

# COUNCIL BUDGET - 2016/17 MONTH 8 REVENUE AND CAPITAL BUDGET MONITORING

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

## HEADLINE INFORMATION

<b>Purpose of report</b>	<p>This report provides the Council's forecast financial position and performance against the 2016/17 revenue budget and Capital Programme. A net in-year underspend of £1,465k is projected against 2016/17 General Fund revenue budgets as of November 2016 (Month 8), representing an improvement of £238k 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>Financial Management; Our People; Our Built Environment; Our Natural Environment; Our Heritage and Civic Pride.</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 November 2016 (Month 8).
2. Note the Treasury Management update as at November 2016 at Appendix E.
3. Continue the delegated authority up until the February 2017 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 15th December 2016 and 17th January 2017 Cabinet meetings, detailed at Appendix F.
4. Accepts Contaminated Land grant funding of £39k from the Environment Agency in respect of monitoring assessment actions at the former New Years Green landfill in Harefield.

5. **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) **Proposed Western Rail Link to Heathrow (WRLtH) - Authority requested to accept upto £50k gift funding (precise sum subject to re-charging scheme).**
  - b) **Brunel University (up to £120,000) - Resources to assist with pre-application planning work.**
  - c) **Axis House, Bath Road, 172 Bedroom hotel proposal (up to £20,000) - Resources to assist with planning advice and planning application determination.**

## **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. Recommendation 4 - The Environment Agency have awarded a grant of £39k under their Contaminated Land Capital Projects programme for the remediation of contaminated land at the former New Years Green landfill in Harefield. The grant is for assessing the quality of the ground water and the status of the natural attenuation of contaminants. The assessment actions are required to be completed by 31 March 2017 to meet the conditions for funding as set out by the Environment Agency.
4. Recommendation 5 - **Proposed Western Rail Link to Heathrow (WRLtH)** - Hillingdon Council is the Local Planning Authority and one of four local authorities directly affected by this project. The proposed Western Rail Link to Heathrow (WRLtH) is considered to be a Nationally Significant Infrastructure Project (NSIP) under the Planning Act 2008. Network Rail intends to submit an application to the Planning Inspectorate (PINs) in respect of the WRLtH for a Development Consent Order (DCO) to be determined by the Secretary of State. Hillingdon Council will be required to undertake specific functions in relation to the Development Proposal for the WRLtH pre-application, during the hearing and post-determination of the DCO application. Network Rail recognises that to properly discharge the statutory requirements and provide meaningful pre-application input to the statutory process it will require significant resources that are beyond the Hillingdon Council's current capacity and are not covered by the DCO Application fee payable to PINs. Network Rail have agreed they will reimburse the Council its reasonable costs for the services within this agreement in-line with a schedule of agreed fees.

**Brunel University** - Gift funding has been offered by developers which if accepted by Cabinet will be utilised to fund dedicated staff to support this pre-application and application work.

**Axis House, Bath Road** - Gift funding has been offered by developers which if accepted by Cabinet will be utilised to fund dedicated staff to support this application.

### **Alternative options considered**

5. There are no other options proposed for consideration

## FURTHER INFORMATION

### General Fund Revenue Budget

6. An underspend of £1,465k is reported on normal operating activities at Month 8. This position incorporates a £2,466k net underspend across Directorate Operating Budgets and an underspend of £800k across Corporate Operating Budgets, offset by contingency pressures of £1,801k, 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.
7. The headline underspend of £1,465k represents an improvement of £238k on the position reported at Month 7, consisting of a £488k improvement across Directorate budgets primarily linked to increased Health contributions towards the cost of Social Care and a £250k adverse movement on contingency, principally driven by an increase in the numbers of Unaccompanied Asylum Seeking Children where Home Office funding is insufficient to meet associated costs.
8. The Council's General Fund revenue budget contains £13,309k savings, with £10,196k already banked and £1,971k on track for delivery. Those savings classed as amber due to being at an earlier stage of implementation total £1,142k at Month 8, representing an improvement of £15k from Month 7. The reported position on operating budgets reflects the status of these savings.

**Table 1: General Fund Overview**

Original Budget £'000	Budget Changes £'000	Service	Month 8		Variance (As at Month 8) £'000	Variance (As at Month 7) £'000	Movement from Month 7 £'000
			Revised Budget £'000	Forecast Outturn £'000			
178,502	(122)	Directorate Operating Budgets	178,380	175,914	(2,466)	(1,978)	(488)
2,420	2,146	Corporate Operating Budgets	4,566	3,766	(800)	(800)	0
18,453	(1,881)	Development & Risk Contingency	16,572	18,373	1,801	1,551	250
1,134	(143)	Priority Growth	991	991	0	0	0
<b>200,509</b>	<b>0</b>	<b>Sub-total Normal Activities</b>	<b>200,509</b>	<b>199,044</b>	<b>(1,465)</b>	<b>(1,227)</b>	<b>(238)</b>
<b>200,509</b>	<b>0</b>	<b>Total Net Expenditure</b>	<b>200,509</b>	<b>199,044</b>	<b>(1,465)</b>	<b>(1,227)</b>	<b>(238)</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>2,751</b>	<b>(1,465)</b>	<b>(1,227)</b>	<b>(238)</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>(36,254)</b>			

9. At 31 March 2016 General Fund Balances totalled £39,005k. With the budgeted drawdown of £4,216k and the projected £1,465k surplus, the forecast closing balance at 31 March 2017 is £36,254k. 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 (£2,466k underspend, £488k improvement)

10. 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.

