required to support service delivery.

**Table 2: Directorate Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service	Month 6		Variance (As at Month 6) £'000	Variance (As at Month 5) £'000	Movement from Month 5 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
10,762 (1,288)	183 (56)	Admin.	Expenditure	10,945	10,836	(109)	(130)	21
			Income	(1,344)	(1,347)	(3)	18	(21)
<b>9,474</b>	<b>127</b>		<b>Sub-Total</b>	<b>9,601</b>	<b>9,489</b>	<b>(112)</b>	<b>(112)</b>	<b>0</b>
15,189 (2,475)	943 (451)	Finance	Expenditure	16,132	15,971	(161)	(169)	8
			Income	(2,926)	(2,979)	(53)	(45)	(8)
<b>12,714</b>	<b>492</b>		<b>Sub-Total</b>	<b>13,206</b>	<b>12,992</b>	<b>(214)</b>	<b>(214)</b>	<b>0</b>
109,096 (56,005)	1,276 (675)	Residents Services	Expenditure	110,372	109,000	(1,372)	(1,025)	(347)
			Income	(56,680)	(56,492)	188	94	94
<b>53,091</b>	<b>601</b>		<b>Sub-Total</b>	<b>53,692</b>	<b>52,508</b>	<b>(1,184)</b>	<b>(931)</b>	<b>(253)</b>
141,576 (38,353)	233 (595)	Social Care	Expenditure	141,809	143,413	1,604	1,441	163
			Income	(38,948)	(40,992)	(2,044)	(1,888)	(156)
<b>103,223</b>	<b>(362)</b>		<b>Sub-Total</b>	<b>102,861</b>	<b>102,421</b>	<b>(440)</b>	<b>(447)</b>	<b>7</b>
<b>178,502</b>	<b>858</b>	<b>Total Directorate Operating Budgets</b>		<b>179,360</b>	<b>177,410</b>	<b>(1,950)</b>	<b>(1,704)</b>	<b>(246)</b>

14. Within the Administration Directorate an underspend of £112k is reported at Month 6, no movement on prior month projections. This position consists of staffing underspends arising from vacant posts, with pressures reported on income being offset by favourable variances on non-staffing budgets.
15. An underspend of £214k is reported on Finance operating budgets at Month 6, no movement from Month 5. This variance consists of staffing underspends across the group arising from vacant posts and additional income within the Revenues & Benefits Service.
16. An underspend of £1,184k is reported within Residents Services at Month 6, with £1,804k staffing underspends from vacant posts and the capitalisation of transformation resource, and

pressures of £620k across non-staffing and income budgets. Reported pressures include a shortfall in income from the Cedars & Grainges car parks, estates income and Imported Food sampling, with non-staffing pressures from increased recycling volumes, fleet hire & maintenance and the adaptations budget within Development & Assets. The £247k improvement from Month 5 includes an improvement of £250k from the further capitalisation of transformation costs alongside the net effect of a £140k pressure of vehicle hire and maintenance being offset by favourable movements on income forecasts across the Directorate.

17. An adverse movement of £7k is reported on Social Care group budgets, reflecting increases in salaries in Safeguarding Children and Children's Resources, which are mitigated by reductions in client packages and increased income in Health funded packages in both Adults Social Care and All Age Disabilities. Overall the group is reporting a £440k underspend, inclusive of net staffing underspends of £910k from posts being held vacant and capitalisation of transformation workforce costs. Within this reported position, there is an emerging risk around supplier inflation on care placements which will remain under review over the coming months.

### Progress on Savings

18. The Council's 2016/17 General Fund revenue budget contains £13,309k savings, with all prior year savings delivered in full during 2015/16. An improved outlook for savings delivery is reported at Month 6, with banked savings increasing by £727k to £8,764k and a £652k reduction in those items continuing to be reported as at risk. £12,098k savings are now reported as being banked or on track for delivery in full during 2016/17, with the remaining £1,211k or 9% remaining at an earlier stage of delivery and no savings being identified as having a serious risk of non-delivery.

**Table 3: Savings Tracker**

2016/17 General Fund Savings Programme	Admin	Finance	Residents Services	Social Care	Total 2016/17 Savings	
	£'000	£'000	£'000	£'000	£'000	%
B Banked	(635)	(452)	(3,550)	(4,127)	(8,764)	65.9%
G On track for delivery	(130)	(615)	(2,232)	(357)	(3,334)	25.1%
A Potential significant savings shortfall or a significant or risky project which is at an early stage;	(142)	(60)	0	(1,009)	(1,211)	9.1%
R Serious problems in the delivery of the saving	0	0	0	0	0	0.0%
<b>Total 2016/17 Savings</b>	<b>(907)</b>	<b>(1,127)</b>	<b>(5,782)</b>	<b>(5,493)</b>	<b>(13,309)</b>	<b>100.0%</b>

### Corporate Operating Budgets (£800k underspend, nil movement)

19. 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. An £800k underspend has been identified against Interest and Investment Income as a result of continuing work in reviewing financing options, representing early delivery of a potential 2017/18 saving. Forecasts for all other corporately managed budgets are consistent with budget assumptions.

20. The reduction in the Bank of England base rate from 0.5% to 0.25% will reduce the gross yield from investments from August 2016, however, this is not expected to impact upon income received by the Council's General Fund as a combination of fixed term investments entered into prior to the rate cut and the resulting movement in the HRA's share of investment income are expected to offset any loss in revenue.

**Table 4: Corporate Operating Budgets**

Original Budget	Budget Changes	Service	Month 6		Variance (As at Month 6)	Variance (As at Month 5)	Movement from Month 5
			Revised Budget	Forecast Outturn			
£'000	£'000		£'000	£'000	£'000	£'000	£'000
0	0	Interest and Investment Income	Salaries	0		0	0
5,386	(210)		Non-Sal Exp	5,176	4,376	(800)	(800)
(405)	0		Income	(405)	(405)	0	0
<b>4,981</b>	<b>(210)</b>		<b>Sub-Total</b>	<b>4,771</b>	<b>3,971</b>	<b>(800)</b>	<b>(800)</b>
431	0	Levies and Other Corporate Budgets	Salaries	431	431	0	0
9,958	1,563		Non-Sal Exp	11,521	11,521	0	0
(12,390)	(331)		Income	(12,721)	(12,721)	0	0
<b>(2,001)</b>	<b>1,232</b>		<b>Sub-Total</b>	<b>(769)</b>	<b>(769)</b>	<b>0</b>	<b>0</b>
0	0	Housing Benefit Subsidy	Salaries	0		0	0
142,055	0		Non-Sal Exp	142,055	142,055	0	0
(142,615)	0		Income	(142,615)	(142,615)	0	0
<b>(560)</b>	<b>0</b>		<b>Sub-Total</b>	<b>(560)</b>	<b>(560)</b>	<b>0</b>	<b>0</b>
<b>2,420</b>	<b>1,022</b>	<b>Total Corporate Operating Budgets</b>		<b>3,442</b>	<b>2,642</b>	<b>(800)</b>	<b>(800)</b>

## Development & Risk Contingency (£1,580k pressure, £222k adverse )

21. The Council set aside £18,453k to manage volatile and uncertain elements of budgets within the Development & Risk Contingency, which included £17,453k 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	Budget Changes		Service	Month 6		Variance (As at Month 6)	Variance (As at Month 5)	Movement from Month 5
				Revised Budget	Forecast Outturn			
£'000	£'000			£'000	£'000	£'000	£'000	£'000
341	0	Fin.	Uninsured Claims	341	291	(50)	(50)	0
2,025	0	Residents Services	Impact of welfare reform on homelessness	2,025	2,025	0	0	0
2,728	0		Waste Disposal Levy	2,728	2,531	(197)	(148)	(49)
200	0		High Speed 2 Challenge Fund	200	200	0	0	0
200	0		Heathrow Expansion Challenge Fund	200	200	0	0	0
2,212	0	Social Care	Asylum Service	2,212	1,936	(276)	(276)	0
3,734	0		Demographic Growth - Looked After Children	3,734	6,063	2,329	2,088	241
277	0		Social Worker Agency	277	277	0	0	0
1,699	0		Demographic Growth - Transitional Children	1,699	1,529	(170)	(250)	80
432	0		Demographic Growth - Adults	432	432	0	0	0
393	0		Winterbourne View	393	78	(315)	(315)	0
0	0		Deprivation of Liberty Safeguards	0	759	759	809	(50)
1,331	0	Care Act New Burdens Funding	1,331	1,331	0	0	0	
1,881	(1,881)	Corp. Items	Increased National Insurance Contributions	0	0	0	0	0
1,000	0		General Contingency	1,000	500	(500)	(500)	0
<b>18,453</b>	<b>(1,881)</b>	<b>Total</b>		<b>16,572</b>	<b>18,152</b>	<b>1,580</b>	<b>1,358</b>	<b>222</b>

22. Movement from Month 5 on reported positions is limited to the Waste Disposal Levy and Looked After Children, with projections across all other areas having been reviewed. The further reduction on Waste Disposal relates to further reductions in tonnage volumes since Month 5, with continuation of current trends expected to deliver further improvement over the remainder of the financial year.
23. An adverse outlook is reported on Looked After Children, where additional high cost placements has increased reported pressure by £241k to £2,329k above the £3,734k



contingency. The remaining pressure being reported in this area relates to the high levels of complexity in the current caseload of Looked After Children.

24. To date there have been no calls on General Contingency, with the reported position assuming that £500k will be required later in the financial year.

### Priority Growth

25. The 2016/17 General Fund revenue budget approved by Council in February 2016 set aside £734k of unallocated Priority Growth, in addition to £400k of specific growth monies to support HIP Initiatives. The 2016/17 HIP budget is supplemented by £820k brought forward balances.
26. As at Month 6, no Priority Growth has been allocated to services. The corporate monitoring position assumes all budgeted growth will be spent or committed during the current financial year. Release of £125k from HIP monies has been approved to support new initiatives from the £1,220k available resources, leaving £1,095k available for further allocations in year.

**Table 6: Priority Growth**

Original Budget	Budget Changes	Priority Growth	Month 6		
			Revised Budget	Approved Allocations	Unallocated Balance
£'000	£'000		£'000	£'000	£'000
400	0	HIP Initiatives Budgets	400	0	(400)
0	820	B/fwd Funds	820	125	(695)
734	0	Unallocated Priority Growth	734	0	(734)
<b>1,134</b>	<b>820</b>	<b>Total Priority Growth</b>	<b>1,954</b>	<b>125</b>	<b>(1,829)</b>

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

27. The latest forecasts on the Dedicated Schools grant shows an adverse movement of £303k from period 5 with other funds indicate favourable positions at year end and therefore will not adversely impact upon the General Fund in 2016/17.
28. The projected drawdown from Dedicated Schools Grant balances for the Schools Budget has increased from £483k to £786k as at Month 6, reflecting the continuing increase in the number and cost of post-16 high needs placements as a consequence of the of the changes in the Children's and Families Act 2014. The overall drawdown from balances includes the planned release of earmarked balances to support the roll out of two year old childcare provision and release of £451k additional funding to schools through their formula allocations. A number of compensatory variances are reported within the Schools Budget; including £53k underspend across centrally retained expenditure. Remaining balances are projected to total £80k at 31 March 2017.
29. A £27k surplus is reported on the Parking Revenue Account at Month 6, representing an improvement of £6k from Month 5, reflecting projected growth in use of agency staff to cover vacant posts and improve the efficiency of the appeals process.
30. A surplus of £2,000k is projected on the Council's share of Business Rates revenues at Month 6, in line with the position reported at Month 5. This favourable position is principally driven by the 2015/16 outturn surplus, which included significant backdated increases in Rateable Value at Heathrow Airport. An improvement of £500k is reported on Council Tax revenues from the breakeven position at Month 4, including lower than previously estimated

levels of demand within the Council Tax Reduction Scheme and continuing strong collection performance.

### **Housing Revenue Account**

31. The Housing Revenue Account (HRA) is currently forecasting an in-year overall surplus of £11,793k, £2,531k more than the budgeted surplus of £9,262k. This represents a £657k improvement on the position reported at Month 5. This variance includes underspends against Planned Maintenance & Tenant Services, partially offset by a forecast shortfall on the budgeted income contribution from Leaseholders towards the cost of improvement works to Council housing stock. In addition, rental income remains strong, with lower than anticipated numbers of void properties contributing towards a £358k overachievement of income. As a result, HRA General Balances are projected to increase to £45,737k by 31 March 2017, with a significant element of this sum earmarked to support investment in new housing stock.
32. 51 properties have been sold under Right to Buy arrangements as at Month 6, with a total of 115 sales forecast for 2016/17. Sufficient expenditure was incurred on the acquisition of new properties during Quarter 1&2 to avoid repayment of Right to Buy Receipts to DCLG, with projects underway to avoid repayment during Quarter 3.

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

33. Appendix D outlines the forecast outturn on the 2016/17 to 2020/21 Capital Programme, with a £3,802k underspend projected over the five year programme, representing a £1532k improvement from Month 5. Prudential Borrowing required to support the Council's Capital Programme is projected to be £5,671k lower than the £164,469k revised budget, as a result of this projected underspend and £7,038k additional assumed grant income for school expansions and Disabled Facilities Grants being sufficient to offset a £5,169k fall in projected Capital Receipts.
34. This favourable variance on borrowing would result in a marginal reduction in future revenue costs of approximately £290k per annum, however, given that £14,990k of projected grant income is yet to be confirmed by awarding bodies and asset sales remain a volatile income stream this position will remain under review.
35. Further reductions in 2016/17 capital expenditure are reported at Month 6 with a £9,405k increase in slippage to reach a £27,848k underspend in the current financial year. This is an underspend against the £96,920k budget, which had already been amended downwards from initial estimates, indicating that the Council will be able to defer new borrowing into later years and therefore deliver savings against capital financing budgets in 2017/18. Slippage in delivery of Capital Receipts will reduce any such saving, with current forecasts showing that £6,407k of the planned £22,038k will be secured during 2016/17, a worsening position from that reported at Month 5.

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

### ADMINISTRATION (£112k underspend, no movement)

36. The Administration group is showing a projected outturn underspend of £112k at Month 6, due in the main to staffing costs with vacancies across Democratic Services where recruitment is ongoing. No movement is reported from Month 5 across the directorate. The mitigating movement across expenditure and income relates to a revised staffing forecast in Democratic Services, offset by corporate funding of VAT on Wedding fees.

**Table 7: Group Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service	Month 6		Variance (As at Month 6) £'000	Variance (As at Month 5) £'000	Movement from Month 5 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
1,490	0	Democr. Services	Salaries	1,490	1,471	(19)	(33)	14
1,645	111		Non-Sal Exp	1,756	1,697	(59)	(59)	0
(629)	(97)		Income	(726)	(689)	37	58	(21)
<b>2,506</b>	<b>14</b>		<b>Sub-Total</b>	<b>2,520</b>	<b>2,479</b>	<b>(41)</b>	<b>(34)</b>	<b>(7)</b>
2,307	0	Human Resources	Salaries	2,307	2,290	(17)	(17)	0
534	74		Non-Sal Exp	608	652	44	43	1
(248)	0		Income	(248)	(270)	(22)	(22)	0
<b>2,593</b>	<b>74</b>		<b>Sub-Total</b>	<b>2,667</b>	<b>2,672</b>	<b>5</b>	<b>4</b>	<b>1</b>
1,979	0	Legal Services	Salaries	1,979	1,955	(24)	(26)	2
87	(1)		Non-Sal Exp	86	79	(7)	(7)	0
(341)	41		Income	(300)	(306)	(6)	(6)	0
<b>1,725</b>	<b>40</b>		<b>Sub-Total</b>	<b>1,765</b>	<b>1,728</b>	<b>(37)</b>	<b>(39)</b>	<b>2</b>
579	0	Policy & Partnership s	Salaries	579	547	(32)	(32)	0
2,141	(1)		Non-Sal Exp	2,140	2,145	5	1	4
(70)	0		Income	(70)	(82)	(12)	(12)	0
<b>2,650</b>	<b>(1)</b>		<b>Sub-Total</b>	<b>2,649</b>	<b>2,610</b>	<b>(39)</b>	<b>(43)</b>	<b>4</b>
6,355	0	Admin. Directorat e	Salaries	6,355	6,263	(92)	(108)	16
4,407	183		Non-Sal Exp	4,590	4,573	(17)	(22)	5
(1,288)	(56)		Income	(1,344)	(1,347)	(3)	18	(21)
<b>9,474</b>	<b>127</b>		<b>Total</b>	<b>9,601</b>	<b>9,489</b>	<b>(112)</b>	<b>(112)</b>	<b>0</b>

## FINANCE (£214k underspend, no change)

37. The Finance group is currently projecting an outturn underspend of £214k at Month 6 (no change). This is due in the main to staffing vacancies in Operational and Internal Audit. The small adverse movement in Procurement relates to the utilisation of agency resources, whilst permanent staff are recruited.

**Table 8 Group Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service	Month 6		Variance (As at Month 6) £'000	Variance (As at Month 5) £'000	Movement from Month 5 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
519	50	Internal Audit	Salaries	569	544	(25)	10	(35)
30	0		Non-Sal Exp	30	62	32	0	32
(10)	0		Income	(10)	(10)	0	0	0
<b>539</b>	<b>50</b>		<b>Sub-Total</b>	<b>589</b>	<b>596</b>	<b>7</b>	<b>10</b>	<b>(3)</b>
1,555	0	Procurement	Salaries	1,555	1,580	25	15	10
92	(1)		Non-Sal Exp	91	91	0	2	(2)
0	0		Income	0	0	0	(2)	2
<b>1,647</b>	<b>(1)</b>		<b>Sub-Total</b>	<b>1,646</b>	<b>1,671</b>	<b>25</b>	<b>15</b>	<b>10</b>
3,321	272	Operational Finance	Salaries	3,593	3,398	(195)	(187)	(8)
611	0		Non-Sal Exp	611	612	1	0	1
(158)	0		Income	(158)	(158)	0	0	0
<b>3,774</b>	<b>272</b>		<b>Sub-Total</b>	<b>4,046</b>	<b>3,852</b>	<b>(194)</b>	<b>(187)</b>	<b>(7)</b>
4,101	15	Revenues & Benefits	Salaries	4,116	4,161	45	45	0
1,634	(5)		Non-Sal Exp	1,629	1,637	8	(2)	10
(2,023)	(128)		Income	(2,151)	(2,204)	(53)	(43)	(10)
<b>3,712</b>	<b>(118)</b>		<b>Sub-Total</b>	<b>3,594</b>	<b>3,594</b>	<b>0</b>	<b>0</b>	<b>0</b>
1,348	79	Strategic Finance	Salaries	1,427	1,375	(52)	(52)	0
1,978	533		Non-Sal Exp	2,511	2,511	0	0	0
(284)	(323)		Income	(607)	(607)	0	0	0
<b>3,042</b>	<b>289</b>		<b>Sub-Total</b>	<b>3,331</b>	<b>3,279</b>	<b>(52)</b>	<b>(52)</b>	<b>0</b>
10,844	416	Finance Directorate	Salaries	11,260	11,058	(202)	(169)	(33)
4,345	527		Non-Sal Exp	4,872	4,913	41	0	41
(2,475)	(451)		Income	(2,926)	(2,979)	(53)	(45)	(8)
<b>12,714</b>	<b>492</b>		<b>Total</b>	<b>13,206</b>	<b>12,992</b>	<b>(214)</b>	<b>(214)</b>	<b>0</b>

38. A £50k underspend is reported on the projected drawdown from the Insurance Contingency, reflecting lower levels of outstanding claims than previously experienced.

**39. Table 9: Development and Risk Contingency**

Original Budget £'000	Budget Changes £'000	Development & Risk Contingency	Month 6		Variance (As at Month 6) £'000	Variance (As at Month 5) £'000	Movement from Month 5 £'000
			Revised Budget £'000	Forecast Outturn £'000			
341	0	Uninsured Claims	341	291	(50)	(50)	0
<b>341</b>	<b>0</b>	<b>Current Commitments</b>	<b>341</b>	<b>291</b>	<b>(50)</b>	<b>(50)</b>	<b>0</b>

**RESIDENTS SERVICES GENERAL FUND (£1,184k underspend, £253k favourable)**

40. Residents Services directorate is showing a projected outturn underspend of £1,184k at Month 6, excluding identified contingency provisions.

**Table 10 Residents Services Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service	Month 6		Variance (As at Month 6) £'000	Variance (As at Month 5) £'000	Movement from Month 5 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
15,008	(1,161)	Deputy Director Residents Services	Salaries	13,847	13,399	(448)	(206)	(242)
15,752	1,668		Non-Sal Exp	17,420	17,729	309	309	0
(7,981)	240		Income	(7,741)	(7,680)	61	30	31
<b>22,779</b>	<b>747</b>		<b>Sub-Total</b>	<b>23,526</b>	<b>23,448</b>	<b>(78)</b>	<b>133</b>	<b>(211)</b>
4,951	78	Development and Assets	Salaries	5,029	4,997	(32)	(22)	(10)
11,174	(66)		Non-Sal Exp	11,108	11,266	158	165	(7)
(5,072)	(339)		Income	(5,411)	(5,313)	98	71	27
<b>11,053</b>	<b>(327)</b>		<b>Sub-Total</b>	<b>10,726</b>	<b>10,950</b>	<b>224</b>	<b>214</b>	<b>10</b>
487	(53)	Estates and Tenancy Management	Salaries	434	362	(72)	(72)	0
1,154	(3)		Non-Sal Exp	1,151	1,084	(67)	(67)	0
(3,279)	0		Income	(3,279)	(3,222)	57	105	(48)
<b>(1,638)</b>	<b>(56)</b>		<b>Sub-Total</b>	<b>(1,694)</b>	<b>(1,776)</b>	<b>(82)</b>	<b>(34)</b>	<b>(48)</b>
1,730	(47)	Planning, Transport and Community Projects	Salaries	1,683	1,461	(222)	(222)	0
1,534	(480)		Non-Sal Exp	1,054	1,054	0	0	0
(10,706)	0		Income	(10,706)	(10,801)	(95)	(95)	0
<b>(7,442)</b>	<b>(527)</b>		<b>Sub-Total</b>	<b>(7,969)</b>	<b>(8,286)</b>	<b>(317)</b>	<b>(317)</b>	<b>0</b>
1,774	0	Planning and Enforcement	Salaries	1,774	1,604	(170)	(170)	0
854	(50)		Non-Sal Exp	804	804	0	0	0
(2,782)	0		Income	(2,782)	(3,096)	(314)	(306)	(8)
<b>(154)</b>	<b>(50)</b>		<b>Sub-Total</b>	<b>(204)</b>	<b>(688)</b>	<b>(484)</b>	<b>(476)</b>	<b>(8)</b>
11,739	(27)	Green Spaces, Sport & Culture	Salaries	11,712	11,767	55	39	16
7,567	(303)		Non-Sal Exp	7,264	7,296	32	32	0
(9,916)	(8)		Income	(9,924)	(10,072)	(148)	(142)	(6)
<b>9,390</b>	<b>(338)</b>		<b>Sub-Total</b>	<b>9,052</b>	<b>8,991</b>	<b>(61)</b>	<b>(71)</b>	<b>10</b>
7,994	(2,497)	Digital Strategy & Communications	Salaries	5,497	5,512	15	13	2
5,714	92		Non-Sal Exp	5,806	5,701	(105)	(103)	(2)
(3,058)	768		Income	(2,290)	(2,147)	143	143	0
<b>10,650</b>	<b>(1,637)</b>		<b>Sub-Total</b>	<b>9,013</b>	<b>9,066</b>	<b>53</b>	<b>53</b>	<b>0</b>
6,027	2,951	Business and Technical Support	Salaries	8,978	8,309	(669)	(586)	(83)
1,051	(8)		Non-Sal Exp	1,043	1,193	150	135	15
(4,197)	(960)		Income	(5,157)	(4,715)	442	344	98
<b>2,881</b>	<b>1,983</b>		<b>Sub-Total</b>	<b>4,864</b>	<b>4,787</b>	<b>(77)</b>	<b>(107)</b>	<b>30</b>
4,131	588	Policy and Standards - Education, Housing and Public	Salaries	4,719	4,458	(261)	(249)	(12)
10,455	594		Non-Sal Exp	11,049	11,004	(45)	(21)	(24)
(9,014)	(376)		Income	(9,390)	(9,446)	(56)	(56)	0
<b>5,572</b>	<b>806</b>		<b>Sub-Total</b>	<b>6,378</b>	<b>6,016</b>	<b>(362)</b>	<b>(326)</b>	<b>(36)</b>
53,841	(168)	Residents Services	Salaries	53,673	51,869	(1,804)	(1,475)	(329)
55,255	1,444		Non-Sal Exp	56,699	57,131	432	450	(18)
(56,005)	(675)		Income	(56,680)	(56,492)	188	94	94
<b>53,091</b>	<b>601</b>		<b>Total</b>	<b>53,692</b>	<b>52,508</b>	<b>(1,184)</b>	<b>(931)</b>	<b>(253)</b>

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

development & assets and in fleet management. In addition there is continuing parking income shortfalls at Cedars and Grainges car parks and in Imported Food sampling.

42. The Council's 2016/17 contingency budget contains provision for areas of expenditure or income within Residents Services for which there is a greater degree of uncertainty. The position against these contingency items is shown in Table 2 below.

43. At month 6 projected calls on contingency are £197k below the budgeted provision (£49k favourable), following detailed modelling of the projected levy rebate from WLWA as part of MTFE development work. The table below shows the breakdown for each contingency item.

**Table 11: Development and Risk Contingency**

Original Budget £'000	Budget Changes £'000	Development & Risk Contingency	Month 6		Variance (As at Month 6) £'000	Variance (As at Month 5) £'000	Movement from Month 5 £'000
			Revised Budget £'000	Forecast Outturn £'000			
2,025	0	Impact of welfare reform on homelessness	2,025	2,025	0	0	0
2,728	0	Waste Disposal Levy	2,728	2,531	(197)	(148)	(49)
200	0	High Speed 2 Challenge Fund	200	200	0	0	0
200	0	Heathrow Expansion Challenge Fund	200	200	0	0	0
<b>5,153</b>	<b>0</b>	<b>Current Commitments</b>	<b>5,153</b>	<b>4,956</b>	<b>(197)</b>	<b>(148)</b>	<b>(49)</b>

44. Financial year 2016/17 continues to see the numbers of temporary accommodation requirements consistently above the original MTFE forecast.

**Table 12: Housing Needs performance data**

	2016		
	July	August	September
Homeless Threat, Priority Need & Eligible	138	111	126
Presenting As Homeless	32	41	36
Duty Accepted	13	23	23
<b>Households in Temporary Accommodation</b>	<b>600</b>	<b>595</b>	<b>596</b>
<b>Households in B&amp;B</b>	<b>211</b>	<b>205</b>	<b>202</b>

45. As in previous years, a contingency has been set aside in 2016/17 to resource the need for Temporary Accommodation in the borough. The call on contingency relating to homelessness remains at £2,025k, which is as per the budgeted provision.