11. 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 (including redundancy costs) and transformation staffing costs. The month 8 forecast assumes that £2,304k of these projected costs will be funded from capital receipts and a further £838k will be funded from earmarked reserves.

**Table 2: Directorate Operating Budgets**

Original Budget	Budget Changes	Service	Month 8		Variance (As at Month 8)	Variance (As at Month 7)	Movement from Month 7	
			Revised Budget	Forecast Outturn				
£'000	£'000		£'000	£'000	£'000	£'000	£'000	
10,762	(282)	Admin.	Expenditure	10,480	10,362	(118)	(88)	(30)
(1,288)	5		Income	(1,283)	(1,235)	48	34	14
<b>9,474</b>	<b>(277)</b>		<b>Sub-Total</b>	<b>9,197</b>	<b>9,127</b>	<b>(70)</b>	<b>(54)</b>	<b>(16)</b>
15,189	812	Finance	Expenditure	16,001	15,787	(214)	(195)	(19)
(2,475)	(60)		Income	(2,535)	(2,627)	(92)	(94)	2
<b>12,714</b>	<b>752</b>		<b>Sub-Total</b>	<b>13,466</b>	<b>13,160</b>	<b>(306)</b>	<b>(289)</b>	<b>(17)</b>
109,096	440	Residents Services	Expenditure	109,536	107,915	(1,621)	(1,409)	(212)
(56,005)	(448)		Income	(56,453)	(56,164)	289	177	112
<b>53,091</b>	<b>(8)</b>		<b>Sub-Total</b>	<b>53,083</b>	<b>51,751</b>	<b>(1,332)</b>	<b>(1,232)</b>	<b>(100)</b>
141,576	(47)	Social Care	Expenditure	141,529	143,042	1,513	1,749	(236)
(38,353)	(542)		Income	(38,895)	(41,166)	(2,271)	(2,152)	(119)
<b>103,223</b>	<b>(589)</b>		<b>Sub-Total</b>	<b>102,634</b>	<b>101,876</b>	<b>(758)</b>	<b>(403)</b>	<b>(355)</b>
<b>178,502</b>	<b>(122)</b>	<b>Total Directorate Operating Budgets</b>		<b>178,380</b>	<b>175,914</b>	<b>(2,466)</b>	<b>(1,978)</b>	<b>(488)</b>

12. Within the Administration Directorate an underspend of £70k is reported at Month 8, a minor improvement of £16k on prior month projections.
13. An underspend of £306k is reported on Finance operating budgets at Month 8, an improvement of £17k from Month 7. The favourable movement in the month is attributable to delayed recruitment in Housing Benefits and reduced agency projections in Strategic Finance.
14. An underspend of £1,332k is reported within Residents Services at Month 8, with £2,119k staffing underspends from vacant posts and the capitalisation of transformation resource, and pressures of £787k across non-staffing and income budgets. The favourable movement from Month 7 relates primarily to an improved outlook on income, off-set a number of compensatory movements across the Group. 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.
15. An improvement of £355k is reported on Social Care group budgets, reflecting increased income in Health funded packages in both Adults Social Care and All Age Disabilities. In addition, reduced expenditure on client packages since Month 7 has been sufficient to off-set an increase in projected staffing costs. Overall the group is reporting a £758k underspend, inclusive of net staffing underspends of £935k from posts being held vacant and capitalisation of transformation workforce costs. Within this reported position, there is remains a risk around supplier inflation on care placements which will remain under review over the coming months.

## Progress on Savings

16. 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 8, with banked savings increasing by £539k to £10,196k and a £15k reduction in those items continuing to be reported as at risk. £12,167k savings are now reported as being banked or on track for delivery in full during 2016/17, with the remaining £1,142k or 8.6% 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	(765)	(767)	(4,507)	(4,157)	<b>(10,196)</b>	<b>76.6%</b>
G On track for delivery	0	(300)	(1,275)	(396)	<b>(1,971)</b>	<b>14.8%</b>
A Potential significant savings shortfall or a significant or risky project which is at an early stage;	(142)	(60)	0	(940)	<b>(1,142)</b>	<b>8.6%</b>
R Serious problems in the delivery of the saving	0	0	0	0	<b>0</b>	<b>0.0%</b>
<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)

17. 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.

**Table 4: Corporate Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service	Month 8		Variance (As at Month 8) £'000	Variance (As at Month 7) £'000	Movement from Month 7 £'000
			Revised Budget £'000	Forecast Outturn £'000			
0	0	Interest and Investment Income	Salaries	0	0	0	0
5,386	873		Non-Sal Exp	6,259	5,459	(800)	(800)
(405)	0		Income	(405)	(405)	0	0
<b>4,981</b>	<b>873</b>		<b>Sub-Total</b>	<b>5,854</b>	<b>5,054</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)	(290)		Income	(12,680)	(12,680)	0	0
<b>(2,001)</b>	<b>1,273</b>		<b>Sub-Total</b>	<b>(728)</b>	<b>(728)</b>	<b>0</b>	<b>0</b>
0	0	Housing Benefit Subsidy	Salaries	0	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>2,146</b>	<b>Total Corporate Operating Budgets</b>		<b>4,566</b>	<b>3,766</b>	<b>(800)</b>	<b>(800)</b>

## Development & Risk Contingency (£1,801k pressure, £250k adverse movement)

18. 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 £'000	Budget Changes £'000	Service	Month 8		Variance (As at Month 8) £'000	Variance (As at Month 7) £'000	Movement from Month 7 £'000	
			Revised Budget £'000	Forecast Outturn £'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	2,428	(300)	(245)	(55)
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	1,928	(284)	(470)	186
3,734	0		Demographic Growth - Looked After Children	3,734	6,332	2,598	2,542	56
277	0		Social Worker Agency	277	277	0	0	0
1,699	0		Demographic Growth - Transitional Children	1,699	1,619	(80)	(170)	90
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	732	732	759	(27)
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 Development &amp; Risk Contingency</b>		<b>16,572</b>	<b>18,373</b>	<b>1,801</b>	<b>1,551</b>	<b>250</b>

19. Movement from Month 7 on reported positions is limited to the Waste Disposal Levy, Asylum Service and Looked After Children, Transitional Children with projections across all other areas having been reviewed. The reduction on Waste Disposal relates to further reductions in tonnage volumes since Month 7, continuing the trend identified in previous months.
20. This Asylum service is projecting a drawdown of £1,928k from the contingency, £284k below the budget, an adverse movement of £186k on the month 7 projections, due to an increase in the number of Unaccompanied Asylum Seeking Children (UASC), requiring support, which the Council have been unable to move on as part of the National Transfer Agreement. One of these UASC requires a secure high cost residential placement, which accounts for £82k of the adverse movement. There is very likelihood that the numbers of UASC will continue to grow over the coming months and as result this position will be very closely monitored.
21. An adverse outlook is reported on Looked After Children, where additional high cost placements has increased reported pressure by £56k to £2,598k 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.

22. The draw down from the Transition contingency is forecast at £1,619k, resulting in a forecast outturn of £80k underspend and an adverse movement of £90k from Month 7. To date 26 new children have transferred, four have had an increase in their package costs as they are no longer supported by Education and a further five are expected to transfer by the end of the year.
23. The number of DoLS referrals received to the end of November is 972 (851 in October). This is an average of twenty seven per week. The forecast pressure for Month 8 has improved by £27k since the Month 7 forecast to reflect this level of activity.
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. To date £143k has been released from Priority Growth to meet costs associated with traveller incursions within the Borough and finance a new Members Enquiries Support Officer. The corporate monitoring position assumes all remaining 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 8		
			Available Growth	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	(143)	Unallocated Priority Growth	591	N/A	(591)
<b>1,134</b>	<b>677</b>	<b>Total Priority Growth</b>	<b>1,811</b>	<b>125</b>	<b>(1,686)</b>