46. Given the continuing high levels of households in high cost B&B, and challenges in procuring affordable private rental sector accommodation, this risk will continue to be closely monitored in the second half of the financial year. There is the option to utilise earmarked reserves should the position deteriorate.

47. A contingency of £2,728k has been set aside to fund estimated increases in waste tonnages via the levy. Work is underway between WLWA and the six boroughs to develop the estimates for 2017/18 and future years.
48. At the last partnership meeting of the authority, boroughs were given a status update to the commencement of full services at Severnside Energy Recovery Facility (SERC). The latest estimate of full service commencement is 17 November 2016, owing to disputes between various contractors working on the site. The financial impact to WLWA remains unchanged at £5.2m. As previously indicated, any future unforeseen closures of the SERC during commissioning could result in additional costs of a smaller magnitude.
49. The impact on boroughs is that the disbursement of excess reserves remains not appropriate in the view of WLWA, as the additional reserves of circa £3m from the 2015/16 surplus are required to manage the impact of the delay at the SERC. WLWA have assured officers that they will not ask for further resources from boroughs should further delays to full service commencement materialise.

#### **Deputy Director Residents Services (£78k underspend, £211k improvement)**

50. The Council has incurred significant costs in clearing various sites following a number of Traveller incursions across the Borough, with work in excess of that experienced in previous years. It is currently anticipated that these costs will be met in full from contingency.
51. There is a forecast underspend of £448k (£242k improvement) relating to staffing budgets across the service, netted down by a forecast pressure of £169k on non-staffing costs, owing to increased expenditure on tipping costs via the Grundon recycling contract (£126k) and projected refuse bag costs (£43k). The improvement on staffing costs relates to capitalisation of BID programme and associated support to the Council's Transformation programme.
52. Current projections show the fleet management budget position to be forecasting an emerging pressure of £140k, with increases in contract hire and maintenance costs the main drivers of this increase. Work is underway to alleviate this one-off pressure.
53. There continues to be an income pressure within the Imported Food service (£297k, £31k adverse) with forecast pressures resulting from regular legislative changes and seasonal variations. Part of the pressure experienced this year results from a reduction in Kenyan imports and the removal of Kenyan beans from high risk list, such that no inspections are required. This income pressure is netted down in part by robust income streams at the NYGL CA site.

#### **Development and Assets (£224k overspend, £10k adverse)**

54. At month 6 the service continues to report an overspend of £224k on additional resources being deployed to cover the backlog of work for home adaptations. The pressure relates to additional interim arrangements to cover backlog of work including a financial assessment officer and a consultant.
55. The service is also reporting an adverse movement of £10k for staffing costs at month 6, relating to revised staffing projections offset by additional recharges to capital.

#### **Estates and Tenancy Management (£82k underspend, £48k favourable)**

56. The service is forecasting an improvement in the garages income pressure of £48k, reducing the pressure to £57k with further improvement in the position to be closely monitored during

the second half of the financial year as work continues to improve the condition of garages across the Borough.

57. The service is reporting an underspend of £72k (no change) at month 6 in relation to the current staffing projection, after factoring in agency costs against the vacant posts currently held within the service. The non-staffing forecast remains at a forecast underspend of net £67k following the handback of Warnford Industrial estate at the end of September 2016.

#### **Planning, Transportation and Community Projects (£317k underspend, no change)**

58. At month 6, the service is reporting a favourable salary projection of £222k (no change), relating various vacant posts across the service.
59. There is a forecast overachievement on income of £95k relating to a favourable position on grants, with the main movement relating to notification of the final New Homes Bonus refund

#### **Planning and Development (£484k underspend, £8k favourable)**

60. Income streams across the planning service remain robust, with income targets expected to be exceeded by £314k (£8k favourable).
61. A number of posts continue to be funded from gift funding income, with additional resources in an Earmarked reserve to be utilised dependent on the final value of gift funding received.

#### **Green Spaces & Culture (£61k underspend, £10k adverse)**

62. The service is projecting a staffing overspend of £55k (£16k adverse) within the group, reflecting revised forecasts across the group at month 6.
63. The service is forecasting overachievement of income targets at month 6 of £148k (£6k favourable), with the small favourable movement relating to a revised projection for the Music service.

#### **Digital Strategy & Communications (£53k overspend, no change)**

64. At month 6 there is a minor adjustment to the Communications salaries projection of £2k adverse. There is a corresponding minor adjustment in non-staffing costs of £2k.
65. The ICT service is currently forecasting a net pressure resulting from the current transition from the phase 1 restructure and the net residual pressure from the winding down of the HGfL service.

#### **Business and Technical Support (£77k underspend, £30k adverse)**

66. The off-street parking income at the Cedars and Grainges multi-storey car parks continues to experience pressure relating to the loss of season ticket income at both car parks. The most recent income projection forecasts a pressure of £442k (£98k adverse).
67. There is a revised projected underspend of £669k (£83k favourable) on staffing budgets relating to delays in recruitment following the restructure in Technical Admin and Business Support.



**Policy and Standards - Education, Housing and Public Health (£362k underspend, £36k favourable)**

68. There is a £12k favourable movement in relation to staffing budgets relating to delays in recruitment, resulting in posts being held vacant longer than previously forecast.
69. At month 6 there is a favourable movement of £24k relating to revised projections across a number of non-staffing budget lines in Education.

## SOCIAL CARE (£440k underspend, £7k adverse)

70. Social Care is projecting an underspend of £440k as at Month 6, an adverse movement of £7k from Month 5. The service continues to experience and has to manage a number of ongoing challenges including staff recruitment, especially Social Workers, providing housing accommodation and support for Section 17 designated families and pressures relating to the cost of transport within the Social Care Budget. Additionally, over the last few months the service has received a growing number of requests for above inflation price uplifts, with some exceeding 14%, and backdated to 1 April 2016. The service is working with Category Management to address these and assess the extent of mitigation that can be achieved given the underlying pressures in the Social Care market.

**Table 13: Social Care Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service		Month 6		Variance (As at Month 6) £'000	Variance (As at Month 5) £'000	Movement from Month 5 £'000
				Revised Budget £'000	Forecast Outturn £'000			
1,826	(250)	Safeguarding Children	Salaries	1,576	1,708	132	0	132
1,612	12		Non-Sal Exp	1,624	1,654	30	15	15
(165)	0		Income	(165)	(228)	(63)	(72)	9
<b>3,273</b>	<b>(238)</b>		<b>Sub-Total</b>	<b>3,035</b>	<b>3,134</b>	<b>99</b>	<b>(57)</b>	<b>156</b>
4,678	(337)	Early Intervention Services	Salaries	4,341	4,058	(283)	(251)	(32)
3,406	(209)		Non-Sal Exp	3,197	3,393	196	162	34
(1,712)	266		Income	(1,446)	(1,502)	(56)	(54)	(2)
<b>6,372</b>	<b>(280)</b>		<b>Sub-Total</b>	<b>6,092</b>	<b>5,949</b>	<b>(143)</b>	<b>(143)</b>	<b>0</b>
4,293	400	Looked After Children	Salaries	4,693	5,027	334	345	(11)
608	(29)		Non-Sal Exp	579	580	1	(63)	64
(8)	0		Income	(8)	0	8	0	8
<b>4,893</b>	<b>371</b>		<b>Sub-Total</b>	<b>5,264</b>	<b>5,607</b>	<b>343</b>	<b>282</b>	<b>61</b>
7,595	(448)	Children's Resources	Salaries	7,147	7,734	587	225	362
9,388	1,042		Non-Sal Exp	10,430	11,285	855	880	(25)
(6,891)	(400)		Income	(7,291)	(8,063)	(772)	(675)	(97)
<b>10,092</b>	<b>194</b>		<b>Sub-Total</b>	<b>10,286</b>	<b>10,956</b>	<b>670</b>	<b>430</b>	<b>240</b>
8,669	299	All-Age Disabilities	Salaries	8,968	8,087	(881)	(823)	(58)
44,634	294		Non-Sal Exp	44,928	45,271	343	424	(81)
(9,536)	(206)		Income	(9,742)	(9,511)	231	219	12
<b>43,767</b>	<b>387</b>		<b>Sub-Total</b>	<b>44,154</b>	<b>43,847</b>	<b>(307)</b>	<b>(180)</b>	<b>(127)</b>
4,460	118	Social Work	Salaries	4,578	4,418	(160)	(93)	(67)
28,082	389		Non-Sal Exp	28,471	29,412	941	1,046	(105)
(8,570)	(607)		Income	(9,177)	(10,276)	(1,099)	(991)	(108)
<b>23,972</b>	<b>(100)</b>		<b>Sub-Total</b>	<b>23,872</b>	<b>23,554</b>	<b>(318)</b>	<b>(38)</b>	<b>(280)</b>
8,873	(471)	Early Intervention & Prevention	Salaries	8,402	7,972	(430)	(429)	(1)
3,067	6		Non-Sal Exp	3,073	3,152	79	144	(65)
(10,897)	320		Income	(10,577)	(10,554)	23	0	23
<b>1,043</b>	<b>(145)</b>		<b>Sub-Total</b>	<b>898</b>	<b>570</b>	<b>(328)</b>	<b>(285)</b>	<b>(43)</b>
2,574	(135)	Safeguarding, Quality & Partnerships	Salaries	2,439	2,462	23	31	(8)
6,531	(96)		Non-Sal Exp	6,435	6,659	224	212	12
(541)	82		Income	(459)	(775)	(316)	(315)	(1)
<b>8,564</b>	<b>(149)</b>		<b>Sub-Total</b>	<b>8,415</b>	<b>8,346</b>	<b>(69)</b>	<b>(72)</b>	<b>3</b>
631	0	Directorate & Support Services	Salaries	631	400	(231)	(231)	0
649	(352)		Non-Sal Exp	297	141	(156)	(153)	(3)
(33)	(50)		Income	(83)	(83)	0	0	0
<b>1,247</b>	<b>(402)</b>		<b>Sub-Total</b>	<b>845</b>	<b>458</b>	<b>(387)</b>	<b>(384)</b>	<b>(3)</b>
43,599	(824)	Social Care Directorate Total	Salaries	42,775	41,866	(909)	(1,226)	317
97,977	1,057		Non-Sal Exp	99,034	101,547	2,513	2,667	(154)
(38,353)	(595)		Income	(38,948)	(40,992)	(2,044)	(1,888)	(156)
<b>103,223</b>	<b>(362)</b>		<b>Total</b>	<b>102,861</b>	<b>102,421</b>	<b>(440)</b>	<b>(447)</b>	<b>7</b>

**SOCIAL CARE DEVELOPMENT AND RISK CONTINGENCY (£2,327k overspend, £271k adverse)**

71. The Council's 2016/17 Development and Risk Contingency includes a 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, which is projecting an overspend of £2,327k, an adverse movement of £271k on the Month 5 projections, due to an increase in the projected cost of Looked After Children placements, following the requirement to place a number of children in high cost residential placements and an increase in the number of transitional children, where the data has been updated to take into account the updated September position.

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

Original Budget £'000	Budget Changes £'000	Development & Risk Contingency	Month 6		Variance (As at Month 6) £'000	Variance (As at Month 5) £'000	Movement from Month 5 £'000
			Revised Budget £'000	Forecast Outturn £'000			
2,212	0	Asylum Service	2,212	1,936	(276)	(276)	0
3,734	0	Demographic Growth - Looked After Children	3,734	6,063	2,329	2,088	241
277	0	Social Worker Agency	277	277	0	0	0
1,699	0	Demographic Growth - Transitional Children	1,699	1,529	(170)	(250)	80
432	0	Demographic Growth - Adults	432	432	0	0	0
393	0	Winterbourne View	393	78	(315)	(315)	0
0	0	Deprivation of Liberty Safeguards	0	759	759	809	(50)
1,331	0	Care Act New Burdens Funding	1,331	1,331	0	0	0
<b>10,078</b>	<b>0</b>	<b>Current Commitments</b>	<b>10,078</b>	<b>12,405</b>	<b>2,327</b>	<b>2,056</b>	<b>271</b>

**Asylum Service (£276k underspend, nil movement)**

72. This service continues to project a drawdown of £1,936k from the contingency, £276k below the budget. This reflects the benefits that the service expects to deliver through undertaking a major review of the support provided to Unaccompanied Asylum Seeking Children (UASC) to ensure that individual UASC are accessing all available funding sources from a range of Central Government departments. The service is also undertaking a major review of all financial policies relating to the provision of allowances, to ensure that there is a consistent approach to the financial support provided. Early indications are that these reviews will reduce the cost to the Council, but not necessarily reduce the amount of funding that the individual will receive, as they will be able to access levels of financial support from Central Government departments.

73. The National Transfer arrangements for UASC have now been in operation for 3 months. Hillingdon continues to receive new applications but it is now apparent that a number of UASC are being successfully transferred to other local authorities, where in total Hillingdon has been able to transfer two UASC. However, it should be noted that this is currently a voluntary scheme and was effective from 1 July 2016, applicable only to new entrants. This agreement proposes a cap on the number of UASC that any authority should be looking after at any given time, which has been set at 0.07% of the child population. For Hillingdon, this equates to 48 children, however, Hillingdon currently provides support for 113 UASC, which is 65 above the cap. This would imply that Hillingdon would not have to take on any new UASC with effect from 1 July 2016.