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

27. The latest forecasts on the Schools Budget shows an pressure of £209k to be recouped from 2017/18 Dedicated Schools Grant, with other funds indicating 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 risen to by £209k to £1,075k from the position reported at Month 7, exceeding available reserves by £209k. This drawdown from reserves reflects 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, alongside planned use of balances in support of the two year old childcare offer. As this will result into the fund going into deficit during 2016/17, the 2017/18 Dedicated Schools Grant will be topsliced to return the Schools Budget to a breakeven position.
29. A £24k surplus is reported on the Parking Revenue Account at Month 8, representing an £8k improvement from Month 7, reflecting vacant post savings partially offset by 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 8, in line with the position reported at Month 7. This favourable position is principally driven by the 2015/16 outturn surplus, which included significant backdated increases in Rateable Value at Heathrow Airport. A surplus of £500k is reported on Council Tax in line with the position reported at Month 7, 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 £12,801k, £3,539k more than the budgeted surplus of £9,262k. This represents a £700k improvement on the position reported at Month 7. This variance includes underspends against Planned Maintenance (£320k improvement), Tenant Services (£32k) and Overall repairs (£410k Improvement), partially offset by an adverse movement on non staffing costs in the Housing Management Service. In addition, rental income remains strong, with lower than anticipated numbers of void properties contributing towards a £367k overachievement of income. As a result, HRA General Balances are projected to increase to £46,745k by 31 March 2017, with a significant element of this sum earmarked to support investment in new housing stock.
32. 67 properties have been sold under Right to Buy arrangements as at Month 8, 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 £5,006k underspend projected over the five year programme, representing a £395k improvement from Month 7. Prudential Borrowing required to support the Council's Capital Programme is projected to be £7,027k lower than the £164,469k revised budget, as a result of the projected underspend of £5,006k and £7,027k additional assumed grant income for school expansions and Disabled Facilities Grants being sufficient to offset a £5,159k fall in projected Capital Receipts.
34. This favourable variance on borrowing would result in a marginal reduction in future revenue costs of approximately £360k 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. Slippage in project expenditure now shows an underspend of £13,448k in the current financial year. This is an underspend against the £75,976k budget, which had already been amended downwards to rebase the 2017/18 capital programme, 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 £4,862k of the revised budget of £6,918k will be secured during 2016/17, an adverse movement of £2,056k from Month 7.

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

### ADMINISTRATION (£70k underspend, £16k improvement)

36. The Administration group is showing a projected outturn underspend of £70k at Month 8, due in the main to part year staffing vacancies across all Services. A minor improvement of £16k is reported from Month 7 across the directorate, arising from minor movements of forecasts.

**Table 7: Administration Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service	Month 8		Variance (As at Month 8) £'000	Variance (As at Month 7) £'000	Movement from Month 7 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
1,490	(12)	Democr. Services	Salaries	1,478	1,463	(15)	(8)	(7)
1,645	111		Non-Sal Exp	1,756	1,733	(23)	(21)	(2)
(629)	(97)		Income	(726)	(699)	27	12	15
<b>2,506</b>	<b>2</b>		<b>Sub-Total</b>	<b>2,508</b>	<b>2,497</b>	<b>(11)</b>	<b>(17)</b>	<b>6</b>
2,307	(326)	Human Resources	Salaries	1,981	1,952	(29)	(30)	1
534	71		Non-Sal Exp	605	613	8	25	(17)
(248)	61		Income	(187)	(194)	(7)	(6)	(1)
<b>2,593</b>	<b>(194)</b>		<b>Sub-Total</b>	<b>2,399</b>	<b>2,371</b>	<b>(28)</b>	<b>(11)</b>	<b>(17)</b>
1,979	(124)	Legal Services	Salaries	1,855	1,837	(18)	(18)	0
87	(1)		Non-Sal Exp	86	78	(8)	(8)	0
(341)	41		Income	(300)	(261)	39	39	0
<b>1,725</b>	<b>(84)</b>		<b>Sub-Total</b>	<b>1,641</b>	<b>1,654</b>	<b>13</b>	<b>13</b>	<b>0</b>
579	0	Policy & Partnership s	Salaries	579	544	(35)	(31)	(4)
2,141	(1)		Non-Sal Exp	2,140	2,142	2	3	(1)
(70)	0		Income	(70)	(81)	(11)	(11)	0
<b>2,650</b>	<b>(1)</b>		<b>Sub-Total</b>	<b>2,649</b>	<b>2,605</b>	<b>(44)</b>	<b>(39)</b>	<b>(5)</b>
6,355	(462)	Admin. Directorat e	Salaries	5,893	5,796	(97)	(87)	(10)
4,407	180		Non-Sal Exp	4,587	4,566	(21)	(1)	(20)
(1,288)	5		Income	(1,283)	(1,235)	48	34	14
<b>9,474</b>	<b>(277)</b>		<b>Total</b>	<b>9,197</b>	<b>9,127</b>	<b>(70)</b>	<b>(54)</b>	<b>(16)</b>

## FINANCE (£306k underspend, £17k improvement)

37. The Finance directorate is currently projecting an outturn underspend of £306k at Month 8, representing a £17k improvement on the month. The group is reporting an underspend of £248k in staffing budgets relating to a number of vacant posts within Operational Finance and maternity leave within the service. The favourable movement in the month is attributable to delayed recruitment in Housing Benefits and reduced agency projections in Strategic Finance.