#### **Demographic Growth - Looked After Children (£2,329k overspend, £241k adverse)**

74. The service is projecting a drawdown of £6,063k from the Contingency, £2,329k above budget, which is an adverse movement of £241k on the Month 5 projections, due to a requirement to place a number of children in high cost residential placements. There are a number of reasons for this projected overspend, which are explained in the following paragraphs. Additionally, the service has implemented a number of changes to the approval and review process, which provide a much stronger challenge in the decision making process, and is now being reflected in the projected cost of placements.
75. Looked After Children numbers have been consistently within the range of 340 to 360 placements over the months from May 2015 to April 2016, but are starting to show signs of reducing, where at the end of September 2016, there were 331 Looked After Children. Those with a Child Protection Plan are consistently within the range of 340 to 380 placements, and those where children have been identified as Children in Need is relatively consistent standing at approximately 645 cases. It should be noted that this consistent picture has been maintained despite the number of contacts and referrals increasing by 157 cases per month from an average of 1,724 per month in the period between August 2015 and March 2016, to 1,881 per month in the period between April 2016 and September 2016.
76. The main saving built into the base budget relates to the change in the number of children placed through an Independent Fostering Agency (IFA), linked to the October 2015 Foster Care recruitment initiative. The service is continuing to manage the pressure on this saving within the wider placements budget as the actual recruitment has slipped from the profile included in the saving. Additionally, the number of IFA placements are expected to increase, as they represent a key element of the strategy for stepping down high cost placements, although the age profile and needs of the cases forecasts these to be at a higher average cost than other IFA placements. However, the current split for foster care placements has slightly dipped from a constant rate in this financial year of 46% IFA and 54% In-House, to 49% IFA and 51% In-House.
77. The projected outturn position also assumes that a proportion of the cost of placements will be met from Health contributions and to a lesser extent from the Dedicated School Grant (DSG), where additional education costs are incurred. Based on the current placement profile, there is a gross projected shortfall in income of £305k. A number of cases have now been discussed at the Education, Health and Care Plan Panel, where the CCG agreed to provide health contributions towards the cost of placements, totalling £115k. A number of new cases will be presented to this panel over the coming months, and it is anticipated that further agreements will be reached.

### **Social Worker Agency (Children's) (Nil variance, nil movement)**

78. The contingency to provide funding to cover the additional cost of using agency staff whilst the service undertakes recruitment activity, assumed that the service will operate at a level of 90% of posts filled by permanent staff and 10% filled by agency staff. Currently, the service is projecting to be at 80% permanency (currently it stands at approximately 77.5%) and so it is anticipated that the full drawdown of this contingency will be required.

### **Demographic Growth - Transitional Children (£170k underspend, £80k adverse)**

79. The position for the clients transitioning at the start of the new school year is now known, this has increased the forecast required from the contingency budget by £80k. To date 20 new children have transferred, 5 have had an increase in their package costs as they are no longer supported by Education and a further 8 are expected to transfer by the end of the year.

### **80. Demographic Growth - Adults Placements (Nil variance, nil movement)**

81. At Month 6 it is forecast that the full drawdown of the £432k contingency for Adult Demographic changes will be required, no change from the Month 5 projections. The demographic forecasting tool is regularly refreshed and expenditure areas are kept under close review.

### **Winterbourne View (£315k underspend, nil movement)**

82. At Month 6 it is forecast that only £78k of the contingency will need to be drawn down in respect of the Winterbourne View transfer cases, resulting in an underspend of £315k, no change from Month 5.

### **Deprivation of Liberty Safeguards (DoLS) (£759k overspend, £50k improvement)**

83. The number of DoLS referrals received to the end of August is 721 (557 in August). This is an average of 27 per week. The forecast pressure for Month 6 has reduced by £50k due to further development of the monitoring model. It should be noted that central government has provided no new specific grant funding to cover this pressure, which was anticipated when the budget was set.

## **DIRECTORATE OPERATING BUDGETS:**

### **CHILDREN'S SERVICES (£969k overspend, £457k adverse)**

#### **Safeguarding Children (£99k overspend, £157k adverse)**

84. The service is reporting an overspend of £99k, an adverse movement of £157k on the Month 5 projections, due to a realignment of the placements team budget into the Children's Resources service budget. The overspend predominantly relates to staffing costs, where the service has a number of vacant posts, which are being covered by agency staff.

#### **Children's Early Intervention & Prevention Services (£143k underspend, no change)**

85. The service is reporting an underspend of £143k, no change on the Month 5 projections. The underspend reported relates to staffing costs, which are projecting an underspend of £283k across the whole service and in particular within the local authority run Children Centre budgets and the Targeted Support Programme, where these services have a number of vacant posts. This reflects the management action that has been taken over the last few

months, to ensure that the Social Care Directorate budget operates within its allocated base budget.

86. This is netted down by a projected overspend of £196k on non staffing costs, predominantly relating to the Children Centre review savings proposal of £215k, which has been slightly delayed, but through management action will be covered by delivering underspends across the rest of the service and in particular the Targeted Support Programme budgets.

#### **Looked After Children (£343k overspend, £61k adverse movement)**

87. This service is reporting an overspend of £343k, an adverse movement of £61k on the Month 5 projections, due to an increase in the projected cost of Looked After Children allowances.
88. There is an overspend of £333k on staffing costs, reflecting the latest projections on timing of permanent recruitment and resulting use of agency staff, where the latest forecast indicates that the profile is more likely to be weighted towards the end of the 2016/17 financial year, reflecting the very competitive Social Worker recruitment market. The service continues to work very closely with the HR Service, to review recruitment progress and identify further opportunities to engage with the recruitment market that will attract the right calibre of staff. The use of agency staff is also being limited to the cover for essential posts.
89. The overspend is due to the continuation of the Skylakes managed service for longer than originally expected, which ended at the beginning of June 2016 and the time taken to recruit permanent staff to the newly established duty team that replaced the Skylakes managed service. The built in assumption is that this delivery model will need to run for a few months to retain stability and enable the service to undertake a targeted recruitment campaign, which was launched at the end of October 2016. It is then anticipated that permanent staff will not be able to be recruited until the end of the financial year.
90. The one-off cost of the Skylakes managed service will be met by drawing down £216k from earmarked reserves, which has been reflected in the monitoring report by grossing up the salary and income budgets.

#### **Children's Resources (£670k overspend, £240k adverse movement)**

91. The service is reporting an overspend of £670k at Month 5, an adverse movement of £240k on the Month 5 projections, due to a projected increase in the cost of staffing, where the profile has been revised further to reflect that the profile of recruitment will be weighted towards the end of the 2016/17 financial year, reflecting the very competitive Social Worker recruitment market. The service continues to work very closely with the HR Service, to review recruitment progress and identify further opportunities to engage with the recruitment market that will attract the right calibre of staff. The use of agency staff is also being limited to the cover for essential posts.
92. The service is projecting an overspend of £587k on staffing costs, due to the use of agency staff to cover essential posts, whilst the service continues its recruitment campaign. However, it is proposed that £132k of staffing costs will be capitalised to reflect the work that staff are undertaking on transformation projects.
93. Additionally, the service has an overspend of £855k on non-staffing costs, which relates primarily to the cost of staff recruitment (an additional cost of £250k), where the service is using a range of services to access the market place, including temp-to-perm arrangements, a major recruitment campaign through Penna and overseas recruitment through HCL; the cost of providing support for families under Section 17 regulations or who have No Recourse to Public Funds (NRPF) relating to temporary Bed and Breakfast accommodation (an

additional cost of £317k) and ad-hoc crisis support (an additional cost of £55k). These costs will be met from a drawdown of £622k from the earmarked reserves.

#### **ADULT SOCIAL CARE (£1,409k underspend, £451k improvement)**

94. Over the last few months it has become evident that the sustainability of the employment market within the Adult Social Care Sector is leading to significant price increase requests from providers, which exceed the inflation allocation within the current budget. Service Managers are continuing to work through these with Category Management to agree rates with providers. It is becoming increasingly more difficult to contain these price increases within the budget. It should be noted that this emerging pressure has not been included in the current forecast and is being kept under close review.

#### **All Age Disabilities (AAD) (£307k underspend, £127k improvement)**

95. The service is reporting an underspend of £307k, an improvement of £127k on the Month 5 projections, in part due to a reduction in the projected staffing costs, and changes in client packages who are now in receipt of Health funding.
96. The salaries budget for AAD is currently forecast to underspend by £881k, due to vacancies being held during the year and management action being taken to manage the overall budget of the directorate. Of this, the transport service is forecast to underspend against staffing by £151k, which is being delivered as part of the ongoing review of the service. Special Educational Needs staffing is projected to underspend by £295k. Additionally the Social Work Teams are forecasting an underspend of £304k, with the remaining balance of £128k relating to the capitalisation of transformation costs. However, it should be noted that £135k of the total underspend is offset by reduced DSG income recharges.
97. The service is currently managing down a pressure within the transport service across both Special Educational Needs children and adult care users through a range of management actions including an in-depth review of contracts, routes and use of vehicles. The Month 6 forecast assumes that this action will bring the service costs close to budget by the year end.
98. The non-staffing budget is forecasting a pressure of £344k, an improvement of £81k from the Month 5 projection. The improvement this month is from two clients receiving Health funding, one has been back dated to the beginning of the financial year. However, the placements budget remains under pressure due to a number of Independent Living Fund (ILF) cases that transferred in July 2015 (approximately £100k) which was not fully funded by Government Grant. Additionally it is evident that pressures are emerging from an increase in unit costs for placements.
99. The income budget is forecasting a pressure of £231k, an adverse movement of £12k on the Month 5 projections. £135k of this is from reduced DSG income in respect of SEN staff which is offset by an underspend on salaries, as noted above. The balance is from reduced income forecast for Transport from contributions from other Local Authorities and reduced client contributions.

#### **Social Work (£319k underspend, £280k improvement)**

100. The service is reporting an underspend of £319k, an improvement of £280k from the Month 5 projections, due to an improved position on the projected cost of staffing and non staffing costs following an in depth review.
101. The staffing budget is forecast to underspend by £160k, an improvement of £66k from the Month 5 forecast and reflects the management action being taken to offset pressures within the Social Care budget.

102. The non-staffing budgets are forecast to underspend by a net £159k, an improvement of £214k from Month 5. This has resulted following a review of funding streams, which has improved the forecast by £320k, although this has been partly offset by a continuing pressure in the Nursing placements budget as more clients than budgeted for are in need of nursing support.
103. The income position has improved with additional contributions from Health in respect of joint S117 Mental Health Act placements. Additionally, it is planned to draw down £194k from Earmarked Reserves to cover the shortfall in Homecare inflation agreed in February 2016 (£134k) and a pressure of £60k for the Telecareline savings, which are unlikely to be delivered.
104. It should be noted that the service is continuing to see an increase in unit costs as the demand for residential and nursing care across the sector is high which is leading to price increases.

#### **Adults Early Intervention & Prevention (£328k underspend, £43k improvement)**

105. The service is reporting an underspend of £328k, an improvement of £43k on the Month 5 projections. The overall underspend is as a direct result of management action being taken across Social Care to manage the identified pressures in the service.
106. The salary budget is forecast to underspend by £431k, a improvement of £1k on the Month 5 projections. There is a pressure of £79k forecast on non staffing costs, an improvement of £65k from Month 5. The improvement this month is from revised forecast for running costs of the homes and resource centres. The pressure remains in delivering the preventative savings target, where there is an ongoing review. It is anticipated that savings can be delivered, but it is currently uncertain how much of this can be delivered in the current year.

#### **Safeguarding Quality & Partnerships (£69k underspend, £3k adverse)**

107. The service is reporting an underspend of £69k at Month 6, an adverse movement of £3k on the Month 5 projections. The staffing budget is forecasting an overspend of £23k, an improvement of £8k from Month 5. The pressure is due to a number of Approved Mental Health Practitioner (AMP) posts that are being covered by agency staff and the premium rate for these posts is resulting in this pressure on the budget.
108. The non staffing budget has a net pressure of £225k. This relates to the cost of Placements, which are forecast to overspend by £260k, although these costs are offset by the receipt of £343k on Health contributions to S117 Mental Health Act joint placements. In addition there is a £100k pressure relating to the savings target in respect of the review of the Complex Care Service. This service is still under review and at present the saving that can be delivered from changing the delivery model of this service in the current year is uncertain. These pressures are offset by a reduced recharge of £159k against the combined adults and children's safeguarding structure.
109. Additional income of £317k is forecast, £343k of this additional income is from Health for joint S117 placements as referred to above, which is netted down by a pressure from reduced client contributions.

#### **Directorate & Support (£386k underspend, £3k improvement)**

110. The Directorate budget is forecast to underspend by £386k, a small improvement of £2k from the Month 5 position. £345k of this underspend relates to expenditure on transformational work, which it is anticipated will be capitalised. The balance of the underspend is from a reduced forecast for equipment purchase.



## **Better Care Fund (£45k underspend, £45k improvement)**

111. The latest forecast for the Pooled Better Care Fund is an underspend of £45k. The CCG are forecasting an underspend of £110k against Scheme 5: Integrated Community based Care and Support. The pressure from Social Care in the main is against Scheme 3: Rapid response and joined up intermediate care, £98k. This pressure arises from Care placements and is being in part offset by an underspend of £37k against Scheme 5. Each party within the pooled budget are responsible for their own risks and the Social Care pressure is contained within the overall forecast reported above.

**Appendix B – Other Funds  
Schools Budget  
Dedicated Schools Grant (£335k overspend)**

112. The Dedicated Schools Grant (DSG) is projecting an in-year overspend of £335k. The reason for the adverse movement from Month 5 is due to an increase in High Needs spend, particularly in relation to post-16 placements.

**Table 15 Schools Budget**

Original Budget	Budget Changes	Funding Block	Month 6		Variance (+ adv / - fav)		
			Revised Budget	Forecast Outturn	Variance (As at Month 6)	Variance (As at Month 5)	Change from Month 5
£'000	£'000		£'000	£'000	£'000	£'000	£'000
(140,664)	0	<b>Dedicated Schools Grant Income</b>	(140,664)	(140,697)	(33)	(33)	0
105,361	451	<b>Delegated to Schools</b>	105,812	105,812	0	0	0
4,805	0	<b>Early Years</b>	4,805	4,790	(15)	(3)	(12)
3,740	0	<b>Centrally Retained</b>	3,740	3,687	(53)	(83)	30
26,758	0	<b>Special Needs</b>	26,758	27,194	436	151	285
<b>0</b>	<b>451</b>	<b>Total Schools Budget</b>	<b>451</b>	<b>786</b>	<b>335</b>	<b>32</b>	<b>303</b>
0	0	Balance Brought Forward 1 April 2016	(866)	(866)			
	(451)	Use of Balances	(451)	(786)			
<b>0</b>	<b>0</b>	<b>Balance Carried Forward 31 March 2017</b>	<b>415</b>	<b>80</b>			

**Dedicated Schools Grant Income: £33k underspend**

113. The projected £33k surplus relates to the Early Years Pupil Premium where Early Years settings have so far identified less children eligible for payment of early years pupil premium than we have been funded for. The funding allocation for 2016/17 has now been adjusted by the DfE, however we still expect a small underspend unless additional eligible children are identified throughout the year.

**Delegated to Schools, nil variance**

114. The projection for Early Years funding delegated to schools has been amended to reflect the actual numbers of three and four year olds accessing the free entitlement. There has been a decrease in the forecasted spend compared to the estimated position at the start of the year due to a slight reduction in actual numbers in the summer term.

**Early Years: £15k underspend**

115. Whilst the Early Years block is currently projecting a small underspend there are a number of budgets within the Early Years which are forecasted to be over or under budget. The Early Years Psychology team is currently projecting a £146k underspend as the delivery method has still not been finalised and expenditure is limited to a part-time educational psychologist who is working with Early Years providers.

116. The vulnerable children funding is currently projecting to be £231k under spent as the relevant teams work towards identifying sufficient children to utilise the full resource.

117. The three Early Years Centres are forecasting a combined overspend of £208k, predominantly due to a shortfall in income. The centres are focusing on increasing occupancy levels in order to address this current shortfall.
118. The Early Years Advisory team still has a vacant post leading to a projected £24k underspend. It is assumed that this post will be filled during the year, though potentially this will only be a fixed term appointment given the uncertainty around future centrally retained funding.
119. There continues to be a planned use of balances on the two year old capacity grant budget where funding was agreed for a number of projects last financial year, but works did not actually begin till the current year. £610k of the DSG underspend from 2015/16 was allocated for these projects and it is expected that no additional large projects will be agreed this financial year.

### **Centrally Retained: £53k underspend**

120. £28k of the underspend in the Centrally Retained relates to a vacant Procurement Officer post, where funding has been agreed for two posts but for part of the year only one has been filled, a second procurement officer has recently been appointed on a fixed term contract. There are also underspends projected in the Admissions budget and due to a vacant Domestic Violence officer post.
121. These underspends are offset by a projected £14k overspend on the cost of the Courier Service to schools which is to be reviewed by Schools Forum in the coming months as part of their review of all centrally retained DSG budgets.

### **High Needs: £436k overspend**

122. The adverse movement since month 5 is due to a continuing increase in the number and cost of post-16 high needs placements as a consequence of the changes in the Childrens and Families Act 2014. Whilst growth was anticipated and built into the budget, current estimates indicate that this growth will be exceeded in 2016/17 and this area will continue to be monitored closely.
123. There is a slight increase in the expenditure on pupils placed in Independent and Non-maintained schools. However, this is due to the planned use of the three in-borough schools, two of which have adopted the Hillingdon banded funding model.
124. There is a continuing budget pressure of £247k linked to the number of Looked After Children being placed out of borough. This is off-set by a number of joint-funded placements where contributions are expected from social care and health towards the costs being charged to the DSG.
125. A further £82k underspend is projected on the SEN contingency budget as less expenditure is expected on additional therapies for SEN pupils now that the new banded funding model has been adopted and top-up funding should be sufficient to meet all the needs of these pupils.
126. There is a projected overspend of £213k on the SEN support teams due to the recruitment of additional visual impairment specialist teachers and the increased funding of the Inclusion team as previously agreed by Schools Forum.

## School Academy Conversions

127. 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 income budget and the amount delegated to maintained schools.
128. We have been made aware of one maintained school where the conversion process is currently in progress.

## Maintained School Balances & Budgets

129. A review of balances at the end of the 2015/16 financial year identified an increase in the number of maintained schools in deficit. In Hillingdon only one school had a licenced deficit in 2015/16. However a further three primary schools ended the year in deficit. 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.
130. The table below provides an update on the financial position of schools maintained by the Council (this excludes academy schools), based on school outturns and three year budget plans. Two schools have requested a licensed deficit in 2016/17, but there are a further eleven schools with balances below £50k who have been classified as at risk of falling into deficit and are subject to closer monitoring and support from the Schools Finance team:

**Table 16 - Schools Deficits**

<b>School Type</b>	<b>Total Number of Schools</b>	<b>Number of Schools In Deficit 2015/16</b>	<b>Value of Deficit £000</b>	<b>Number of Schools In Deficit 2016/17</b>
Nursery	1	0	0	0
Primary	51	3	62	1
Secondary	2	1	761	1
Special	2	0	0	0
<b>Total</b>	<b>56</b>	<b>4</b>	<b>823</b>	<b>2</b>

131. Maintained schools started the 2016/17 year with an opening surplus balance of £12.8m (revenue & capital). This was a slight increase of £0.3m from the previous year. Despite this increase in balances a number of schools are beginning to experience financial difficulties due to funding being cash-limited and significant increases in costs.

**Parking Revenue Account: £27k in year surplus (£6k favourable movement)**

132. 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 17 PRA Account**

Original Budget £'000	Budget Changes £'000	Service	Month 6		Variance (+ adv / - fav)		
			Revised Budget £'000	Forecast Outturn £'000	Month 6 £'000	Month 5 £'000	Movement £'000
(4,079)	0	Income	(4,079)	(4,108)	(29)	(18)	(11)
4,079	0	Expenditure	4,079	4,080	2	(3)	5
<b>0</b>	<b>0</b>	<b>In-year (Surplus) / Deficit</b>	<b>0</b>	<b>(27)</b>	<b>(27)</b>	<b>(21)</b>	<b>(6)</b>
		Unallocated Balances b/fwd			0	0	0
<b>0</b>	<b>0</b>	<b>Unallocated Balances C/fwd</b>	<b>0</b>	<b>(27)</b>	<b>(27)</b>	<b>(21)</b>	<b>(6)</b>

133. An in-year surplus of £27k is forecast for the 2016/17 financial year. There is a total income surplus of £29k (£11k favourable).

134. The £29k overachievement forecast for PRA income is attributable to favourable variances of £47k and £15k re residents parking permits and parking bay suspensions (forecasts for both have been increased to reflect revenue levels to date), offset by a £33k projected shortfall in pay and display income (based on actual receipts to week 27 and prior year equivalent revenue for weeks 28-52).

135. There is a net £165k projected underspend in relation to PRA staff costs, attributable to vacant post savings across the Traffic Management, Parking Management and Parking Admin areas, partly offset by a £37k forecast for agency staff employed on a project to reduce the current PCN backlog and now assisting with issues arising from the recently implemented School Keep Clears cameras.

136. The key components of the £167k adverse non-staff variance are (a) the parking enforcement contract with APCOA, £99k over-budget (b) unbudgeted costs of £13k and £11k respectively relating to the renewal of ParkMap and the Videalert unattended CCTV system at Sidmouth Drive (c) a £16k pressure re parking signs and road-marking and (d) £10k for OAP brown badges.

137. The Parking Revenue Account is established to govern the use of income from Penalty Charges Notices (PCNs), together with other on-street parking income streams, in accordance with Section 55 of the Road Traffic Regulation Act 1984.

## COLLECTION FUND (£2,500k surplus, £500k improvement)

138. 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. The projected surplus will be available to support the Council's General Fund revenue budget in 2017/18.

**Table 18: Collection Fund**

Original Budget £'000	Budget Changes £'000	Service	Month 6		Variance (As at Month 6) £'000	Variance (As at Month 5) £'000	Movement from Month 5 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
(118,703)	0	Council Tax	Gross Income	(118,703)	(119,043)	(340)	(51)	(289)
12,118	0		Council Tax Support	12,118	11,718	(400)	(189)	(211)
(2,625)	0		B/fwd Surplus	(2,625)	(2,385)	240	240	0
<b>(109,210)</b>	<b>0</b>		<b>Sub-Total</b>	<b>(109,210)</b>	<b>(109,710)</b>	<b>(500)</b>	<b>0</b>	<b>(500)</b>
(112,408)	0	Business Rates	Gross Income	(112,408)	(113,535)	(1,127)	(1,127)	0
(2,278)	0		Section 31 Grants	(2,278)	(2,138)	140	140	0
60,790	0		Less: Tariff	60,790	60,790	0	0	0
5,340	0		Less: Levy	5,340	5,834	494	494	0
1,125	0		B/fw's Deficit	1,125	(382)	(1,507)	(1,507)	0
<b>(47,431)</b>	<b>0</b>	<b>Sub-Total</b>	<b>(47,431)</b>	<b>(49,431)</b>	<b>(2,000)</b>	<b>(2,000)</b>	<b>0</b>	
<b>(156,641)</b>	<b>0</b>	<b>Total Collection Fund</b>	<b>(156,641)</b>	<b>(159,141)</b>	<b>(2,500)</b>	<b>(2,000)</b>	<b>(500)</b>	

139. A £500k improvement is reported on Council Tax at Month 6, with a £211k reduction in projected uptake of the Council Tax Reduction Scheme and a further £289k being released from provisions to reflect continuing strong collection performance. This results in a £500k surplus for the year, although this remains lower than surpluses recorded in recent years, with a pressure of £600k arising from the continuation of reformed discounts into the new financial year accounting for the lower surplus.

140. A surplus of £2,000k is projected on Business Rates Revenues for 2016/17, including £1,507k brought forward from 2015/16 in respect of the significant backdated increases in Rateable Value at Heathrow Airport. As at Month 5 it is expected that lower than budgeted levels of empty property relief and growth in the taxbase will deliver an additional £495k income to the General Fund by outturn.

## Appendix C – Housing Revenue Account

141. The Housing Revenue Account (HRA) is currently forecasting an in-year overall surplus of £11,793k which is £2,531k more favourable than the budgeted surplus of £9,262k. Therefore the 2016/17 closing HRA General Balance is forecasted to be £45,737k. The Month 6 forecast shows an increase in the underspend of £657k compared to the reported Month 5 forecast. The table below presents key variances by service area:

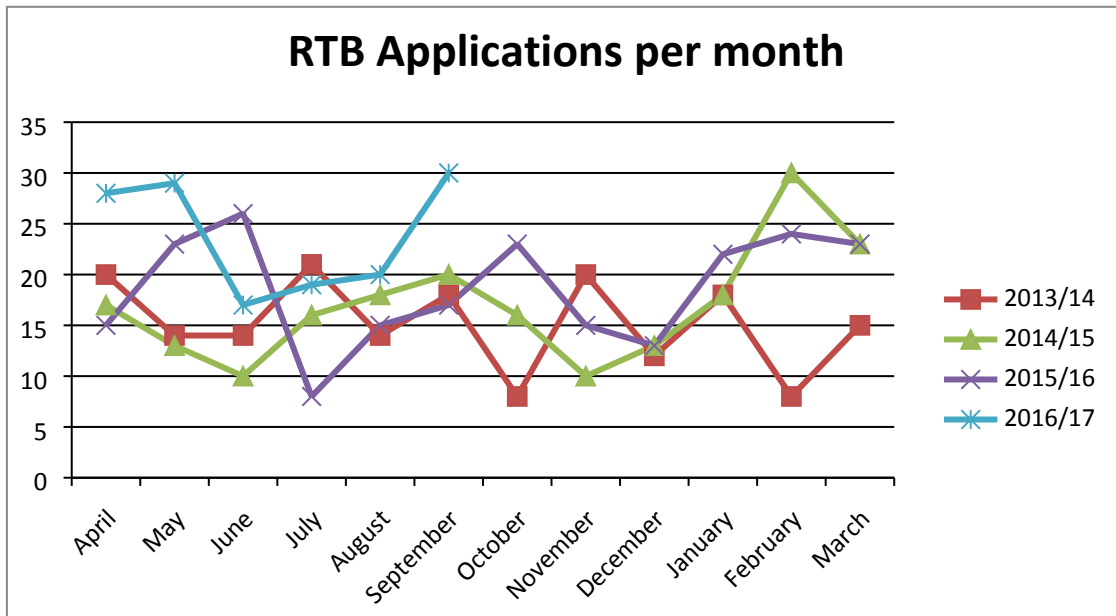
**Table 19: Housing Revenue Account**

Service	Month 6		Variance (+ adv / - fav)		
	Revised Budget	Forecast Outturn	Variance (As at Month 6)	Variance (As at Month 5)	Movement from Month 5
	£'000	£'000	£'000	£'000	£'000
Rent Income	(56,215)	(56,573)	(358)	(329)	(29)
Other Income	(5,272)	(5,142)	130	135	(5)
<b>Net Income</b>	<b>(61,487)</b>	<b>(61,715)</b>	<b>(228)</b>	<b>(194)</b>	<b>(34)</b>
Housing Management	11,081	11,016	(65)	(8)	(57)
Tenant Services	5,225	4,831	(394)	(389)	(5)
Repairs	5,249	5,145	(104)	0	(104)
Planned Maintenance	4,666	2,910	(1,756)	(1,299)	(457)
Capital Programme Funding	9,199	9,199	0	0	0
Interest & Investment Income	15,067	15,083	16	16	0
Development & Risk Contingency	1,738	1,738	0	0	0
<b>Operating Costs</b>	<b>52,225</b>	<b>49,922</b>	<b>(2,303)</b>	<b>(1,680)</b>	<b>(623)</b>
<b>(Surplus) / Deficit</b>	<b>(9,262)</b>	<b>(11,793)</b>	<b>(2,531)</b>	<b>(1,874)</b>	<b>(657)</b>
General Balance 01/04/2016	(33,944)	(33,944)	0	0	0
<b>General Balance 31/03/2017</b>	<b>(43,206)</b>	<b>(45,737)</b>	<b>(2,531)</b>	<b>(1,874)</b>	<b>(657)</b>