**Table 8: Finance Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service		Month 8		Variance (As at Month 8) £'000	Variance (As at Month 7) £'000	Movement from Month 7 £'000
				Revised Budget £'000	Forecast Outturn £'000			
519	393	Business Assurance	Salaries	912	882	(30)	(29)	(1)
30	592		Non-Sal Exp	622	666	44	32	12
(10)	(91)		Income	(101)	(101)	0	0	0
<b>539</b>	<b>894</b>		<b>Sub-Total</b>	<b>1,433</b>	<b>1,447</b>	<b>14</b>	<b>3</b>	<b>11</b>
1,555	0	Procurement	Salaries	1,555	1,619	64	68	(4)
92	(1)		Non-Sal Exp	91	92	1	0	1
0	0		Income	0	(9)	(9)	0	(9)
<b>1,647</b>	<b>(1)</b>		<b>Sub-Total</b>	<b>1,646</b>	<b>1,702</b>	<b>56</b>	<b>68</b>	<b>(12)</b>
3,321	144	Operational Finance	Salaries	3,465	3,256	(209)	(216)	7
611	(589)		Non-Sal Exp	22	22	0	1	(1)
(158)	31		Income	(127)	(180)	(53)	(45)	(8)
<b>3,774</b>	<b>(414)</b>		<b>Sub-Total</b>	<b>3,360</b>	<b>3,098</b>	<b>(262)</b>	<b>(260)</b>	<b>(2)</b>
4,101	(113)	Revenues & Benefits	Salaries	3,988	4,006	18	38	(20)
1,634	(68)		Non-Sal Exp	1,566	1,575	9	8	1
(2,023)	0		Income	(2,023)	(2,050)	(27)	(46)	19
<b>3,712</b>	<b>(181)</b>		<b>Sub-Total</b>	<b>3,531</b>	<b>3,531</b>	<b>0</b>	<b>0</b>	<b>0</b>
1,348	0	Strategic Finance	Salaries	1,348	1,257	(91)	(77)	(14)
1,978	454		Non-Sal Exp	2,432	2,412	(20)	(20)	0
(284)	0		Income	(284)	(287)	(3)	(3)	0
<b>3,042</b>	<b>454</b>		<b>Sub-Total</b>	<b>3,496</b>	<b>3,382</b>	<b>(114)</b>	<b>(100)</b>	<b>(14)</b>
10,844	424	Finance Directorate	Salaries	11,268	11,020	(248)	(216)	(32)
4,345	388		Non-Sal Exp	4,733	4,767	34	21	13
(2,475)	(60)		Income	(2,535)	(2,627)	(92)	(94)	2
<b>12,714</b>	<b>752</b>		<b>Total</b>	<b>13,466</b>	<b>13,160</b>	<b>(306)</b>	<b>(289)</b>	<b>(17)</b>

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

**Table 9: Development and Risk Contingency**

Original Budget £'000	Budget Changes £'000	Development & Risk Contingency	Month 8		Variance (As at Month 8) £'000	Variance (As at Month 7) £'000	Movement from Month 7 £'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 (£1,332k underspend, £100k improvement)

39. Residents Services directorate is showing a projected outturn underspend of £1,332k at Month 8, excluding identified contingency provisions.

Table 10: Residents Services Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 8		Variance (As at Month 8) £'000	Variance (As at Month 7) £'000	Movement from Month 7 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
15,008	(1,314)	Deputy Director Residents Services	Salaries	13,694	13,239	(455)	(455)	0
15,752	1,205		Non-Sal	16,957	17,324	367	342	25
(7,981)	292		Exp	(7,689)	(7,466)	223	87	136
<b>22,779</b>	<b>183</b>		<b>Income</b>	<b>(7,689)</b>	<b>(7,466)</b>	<b>223</b>	<b>87</b>	<b>136</b>
			<b>Sub-Total</b>	<b>22,962</b>	<b>23,097</b>	<b>135</b>	<b>(26)</b>	<b>161</b>
4,951	223	Development and Assets	Salaries	5,174	5,142	(32)	(32)	0
11,174	(5)		Non-Sal	11,169	11,348	179	179	0
(5,072)	(449)		Exp	(5,521)	(5,423)	98	98	0
<b>11,053</b>	<b>(231)</b>		<b>Income</b>	<b>(5,521)</b>	<b>(5,423)</b>	<b>98</b>	<b>98</b>	<b>0</b>
			<b>Sub-Total</b>	<b>10,822</b>	<b>11,067</b>	<b>245</b>	<b>245</b>	<b>0</b>
487	(53)	Estates and Tenancy Management	Salaries	434	362	(72)	(72)	0
1,154	(10)		Non-Sal	1,144	1,088	(56)	(57)	1
(3,279)	0		Exp	(3,279)	(3,206)	73	63	10
<b>(1,638)</b>	<b>(63)</b>		<b>Income</b>	<b>(3,279)</b>	<b>(3,206)</b>	<b>73</b>	<b>63</b>	<b>10</b>
			<b>Sub-Total</b>	<b>(1,701)</b>	<b>(1,756)</b>	<b>(55)</b>	<b>(66)</b>	<b>11</b>
1,730	(47)	Planning, Transportation and Community Projects	Salaries	1,683	1,435	(248)	(248)	0
1,534	(480)		Non-Sal	1,054	1,050	(4)	0	(4)
(10,706)	0		Exp	(10,706)	(10,801)	(95)	(95)	0
<b>(7,442)</b>	<b>(527)</b>		<b>Income</b>	<b>(10,706)</b>	<b>(10,801)</b>	<b>(95)</b>	<b>(95)</b>	<b>0</b>
			<b>Sub-Total</b>	<b>(7,969)</b>	<b>(8,316)</b>	<b>(347)</b>	<b>(343)</b>	<b>(4)</b>
1,774	0	Planning and Enforcement	Salaries	1,774	1,619	(155)	(155)	0
854	(50)		Non-Sal	804	804	0	0	0
(2,782)	0		Exp	(2,782)	(3,138)	(356)	(356)	0
<b>(154)</b>	<b>(50)</b>		<b>Income</b>	<b>(2,782)</b>	<b>(3,138)</b>	<b>(356)</b>	<b>(356)</b>	<b>0</b>
			<b>Sub-Total</b>	<b>(204)</b>	<b>(715)</b>	<b>(511)</b>	<b>(511)</b>	<b>0</b>
11,739	(65)	Green Spaces, Sport & Culture	Salaries	11,674	11,743	69	69	0
7,567	(920)		Non-Sal	6,647	6,626	(21)	(13)	(8)
(9,916)	17		Exp	(9,899)	(10,177)	(278)	(180)	(98)
<b>9,390</b>	<b>(968)</b>		<b>Income</b>	<b>(9,899)</b>	<b>(10,177)</b>	<b>(278)</b>	<b>(180)</b>	<b>(98)</b>
			<b>Sub-Total</b>	<b>8,422</b>	<b>8,192</b>	<b>(230)</b>	<b>(124)</b>	<b>(106)</b>
7,994	(2,496)	Digital Strategy & Communications	Salaries	5,498	5,454	(44)	15	(59)
5,714	92		Non-Sal	5,806	5,721	(85)	(110)	25
(3,058)	768		Exp	(2,290)	(2,147)	143	143	0
<b>10,650</b>	<b>(1,636)</b>		<b>Income</b>	<b>(2,290)</b>	<b>(2,147)</b>	<b>143</b>	<b>143</b>	<b>0</b>
			<b>Sub-Total</b>	<b>9,014</b>	<b>9,028</b>	<b>14</b>	<b>48</b>	<b>(34)</b>
6,027	3,161	Business and Technical Support	Salaries	9,188	8,360	(828)	(727)	(101)
1,051	(8)		Non-Sal	1,043	1,206	163	163	0
(4,197)	(700)		Exp	(4,897)	(4,360)	537	473	64
<b>2,881</b>	<b>2,453</b>		<b>Income</b>	<b>(4,897)</b>	<b>(4,360)</b>	<b>537</b>	<b>473</b>	<b>64</b>
			<b>Sub-Total</b>	<b>5,334</b>	<b>5,206</b>	<b>(128)</b>	<b>(91)</b>	<b>(37)</b>
4,131	588	Policy and Standards - Education, Housing and Public Health	Salaries	4,719	4,365	(354)	(263)	(91)
10,455	619		Non-Sal	11,074	11,029	(45)	(45)	0
(9,014)	(376)		Exp	(9,390)	(9,446)	(56)	(56)	0
<b>5,572</b>	<b>831</b>		<b>Income</b>	<b>(9,390)</b>	<b>(9,446)</b>	<b>(56)</b>	<b>(56)</b>	<b>0</b>
			<b>Sub-Total</b>	<b>6,403</b>	<b>5,948</b>	<b>(455)</b>	<b>(364)</b>	<b>(91)</b>
53,841	(3)	Residents Services	Salaries	53,838	51,719	(2,119)	(1,868)	(251)
55,255	443		Non-Sal	55,698	56,196	498	459	39
(56,005)	(448)		Exp	(56,453)	(56,164)	289	177	112
<b>53,091</b>	<b>(8)</b>		<b>Income</b>	<b>(56,453)</b>	<b>(56,164)</b>	<b>289</b>	<b>177</b>	<b>112</b>
			<b>Total</b>	<b>53,083</b>	<b>51,751</b>	<b>(1,332)</b>	<b>(1,232)</b>	<b>(100)</b>

40. 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 are sustained income shortfalls at Cedars and Grainges car parks and increasing pressure against imported food sampling income targets.
41. 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 11 below. At Month 8 projected calls on contingency are £300k below the budgeted provision (£55k favourable), following detailed modelling of the projected levy rebate from WLWA as part of MTFF 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 8		Variance (As at Month 8) £'000	Variance (As at Month 7) £'000	Movement from Month 7 £'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	2,428	(300)	(245)	(55)
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>4,853</b>	<b>(300)</b>	<b>(245)</b>	<b>(55)</b>

42. The financial year 2016/17 continues to see the numbers of temporary accommodation requirements consistently above the original MTFF forecast.