### Income

142. Rental income is forecast to be favourable by £358k for the year, an improvement of £29k from the position in Month 5. This is due to a lower than forecast loss of income from voids £11k, and an increase in income from buybacks of £18k.
143. Other Income is forecast to be under recovered by £130k, an improvement of £5k compared to Month 5 due to tenants' service charges.
144. The number of RTB applications received in September was 30, see Graph 1 below. The first six months RTB applications total 143 compared to 104 for the same period last year.
145. There have been 51 RTB completions so far in the first six months of 2016/17 compared to 72 for the same period last year. The MTFF assumed 115 RTB sales and the latest forecast assumes the same. The forecast of 115 RTB sales is lower compared to 130 RTB sales in 2015/16, however the forecast reflects officers' expectation of a reduction in the numbers of completed RTB sales due to the ongoing increase in house prices and affordability issues for tenants.

**Graph 1: RTB Applications per month per year**



## Expenditure

146. The Housing management service is forecast to underspend by £65k, an improvement of £57k on Month 5, due to staffing.
147. Tenant services overall forecast is an underspend of £394k, an improvement of £5k on Month 5 due to staffing.
148. The overall repairs budget is forecast to underspend by £104k compared to a breakeven position reported for Month 5. The key movements from Month 5 include an increase in redundancy costs of £82k and various reductions e.g. staffing costs £35k; day to day repairs/voids £53k; and pest control, landfill charges, vehicle fuel, equipment hire and professional charges of £98k.
149. Planned Maintenance is forecast to underspend by £1,756k. This represents a favourable movement of £457k compared to Month 5, mainly due to external cyclical decorations £350k, fencing 50k and plumbing upgrades £39k and other minor variances £18k.
150. Development and Risk contingency - there are significant legal and consultancy costs arising from the Triscott House dispute, however this is covered by a provision of £729k, which was included in the accounts for costs relating to specialist consultants and legal fees. At this stage it is not expected that costs will rise above the provision value. This budget will also be used, if required, to increase the level of the bad debt provision, which will be reviewed later in the year.



## HRA Capital Expenditure

151. The forecast HRA capital programme is set out in the table below :

**Table 20 - HRA Capital Expenditure**

Prior Years Cost	Programme	Revised Budget	Forecast	Cost Variance Forecast V Budget	Project Re-phasing	Total Project Budget 2016-2021	Total Project Forecast 2016-21	Total Project Variance	Movement
		2016/17				2016-2021			
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	<b>Major Projects</b>								
9,370	New General Needs Housing Stock ( <b>Note 1</b> )	11,780	11,780	0	0	44,190	44,190	0	0
3,878	New Build - Appropriation of Land ( <b>Note 2</b> )	1,481	1,481	0	0	1,481	1,481	0	0
778	New Build - Supported Housing Provision	21,046	7,966	(1,592)	(11,488)	44,733	41,823	(2,910)	(2,510)
N/A	HRA General Capital Contingency	9,026	9,026	0	0	9,026	9,026	0	0
<b>14,026</b>	<b>Total Major Projects</b>	<b>43,333</b>	<b>30,253</b>	<b>(1,592)</b>	<b>(11,488)</b>	<b>99,430</b>	<b>96,520</b>	<b>(2,910)</b>	<b>(2,510)</b>
	<b>Works to Stock</b>								
N/A	Works to stock programme	13,092	6,992	0	(6,100)	40,103	40,103	0	0
N/A	Major Adaptations to Property	1,560	1,110	0	(450)	6,252	6,252	0	0
	<b>Total Works to Stock</b>	<b>14,652</b>	<b>8,102</b>	<b>0</b>	<b>(6,550)</b>	<b>46,355</b>	<b>46,355</b>	<b>0</b>	<b>0</b>
	<b>Total HRA Capital</b>	<b>57,985</b>	<b>38,355</b>	<b>(1,592)</b>	<b>(18,038)</b>	<b>145,785</b>	<b>142,875</b>	<b>(2,910)</b>	<b>(2,510)</b>
	<b>Movement</b>	<b>2,000</b>	<b>(1,049)</b>	<b>(1,192)</b>	<b>(1,857)</b>	<b>0</b>	<b>(2,510)</b>	<b>(2,510)</b>	

**Notes :**

- £11,780k includes the Month 6 recommendation to re-phase a further £2,000k for the New General Needs Housing Stock budget from 2017/18 to 2016/17 for the purchase of additional Buy-Back properties. It also includes the approved £360k for 217 & 219 Horton Road which has been moved from contingency to New General Needs Housing Stock.
- This includes the approved £81k Fir Tree Avenue appropriation of land, which has been moved from contingency to New Build - Appropriation of land.

### Major Projects

152. The Revised budget for the 2016/17 HRA Major Projects programme is £43,333k, inclusive of £162k re-phasing from 2015/16 as approved by Cabinet in June 2016. It includes the capital release decision taken in July 2016 to fund £5,533k of the New Build Supported Housing (Grassy Meadow and Parkview schemes) from the HRA General Capital Contingency. The budget has also increased by £2,000k following Cabinet approval in September 2016 to re-phase the New General Needs Housing Stock budget from 2017/18 for the purchase of additional buy-back properties. Furthermore it includes the additional £2,000k recommended in this report to further re-phase the New General Needs Housing Stock budget from 2017/18 for the purchase of additional buy-back properties

153. As at Month 6 the major projects programme is forecast to underspend by £1,592k in 2016/17 and £2,910K over the period 2016-2021. This represents a favourable movement of £2,510k following the decision to cancel the supported housing development at the Chippendale Way site. The remaining £400k materialised following a value engineering exercise to reduce the total project costs for the supported housing schemes at both Grassy Meadow and Parkview.

154. Following revised cash flow projections received from the consultants overseeing the Supported Housing Programme, £11,488k will require re-phasing into future years. This has increased by £208k when compared to month 5, following further review of the options with respect to the scheme at Yiewsley, resulting in further programme slippage. This overall re-phasing is resulting from a substantial element of the construction works being undertaken in 2017/18 and 2018/19.

#### New General Needs Housing Stock

155. The 2016/17 budget is expected to be fully utilised with regular approval being obtained for the purchase and repair of housing stock. Currently 21 properties have been purchased with a further 2 approved for completion. The remaining budget is anticipated to be absorbed as works commence on the two schemes that have been approved to date (Acol Crescent and 7 new build / 5 extensions).

156. Approval has been obtained for the delivery of 19 units of General Needs Housing stock at Acol Crescent to be delivered by 2018/19. Approval is currently being sought to appoint specialist design consultants for architectural services up to the planning stage with the intention to go out to tender by January 2017.

157. Following July Cabinet approval, to allocate a budget of £2,139k towards the construction of a housing programme comprising new builds, extensions and conversions, lead consultants will be appointed to progress the potential build of housing units at the Belmore allotments site. This will be funded from the General Needs Housing Stock budget of £44,190k .

158. Approval has been given for the contingency budget to be utilised to meet the purchase costs of 217 & 219 Horton Road, estimated to be £360k. The budget and forecast is now included in the New General Needs Housing Stock figures in the table above, instead of showing this in contingency.

159. The remaining budget is anticipated to be absorbed as and when approval is obtained for new housing developments to meet the overall general needs housing strategy.

#### New Build - Appropriation of Land

160. £1,400k of the budget provides for the appropriation to the HRA of the Acol Crescent site in order to develop both supported housing units and general needs units. The remaining £81k of the budget provides for the appropriation of the land at Fir Tree Avenue. The £81k is funded from the contingency budget and the budget and forecast is now included in the New Build - Appropriation of Land figures in the table above, instead of showing this in contingency.

#### New Build - Supported Housing

161. The Supported Housing Programme comprises the build of 174 mixed client group units across four different sites. The development of the housing units are at various different stages of the project lifecycle. The tendered prices were significantly higher than pre-tender estimates for Grassy Meadow and Parkview Day Centre. Following a value engineering exercise the costs of the main contracts have reduced by £400k. The cost has reduced by £289k for the project at Grassy Meadow with a further £111k reduction being attributed towards the Parkview project.

162. Contracts have now been signed and sealed for the appointment of main contractors for both the Grassy and Parkview schemes. Initial site set up works have already been undertaken with sub-contractors now in the process of being appointed for various work items.
163. The proposed delivery of 12 supported housing units for Mental Health clients at the Chippendale Way site is no longer going ahead. This has contributed £2,510k towards the overall £2,910k underspend being reported for the overall supported housing programme.
164. The Supported Housing Development at Acol Crescent is being undertaken concurrently with the General Needs Housing Units at the same site and consultants have been appointed to progress the scheme to tender stage.

#### HRA General Capital Contingency

165. It is expected that the £9,026k contingency budget will be absorbed to meet the cost of emerging risks stemming from the overall Major Projects programme.

#### **Works to Stock**

166. The Works to Stock programme has an overall forecast re-phasing variance of £6,100k, an increased re-phasing movement of £1,649k compared to Month 5.
167. The re-phasing movement of £1,649k relates to kitchens and bathrooms £306k, electrical upgrades £447k, communal doors £720k and other works to communal blocks £176k.
168. The full year re-phasing variance of £6,100k relates to lift renewals £976k, external doors £120k, kitchens and bathrooms £2,479k, electrical upgrades £893k, windows replacement £736k, communal doors £720k and other works to communal blocks £176k, the last two of which have emerged in Month 6, due to the validation, procurement and consultation timetables required to deliver these works.
169. Major Adaptations - this has a forecast re-phasing variance in 2016/17 of £450k due to delays in the tendering process.

#### **HRA Capital Receipts**

170. There have been 51 Right to Buy sales of council dwellings as at the end of September 2016 for a total sales value of £7,447k and a total of a further 64 sales are forecast to bring the yearly total to 115, totalling approximately £17,000k in 2016/17.
171. The Council has signed an agreement with Department for Communities & Local Government to re-invest the proceeds in housing stock regeneration. This enables the Council to retain a higher level of receipts because of reduced pooling, however, the terms of the agreement stipulate that receipts must be spent within three years or otherwise are returned to the Government with the addition of punitive interest. The revised General Needs housing programme for 2015-2021 approved by Cabinet in February has been phased to utilise these receipts within the allowed timescales.
172. The table below sets out the total level of retained receipts since the inception of the agreement:

**Table 21: Retained RTB Receipts**

Period	Number of Sales	Retained Right to Buy Receipts Total (£'000)	Allowable Debt Provisional (£'000)	One for One Replacement Provisional (£'000)	Deadline for Utilisation of 1 for 1 Receipts
2012/13 Q4 Actual	33	3,541	946	2,595	Mar-16
2013/14 Q1 Actual	13	910	291	619	Jun-16
2013/14 Q2 Actual	35	3,046	1,005	2,040	Sep-16
2013/14 Q3 Actual	24	1,918	598	1,320	Dec-16
2013/14 Q4 Actual	34	2,678	945	1,733	Mar-17
2014/15 Q1 Actual	56	4,817	1,659	3,158	Jun-17
2014/15 Q2 Actual	49	4,679	1,480	3,199	Sep-17
2014/15 Q3 Actual	50	4,583	1,529	3,054	Dec-17
2014/15 Q4 Actual	36	3,412	1,090	2,322	Mar-18
2015/16 Q1 Actual	42	4,335	1,266	3,069	Jun-18
2015/16 Q2 Actual	30	2,901	750	2,151	Sep-18
2015/16 Q3 Actual	28	2,894	664	2,230	Dec-18
2015/16 Q4 Actual	30	4,048	856	3,192	Mar-19
2016/17 Q1 Actual	33	4,374	861	3,513	Jun-19
2016/17 Q2 Actual	18	2,100	398	1,702	Sep-19
<b>Total Retained Receipts</b>	<b>511</b>	<b>50,236</b>	<b>14,338</b>	<b>35,897</b>	

173. As at the end of September 2016 there have cumulatively been £50,236k retained Right to Buy receipts retained for allowable debt purposes and 1 for 1 housing replacement of which £3,044k has been applied as capital financing. In the current 2016/17 financial year, the deadline for utilisation of 1 for 1 receipts will now fall quarterly as the receipts from 2013/14 begin to hit their 3 year deadline.