**Table 12: Housing Needs performance data**

	2016		
	September	October	November
<b>Homeless Threat, Priority Need &amp; Eligible</b>	126	105	104
<b>Presenting As Homeless</b>	36	42	50
<b>Duty Accepted</b>	23	14	24
<b>Households in Temporary Accommodation</b>	596	599	607
<b>Households in B&amp;B</b>	202	214	218

43. 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. 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 during the remainder of the financial year. There is the option to utilise earmarked reserves should the position deteriorate.
44. A contingency of £2,728k has been set aside to fund estimated increases in waste tonnages via the levy. Work is concluding between WLWA and the six Boroughs to develop the estimates for 2017/18 and future years, with the first draft already discussed at the end of November at the last partnership meeting of the authority. WLWA have now written to each of

the six Boroughs to formally request written feedback on their budget proposals for 2017/18. This feedback will be considered at the next Borough partnership meeting early in the New Year.

45. The confirmed commencement date of full services at Severnside Energy Recovery Facility (SERC) was 14th December 2016. The financial impact of the delay to WLWA from the original summer commencement is expected to be £5.7m.
46. WLWA have indicated that there is the potential of a one-off disbursement of reserves in 2017/18, following the end of this financial year. WLWA's forecast end of year (16/17) reserves balances are £2.6m higher than their revised reserves recommendation for 17/18 (set at £5.6m) in their draft budget.

#### **Deputy Director Residents Services (£135k overspend, £161k adverse)**

47. There is a risk of additional costs in relation to contaminated recycling loads, subsequent to an increase in sampling rates as per new legislation recently introduced by DEFRA. The service is working closely with procurement to actively manage down this risk.
48. Current projections show the fleet management budget position forecasting a pressure of £198k (£25k adverse), with increases in contract hire and maintenance costs the main drivers of this increase. Work is continuing in order to alleviate this one-off pressure.
49. The income pressure within the Imported Food service is currently forecast at £459k, (£136k adverse) with net income currently 8.5% below the run rate experienced last year. The forecast pressures result 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.

#### **Development and Assets (£245k overspend, no change)**

50. At month 8 the service continues to report an overspend of £195k on additional resources being deployed to cover the backlog of work for home adaptations. The pressure relates to additional interim arrangements including a financial assessment officer and a consultant. The remaining balance of the reported pressure relates to compliance works for a number of sites across the borough.

#### **Estates and Tenancy Management (£55k underspend, £11k adverse)**

51. The service is reporting an underspend of £72k (no change) at month 8 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 is reporting a net underspend of £56k (£1k adverse) following the handback of Warnford Industrial estate. The adverse movement relates to a review of legal disbursements. The service is forecasting a £10k adverse movement in respect of rental income on the corporate estate.

#### **Planning, Transportation and Community Projects (£347k underspend, £4k improvement)**

52. At month 8, the service is reporting a favourable salary projection of £248k (no change), relating to various vacant posts across the service. There is a minor favourable movement of £4k for non-staffing budgets following a review of training and publicity costs.
53. 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 from CLG.



### **Planning and Development (£511k underspend, no change)**

54. Income streams across the planning service remain robust, with income targets expected to be exceeded by £356k (no change). 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.
55. At month 8, the service is reporting an underspend of £155k in staffing budgets (no change). This relates to extended agency cover arrangements until the new planning structure is implemented.

### **Green Spaces & Culture (£230k underspend, £106k favourable)**

56. The service is forecasting an £8k favourable movement in non-staffing costs, owing to a reduction in training expenses for the current financial year. The latest income forecasts are projecting an improvement of £98k for Month 8 across a range of areas within the service.
57. There is a risk that income streams in Bereavement services could fall below that achieved in prior years, based on current straight-line projections. Income from both the Crematorium and from Cemeteries will be closely monitored over the winter months, given potential future fluctuations in income depending on weather conditions.

### **ICT & Communications (£14k overspend, £34k favourable)**

58. At month 8 there is £5k favourable movement in the Communications team staffing forecast, relating to delays in recruitment to posts as the service completes its transition to the new structure and a revised forecast on agency spend. ICT is reporting a favourable variance of £59k in relation to interim resources working on service transformation and can therefore be funded from capital receipts. Further to a review of committed spend, there is a £25k adverse movement in relation to contracts expenditure.
59. 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 (£128k underspend, £37k favourable)**

60. 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 and a reduction in daily parking income. The most recent income projection forecasts a pressure of £537k (£64k adverse).
61. There is a revised projected underspend of £828k (£101k 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 (£455k underspend, £91k favourable)**

62. The implementation of the new Homelessness and Lettings structure has resulted in a higher turnover of staff than previously forecast resulting in higher transition costs until the structure beds down. Interim resources deployed to smooth the transition to the new structure can be funded via capital receipts, giving a £91k favourable movement in staffing costs for Month 8.