174. The use of retained Right to Buy receipts are limited by the regulations to the agreement to a maximum 30% of the cost of replacement housing although regulations also allow 50% of the cost of purchase and repairs expenditure to be financed from retained receipts however this is capped at 6.5% of the total level of receipts in that quarter. Therefore in order to utilise the £5,712k retained receipts from 2013/14 a minimum of £19,040k is required to be spent on 1 for 1 replacement. The target spend requirement for each quarter falling due is as follows:

Q1 £2,063k  
Q2 £6,800k  
Q3 £4,400k  
Q4 £5,777k

Cumulative expenditure on 1 for 1 replacement from previous quarters above the minimum requirement contributes to the cumulative spend requirement as at the quarterly deadline. The cumulative spend requirement has been met for the quarterly deadlines of June 2016 and September 2016.

## Appendix D - GENERAL FUND CAPITAL PROGRAMME

175. As at Month 6 an under spend of £27,848k is reported on the £96,920k General Fund Capital Programme for 2016/17, with £3,426k favourable cost variances and £24,422k slippage on project expenditure. The forecast outturn variance over the life of the 2016/17 to 2020/21 programme is £3,802k net under spend relating to various schemes.

176. General Fund Capital Receipts of £6,407k are forecast for 2016/17, with total receipts to 2020/21 expected to reach £71,046k, representing an adverse variance of £4,521k against budget.

177. Overall, Prudential Borrowing required to support the 2016/17 to 2020/21 capital programmes is forecast to be within budget by £6,322k due to additional available capital grants and contributions of £7,041k and scheme cost under spends of £3,802k, partly offset by the shortfall of £4,521k in forecast capital receipts.

### Capital Programme Overview

178. Table 1 below sets out the latest forecast outturn on General Fund capital projects, with project level detail contained in annexes A - C to this report. Forecasts for future years include capital projects and programmes of work approved by Cabinet and Council in February 2016.

**Table 22 – General Fund Capital Programme Summary**

	Revised Budget 2016/17	Forecast 2016/17	Cost Variance Forecast vs Budget	Project Re-phasing	Total Project Budget 2016-2021	Total Project Forecast 2016-2021	Total Project Variance	Move-ment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Schools Programme	36,181	30,666	(1,475)	(4,040)	158,997	157,522	(1,475)	(577)
Main Programme	33,602	17,889	(891)	(14,822)	98,291	97,400	(891)	(110)
Programme of Works	26,317	19,697	(1,060)	(5,560)	72,978	71,542	(1,436)	(845)
<b>Total Main Programme</b>	<b>96,100</b>	<b>68,252</b>	<b>(3,426)</b>	<b>(24,422)</b>	<b>330,266</b>	<b>326,464</b>	<b>(3,802)</b>	<b>(1,532)</b>
Development & Risk Contingency:								
Capital Priority Growth	-	-	-	-	-	-	-	-
General Contingency	820	820	-	-	6,820	6,820	-	-
<b>Total Capital Programme</b>	<b>96,920</b>	<b>69,072</b>	<b>(3,426)</b>	<b>(24,422)</b>	<b>337,086</b>	<b>333,284</b>	<b>(3,802)</b>	<b>(1,532)</b>
<b>Movement</b>	<b>570</b>	<b>(9,405)</b>	<b>(1,156)</b>	<b>(8,819)</b>	<b>570</b>	<b>(962)</b>	<b>(1,532)</b>	<b>-</b>

179. The revised budget has increased by £570k due mainly to further schools contributions to the Devolved Formula Capital and Schools Conditions programmes. Section 106 monies of £109k have been allocated to new projects.

180. The Schools Programme reports a cost under spend of £1,475k which is partly due to release of contingencies on the completed Primary Schools expansions programme. The improvement of £577k from the previous month is due to savings released on completion of

the first phase of works for the replacement of Northwood secondary school. Slippage has increased to £4,039k due to re-profiling of schemes within the new Primary and Secondary expansions programmes. Further information on the performance of the Schools Programme is provided in the Cabinet School Capital Programme Update Report.

181. The main programme forecasts a phasing under spend of £14,822k on a number of major developments which are in early stages, such as the Street Lighting programme and new Theatre and Museum projects. Slippage has increased by £5,178k on numerous schemes including the Battle of Britain Heritage Pride project and Youth Centre projects that are yet to commence works on site. There is a forecast net cost under spend of £891k over the life of the programme which is mainly due to a forecast under spend on CCTV enforcement (School Keep Clear Zones). The favourable movement of £110k in month is mainly around further savings on the Cedars & Grainges car park improvement project.
182. Programmes of Works are forecast to under spend by £1,436k over the life of the programme on several schemes. This is partly due to lower required expenditure over the medium term on replacement of defective street lighting with the roll out of the new street lighting LED programme. There is also reduced forecast expenditure on Private Sector Renewal Grants and Adaptations for Adopted Children that are unlikely to be fully committed. Projected re-phasing has increased to £5,560k on numerous programmes including Highways and Transport for London. Elements of the Property Works and Schools Conditions Building programmes are now forecast to be completed next financial year.
183. The remaining funding of £965k from the Capital Priority Growth budget plus an additional £79k from the General Fund capital contingency budget has been allocated to fund increased costs of construction works commencing shortly for the Battle of Britain Education and Visitors Centre. There remain £6,820k unallocated contingency funds over the life of the five year programme which at this stage are forecast to be fully utilised as and when risk issues emerge.

### Capital Financing - General Fund

184. Table 2 below outlines the latest financing projections for the capital programme, with a favourable medium term variance of £6,322k reported on Prudential Borrowing, due mainly to an increase in grant funding partially offset by a forecast shortfall in capital receipts.

**Table 23- Capital Financing**

	Revised Budget 2016/17 £'000	Forecast 2016/17 £'000	Variance £'000	Total Financing Budget 2016-2021 £'000	Total Financing Forecast 2016-2021 £'000	Total Variance £'000	Movement £'000
Council Resource Requirement	76,566	50,295	(26,271)	265,116	254,276	(10,840)	(2,042)
Financed by							
Capital Receipts	22,038	6,407	(15,631)	75,567	70,398	(5,169)	(1,439)
CIL	3,580	3,580	-	25,080	25,080	-	-
Prudential Borrowing	50,948	40,308	(10,640)	164,469	158,798	(5,671)	(603)
<b>Total Council Resources</b>	<b>76,566</b>	<b>50,295</b>	<b>(26,271)</b>	<b>265,116</b>	<b>254,276</b>	<b>(10,840)</b>	<b>(2,042)</b>
Grants & Contributions	20,354	18,777	(1,577)	71,970	79,008	7,038	510
<b>Total Programme</b>	<b>96,920</b>	<b>69,072</b>	<b>(27,848)</b>	<b>337,086</b>	<b>333,284</b>	<b>(3,802)</b>	<b>(1,532)</b>

185. The 2016/17 capital receipts forecast has reduced by £8,504k which is mainly around two major sites that are planned for residential development however as these are currently in feasibility stages the receipts are re-phased into next year. Overall there is an adverse variance of £5,169k which is mainly due to a forecast reduction in the General Fund share of Right to Buy (RTB) receipts as the forecast number of RTB sales has fallen since the original budget estimates were set and the forecast attribution of the RTB receipt available to the General Fund has reduced based on latest HRA business plan calculations. There has also been a removal of one site from the forecast as other options for use of the site are to be explored.
186. As at the end of September a total of £2,827k CIL receipts (after administration fees) have been invoiced or received by the Council this financial year which represents a movement of £56k in month. At this stage the income budget for the year is expected to be fully achieved. Spend to date on eligible activity exceeds the receipts to date, with spend on Highways investment and community assets through the Chrysalis Programme meeting the criteria for application of CIL monies. Budgeted expenditure across these projects totals £7,907k for 2016/17, with scope to apply funds in support of schools, libraries and other major community investment in the event of substantial slippage in these areas.
187. Grant announcements in respect of Basic Needs and Capital Maintenance grant are £3,971k higher than the original budget estimate over the life of the programme however there remain £14,990k in assumed Schools grants in future years that are not yet confirmed. The grant announcement for 2016/17 Disabled Facilities Grant (DFG) within the Better Care Fund is substantially higher than the original budget assumption meaning that the approved Council resources allocated to the DFG programme of £531k per annum can be financed by grant instead. It is assumed in the forecast that this will also be the case in future years.
188. A further £513k education related Section 106 monies have been allocated to the existing Schools Expansions Programme in 2016/17. This will offset this year's prudential borrowing requirement for the Schools Programme.
189. The revised prudential borrowing budget reports a favourable variance of £6,322k due to the increase in available Schools and DFG grants and scheme cost under spends partially offset by the shortfall on forecast capital receipts.

## APPENDIX 1a - Schools Programme

Prior Year Cost	Project	2016/17 Revised Budget	2016/17 Forecast	2016/17 Cost Variance	Project Re-phasing	Total Project Budget 2016-2021	Total Project Forecast 2016-2021	Total Project Variance 2016-2021	Project Forecast Financed by:		
									Council Resources	Government Grants	Other Cont'ns
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	<b>Education and Children Services</b>										
136,118	Primary Schools Expansions	3,446	2,157	(443)	(846)	3,501	3,058	(443)	2,970	0	88
265	New Primary Schools Expansions	1,225	808	0	(417)	27,135	27,135	0	27,134	0	0
198	Secondary Schools Expansions	2,314	1,202	0	(1,112)	95,702	95,702	0	67,600	26,905	1,198
17,405	Secondary Schools New Build	28,986	26,384	(1,037)	(1,565)	30,849	29,812	(1,037)	25,720	3,638	454
184	Hearing Impaired Resource Base (Vyners)	10	15	5	0	10	15	5	15	0	0
0	Additional Temporary Classrooms	200	100	0	(100)	1,800	1,800	0	1,800	0	0
<b>154,171</b>	<b>Total Schools Programme</b>	<b>36,181</b>	<b>30,666</b>	<b>(1,475)</b>	<b>(4,040)</b>	<b>158,997</b>	<b>157,522</b>	<b>(1,475)</b>	<b>125,239</b>	<b>30,543</b>	<b>1,740</b>



## APPENDIX 1b - Main Programme

Prior Year Cost	Project	2016/17 Revised Budget £'000	2016/17 Forecast £'000	2016/17 Cost Variance £'000	Project Re-phasing £'000	Total Project Budget 2016-21 £000	Total Project Forecast 2016-21 £000	Total Project Variance 2016-21 £000	Project Forecast Financed by:		
									Council Resources £000	Government Grants £000	Other Cont'ns £000
<b>Community, Commerce and Regeneration</b>											
0	CCTV Enforcement (SKC's)	2,657	1,929	(728)	0	2,657	1,929	(728)	1,519	410	0
79	Gateway Hillingdon	1,747	1,747	0	0	2,411	2,411	0	2,411	0	0
1,470	Hayes Town Centre Improvements	3,533	3,033	0	(500)	3,533	3,533	0	330	3,040	163
136	Inspiring Shopfronts	786	200	0	(586)	1,221	1,221	0	1,221	0	0
12	Uxbridge Cemetery Gatehouse	638	50	0	(588)	988	988	0	988	0	0
0	Uxbridge Change of Heart	525	150	0	(375)	1,996	1,996	0	1,109	800	87
<b>Central Services, Culture and Heritage</b>											
38	Bowls Club Refurbishments	812	730	0	(82)	812	812	0	150	0	662
156	Harlington/Pinkwell Bowls & Pavillion	162	139	(23)	0	162	139	(23)	0	0	139
0	Haste Hill Golf Club	280	280	0	0	280	280	0	280	0	0
32,198	Hillingdon Sports & Leisure Centre	862	100	0	(762)	862	862	0	862	0	0
0	Mobile Library	117	117	0	0	117	117	0	117	0	0
<b>Finance, Property and Business Services</b>											
31	Battle of Britain Heritage Pride Project	4,024	1,750	0	(2,274)	5,956	5,956	0	5,956	0	0
0	Battle of Britain Underground Bunker	500	100	0	(400)	1,053	1,053	0	53	1,000	0
0	Bessingby FC Boxing Clubhouse	950	300	0	(650)	950	950	0	950	0	0
0	New Museum	1,000	150	0	(850)	5,000	5,000	0	4,250	0	750
0	New Theatre	1,625	50	0	(1,575)	44,000	44,000	0	42,950	0	1,050
0	Yiewsley Site Development	500	50	0	(450)	4,302	4,302	0	4,302	0	0
97	Youth Centre Projects x 3	2,200	250	0	(1,950)	5,003	5,003	0	5,003	0	0
0	231 Swakeleys Road Land Purchase	25	25	0	0	25	25	0	25	0	0
<b>Planning, Transportation and Recycling</b>											
0	Car Park Resurfacing	250	250	0	0	250	250	0	250	0	0
1,720	Cedars & Grainges Car Park	951	832	(100)	(19)	951	851	(100)	851	0	0
1,284	Harlington Road Depot Refurbishment	227	227	0	0	227	227	0	227	0	0
5,620	Purchase of Vehicles	1,204	1,262	0	58	4,072	4,072	0	4,072	0	0
0	RAGC Car Park	250	75	0	(175)	250	250	0	250	0	0
0	Street Lighting - Invest to Save	3,000	900	0	(2,100)	5,500	5,500	0	5,500	0	0
<b>Social Services, Housing, Health and Wellbeing</b>											
0	1 & 2 Merrimans Housing Project	620	420	0	(200)	620	620	0	620	0	0
47	Dementia Centre	1,576	627	(47)	(902)	2,512	2,465	(47)	2,465	0	0
<b>Cross Cabinet Member Portfolios</b>											
	Environmental Recreational Initiatives	1,000	600	0	(400)	1,000	1,000	0	1,000	0	0
16,711	Projects Completing in 2016/17	1,581	1,546	7	(42)	1,581	1,588	7	1,524	0	64
<b>59,599</b>	<b>Total Main Programme</b>	<b>33,602</b>	<b>17,889</b>	<b>(891)</b>	<b>(14,822)</b>	<b>98,291</b>	<b>97,400</b>	<b>(891)</b>	<b>89,235</b>	<b>5,250</b>	<b>2,915</b>

## APPENDIX 1c - Programme of Works

Prior Year Cost	Project	2016/17 Revised Budget	2016/17 Forecast	2016/17 Cost Variance	Project Re-phasing	Total Project Budget 2016-2021	Total Project Forecast 2016-2021	Total Project Variance 2016-2021	Project Forecast Financed by:		
									Council Resources	Government Grants	Other Cont'ns
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
N/A	Leaders Initiative	526	250	0	(276)	1,326	1,326	0	1,326	0	0
	<b>Community, Commerce and Regeneration</b>										
N/A	Chrysalis Programme	1,275	1,000	0	(275)	5,275	5,275	0	5,275	0	0
N/A	Playground Replacement Programme	250	250	0	0	1,250	1,250	0	1,250	0	0
	<b>Education and Children Services</b>										
N/A	Formula Devolved Capital to Schools	1,419	1,019	0	(390)	2,533	2,533	0	0	1,981	552
N/A	Urgent Building Condition Works	3,850	3,158	0	(692)	5,991	5,991	0	2,558	2,531	902
	<b>Finance, Property and Business Services</b>										
N/A	Civic Centre Works Programme	1,969	1,300	(139)	(530)	3,969	3,830	(139)	3,830	0	0
N/A	ICT Single Development Plan	824	577	0	(247)	2,424	2,424	0	2,424	0	0
N/A	Property Works Programme	480	380	(100)	0	2,400	2,300	(100)	2,300	0	0
N/A	<b>Planning, Transportation and Recycling</b>										
N/A	Highways Localities Programme	206	206	0	0	1,030	1,030	0	1,030	0	0
N/A	Highways Structural Works	4,032	2,169	0	(1,863)	7,208	7,208	0	7,095	113	0
N/A	Pavement Priority Growth	2,000	2,000	0	0	2,000	2,000	0	2,000	0	0
N/A	Road Safety	203	203	0	0	803	803	0	774	29	0
N/A	Street Lighting	191	97	(94)	0	567	97	(470)	97	0	0
N/A	Transport for London	5,571	4,010	(352)	(1,209)	20,881	20,529	(352)	0	19,699	830
	<b>Social Services, Housing, Health and Wellbeing</b>										
N/A	Disabled Facilities Grant	2,300	2,300	0	0	11,500	11,500	0	0	11,500	0
N/A	Adaptations for Adopted Children	200	75	(125)	0	1,000	875	(125)	875	0	0
N/A	Private Sector Renewal Grant	450	200	(250)	0	2,250	2,000	(250)	2,000	0	0
N/A	Landlord Property Renovation Grant	148	100	0	(48)	148	148	0	148	0	0
	<b>Cross Cabinet Member Portfolios</b>										
N/A	Section 106 Projects	423	393	0	(30)	423	423	0	0	0	423
	<b>Total Programme of Works</b>										
		<b>26,317</b>	<b>19,697</b>	<b>(1,060)</b>	<b>(5,560)</b>	<b>72,978</b>	<b>71,542</b>	<b>(1,436)</b>	<b>32,982</b>	<b>35,853</b>	<b>2,707</b>
	Capital Priority Growth	0	0	0	0	0	0	0	0	0	0
N/A	General Contingency	820	820	0	0	6,820	6,820	0	6,820	0	0
	<b>Total GF Capital Programme</b>										
		<b>96,920</b>	<b>69,072</b>	<b>(3,426)</b>	<b>(24,422)</b>	<b>337,086</b>	<b>333,284</b>	<b>(3,802)</b>	<b>254,276</b>	<b>71,646</b>	<b>7,362</b>

## Appendix E – Treasury Management Report as at 30 September 2016

### Outstanding Deposits - Average Rate of Return on Deposits: 0.61%

	Actual (£m)	Actual (%)	Bench-mark (%)
Up to 1 Month	76.6	42.99	40.00
1-2 Months	31.5	17.68	5.00
2-3 Months	3.5	1.96	10.00
3-6 Months	29.0	16.27	20.00
6-9 Months	10.0	5.61	10.00
9-12 Months	10.0	5.61	5.00
12-18 Months	12.4	6.96	5.00
18-24 Months	5.0	2.81	5.00
<b>Subtotal</b>	<b>178.0</b>	<b>99.89</b>	<b>100.00</b>
Unpaid Maturities	0.2	0.11	0.00
<b>Grand Total</b>	<b>178.2</b>	<b>100.00</b>	<b>100.00</b>

1. With the exception of the unpaid Heritable investments, deposits are held with UK or overseas institutions, all with a minimum A- Fitch (or equivalent) long-term credit rating. UK deposits are held in AAA rated Money Market Funds, Pooled Funds, Blaenau Gwent CBC, Birmingham CC, Enfield Council, Guildford Council, Lancashire CC, Monmouthshire CC, North Tyneside Council, Northumberland CC, Salford CC, Stockport BC, Woking BC, Nationwide Building Society, Close Brothers, Goldman Sachs International, Lloyds Bank and Santander UK plc. Overseas deposits are held with Svenska Handelsbanken, DBS Bank Ltd and National Australia Bank. The Council also holds a Certificate of Deposit, with Nordea Bank and a Covered Bond with Bank of Scotland (Lloyds Banking Group).
2. The Council aims to minimise its exposure to bail-in risk by utilising bail-in exempt instruments and institutions where possible. However, due to amounts held instant access facilities to manage daily cashflows, it is not possible to fully protect Council funds from bail-in risk. At 30 September 56% of the Council's total funds have exposure to bail-in risk compared to a September benchmark average of 66% in the Local Authority. The Council's exposure reduces to 20% once instant access facilities are removed from the bail-in total.
3. During the month cash was managed in instant access accounts; a forward dated investment was placed with Lancashire CC, to start in October; and there were three maturing fixed term deposits with Coventry Building Society, Herefordshire Council and Wolverhampton Council. There were three scheduled EIP debt repayments during September, two of which were for £0.75m and the other for £1m. Gilt yields were fairly stable during September and premiums remained high so there was no repayment of debt; however, opportunities to repay £40m of HRA debt will be monitored. There were no breaches of the prudential indicators or non-compliance with the treasury management policy and practices.
4. **Outstanding Debt - Average Interest Rate on Debt: 3.01%**

	Actual (£m)	Actual (%)
<b>General Fund</b>		
PWLB	62.21	20.00
Long-Term Market	15.00	4.82
<b>HRA</b>		
PWLB	200.82	64.57
Long-Term Market	33.00	10.61
<b>Total</b>	<b>311.03</b>	<b>100.00</b>

5. In order to maintain liquidity for day-to-day business operations, daily cash balances will either be placed in instant access accounts or short term deposits. Opportunities to place longer term deposits will be monitored and placed if viable.

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

190. 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 24: Consultancy and agency assignments**

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
<b>Administration and Finance</b>						
Senior Lawyer (Child Protection)	17/02/2016	09/11/2016	29/07/2017	41	12	53
Finance Business Partner - Resident Services	07/08/2016	01/11/2016	03/02/2017	32	30	62
<b>Residents Services</b>						
Asset Management Support Manager	12/08/2013	17/10/2016	15/01/2017	276	26	302
Senior Estates Surveyor	26/10/2015	14/11/2016	12/02/2017	88	22	110
Development Surveyor	01/07/2011	10/10/2016	08/01/2017	344	18	362
Housing Lawyer	07/07/2014	13/11/2016	13/04/2017	122	27	149
Planning Service Manager	27/07/2015	24/10/2016	20/01/2017	146	30	176
Programme Area Leader in: Childcare curriculum	11/04/2016	01/11/2016	20/01/2017	36	18	54
Programme Area Leader in: Family Learning curriculum	22/02/2016	01/11/2016	20/01/2017	44	18	62
<b>Social Care</b>						
Receptionist/ Administrative Assistant	01/09/2014	07/11/2016	04/12/2016	49	2	51
Early Years Practitioner	29/10/2014	07/11/2016	04/12/2016	48	3	51
Early Years Practitioner	12/01/2015	07/11/2016	04/12/2016	50	2	52
Senior Social Worker	28/03/2016	07/11/2016	04/12/2016	48	6	54
Team Manager	03/04/2016	07/11/2016	04/12/2016	50	7	57
Early Years Practitioner	06/10/2014	07/11/2016	04/12/2016	55	2	57
Early Years Practitioner	30/03/2015	07/11/2016	04/12/2016	60	2	62
LSCB Training & Quality Assurance Officer	01/12/2015	07/11/2016	04/12/2016	67	6	73
Social Worker	04/05/2015	07/11/2016	04/12/2016	78	5	83
Social Worker	04/05/2015	07/11/2016	04/12/2016	80	5	85
Child Protection Chair	01/07/2015	07/11/2016	04/12/2016	78	7	85
Independent Domestic Violence Advisor	12/01/2015	07/11/2016	04/12/2016	81	4	85

<b>Post Title</b>	<b>Original Start Date</b>	<b>Approved From</b>	<b>Proposed End Date</b>	<b>Previous Approval £'000</b>	<b>Approved £'000</b>	<b>Total £'000</b>
Independent Reviewing Officer	05/10/2015	07/11/2016	04/12/2016	82	7	89
Quality Assurance Manager	01/02/2016	07/11/2016	04/12/2016	79	11	90
Early Years Practitioner	01/05/2015	07/11/2016	04/12/2016	96	3	99
Panel Advisor	10/08/2015	07/11/2016	04/12/2016	99	7	106
Child Protection Chair	20/07/2015	07/11/2016	04/12/2016	102	7	109
Social Worker	27/10/2014	07/11/2016	04/12/2016	108	6	114
Social Worker	13/04/2015	07/11/2016	04/12/2016	115	6	121
Practice Improvement Practitioner	08/05/2014	07/11/2016	04/12/2016	124	7	131
Social Worker	19/06/2014	07/11/2016	04/12/2016	136	6	142
Social Worker	05/09/2014	07/11/2016	04/12/2016	163	6	169
Social Worker	11/08/2014	07/11/2016	04/12/2016	176	6	182
Child Sexual Exploitation (CSE) Co-ordinator	03/11/2014	07/11/2016	04/12/2016	178	6	184
Senior Social Worker	30/04/2012	07/11/2016	04/12/2016	190	6	196
Independent Reviewing Officer	27/05/2014	07/11/2016	04/12/2016	190	7	197
Team Manager - MASH	28/09/2014	07/11/2016	04/12/2016	192	7	199
Social Worker	01/01/2013	07/11/2016	04/12/2016	218	5	223
Social Worker	01/04/2013	07/11/2016	04/12/2016	218	6	224
Social Worker	01/01/2013	07/11/2016	04/12/2016	224	6	230
Case Progression Manager	07/04/2014	07/11/2016	04/12/2016	226	7	233
Advanced Practitioner	19/12/2011	07/11/2016	04/12/2016	247	6	253
Social Worker	19/12/2011	07/11/2016	04/12/2016	268	6	274
Team Manager	01/01/2013	07/11/2016	04/12/2016	276	7	283
MASH Manager	13/01/2014	07/11/2016	04/12/2016	284	10	294
Social Worker	19/12/2011	07/11/2016	04/12/2016	290	6	296
Residential Care Worker	01/04/2012	31/10/2016	04/12/2016	123	3	126
Approved Mental Health Worker	01/03/2014	31/10/2016	04/12/2016	136	8	144
Lead Approved Mental Health Practitioner	01/06/2012	31/10/2016	04/12/2016	194	5	199

<b>Post Title</b>	<b>Original Start Date</b>	<b>Approved From</b>	<b>Proposed End Date</b>	<b>Previous Approval £'000</b>	<b>Approved £'000</b>	<b>Total £'000</b>
Occupational Therapist	07/10/2013	31/10/2016	04/12/2016	189	6	195
Special Needs Officer	05/01/2015	31/10/2016	04/12/2016	66	2	68
Occupational Therapist	01/04/2015	31/10/2016	04/12/2016	106	7	113
Contract Management Officer	24/08/2015	31/10/2016	04/12/2016	149	11	160
Approved Mental Health Practitioner (AMHP)	01/06/2015	31/10/2016	04/12/2016	105	8	113
Maingrade Educational Psychologist	15/11/2015	31/10/2016	04/12/2016	110	5	115
Principle Educational Psychologist	01/06/2015	31/10/2016	04/12/2016	151	12	163
AMHP	12/09/2015	31/10/2016	04/12/2016	80	7	87
LD Programme Review	29/07/2015	31/10/2016	04/12/2016	150	13	163
Occupational Therapist	03/12/2015	31/10/2016	04/12/2016	61	7	68
Senior Social Worker	06/01/2016	31/10/2016	04/12/2016	53	6	59
Approved Mental Health Worker	03/04/2016	31/10/2016	04/12/2016	52	8	60
Advanced Practitioner	29/02/2016	31/10/2016	04/12/2016	60	8	68
Educational Psychologist	01/03/2016	31/10/2016	04/12/2016	73	12	85
Safeguarding and DOLS Co-ordinator	19/10/2014	31/10/2016	04/12/2016	108	8	116
AMPH Social Worker	18/08/2015	31/10/2016	04/12/2016	82	7	89
Business Objects Officer	19/10/2015	31/10/2016	04/12/2016	117	10	127