## SOCIAL CARE (£758k underspend, £355k improvement)

63. Social Care is projecting an underspend of £758k as at Month 8, an improvement of £355k from Month 7. It should be noted that there are some significant movements between the periods, which include an increase in the cost of staffing, where the service are still having to employ agency staff to cover essential posts. The service is continuing to manage a number of ongoing challenges including staff recruitment, especially Social Workers; providing housing accommodation and support for Section 17 designated families; pressures relating to the cost of transport; and requests from providers 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 8		Variance (As at Month 8) £'000	Variance (As at Month 7) £'000	Movement from Month 7 £'000
				Revised Budget £'000	Forecast Outturn £'000			
1,826	(250)	Safeguarding Children	Salaries	1,576	1,670	94	112	(18)
1,612	12		Non-Sal Exp	1,624	1,668	44	31	13
(165)	0		Income	(165)	(222)	(57)	(64)	7
<b>3,273</b>	<b>(238)</b>		<b>Sub-Total</b>	<b>3,035</b>	<b>3,116</b>	<b>81</b>	<b>79</b>	<b>2</b>
4,678	(341)	Early Intervention Services	Salaries	4,337	4,009	(328)	(303)	(25)
3,406	(258)		Non-Sal Exp	3,148	3,219	71	121	(50)
(1,712)	310		Income	(1,402)	(1,428)	(26)	(100)	74
<b>6,372</b>	<b>(289)</b>		<b>Sub-Total</b>	<b>6,083</b>	<b>5,800</b>	<b>(283)</b>	<b>(282)</b>	<b>(1)</b>
11,888	(47)	Children's Social Care	Salaries	11,841	13,137	1,296	1,032	264
9,996	754		Non-Sal Exp	10,750	11,638	888	997	(109)
(6,899)	(391)		Income	(7,290)	(8,213)	(923)	(815)	(108)
<b>14,985</b>	<b>316</b>		<b>Sub-Total</b>	<b>15,301</b>	<b>16,562</b>	<b>1,261</b>	<b>1,214</b>	<b>47</b>
8,669	299	All-Age Disabilities	Salaries	8,968	8,010	(958)	(862)	(96)
44,634	294		Non-Sal Exp	44,928	45,319	391	352	39
(9,536)	(206)		Income	(9,742)	(9,891)	(149)	213	(362)
<b>43,767</b>	<b>387</b>		<b>Sub-Total</b>	<b>44,154</b>	<b>43,438</b>	<b>(716)</b>	<b>(297)</b>	<b>(419)</b>
4,460	331	Social Work	Salaries	4,791	4,430	(361)	(410)	49
28,082	286		Non-Sal Exp	28,368	29,409	1,041	1,149	(108)
(8,570)	(607)		Income	(9,177)	(10,132)	(955)	(1,096)	141
<b>23,972</b>	<b>10</b>		<b>Sub-Total</b>	<b>23,982</b>	<b>23,707</b>	<b>(275)</b>	<b>(357)</b>	<b>82</b>
8,873	(471)	Early Intervention & Prevention	Salaries	8,402	7,953	(449)	(439)	(10)
3,067	84		Non-Sal Exp	3,151	3,218	67	81	(14)
(10,897)	320		Income	(10,577)	(10,558)	19	23	(4)
<b>1,043</b>	<b>(67)</b>		<b>Sub-Total</b>	<b>976</b>	<b>613</b>	<b>(363)</b>	<b>(335)</b>	<b>(28)</b>
2,574	(182)	Safeguarding, Quality & Partnerships	Salaries	2,392	2,394	2	57	(55)
6,531	(96)		Non-Sal Exp	6,435	6,567	132	231	(99)
(541)	82		Income	(459)	(639)	(180)	(313)	133
<b>8,564</b>	<b>(196)</b>		<b>Sub-Total</b>	<b>8,368</b>	<b>8,322</b>	<b>(46)</b>	<b>(25)</b>	<b>(21)</b>
631	0	Directorate & Support Services	Salaries	631	400	(231)	(231)	0
649	(462)		Non-Sal Exp	187	1	(186)	(169)	(17)
(33)	(50)		Income	(83)	(83)	0	0	0
<b>1,247</b>	<b>(512)</b>		<b>Sub-Total</b>	<b>735</b>	<b>318</b>	<b>(417)</b>	<b>(400)</b>	<b>(17)</b>
43,599	(661)	<b>Social Care Directorate Total</b>	Salaries	42,938	42,003	(935)	(1,044)	109
97,977	614		Non-Sal Exp	98,591	101,039	2,448	2,793	(345)
(38,353)	(542)		Income	(38,895)	(41,166)	(2,271)	(2,152)	(119)
<b>103,223</b>	<b>(589)</b>		<b>Total</b>	<b>102,634</b>	<b>101,876</b>	<b>(758)</b>	<b>(403)</b>	<b>(355)</b>

**SOCIAL CARE DEVELOPMENT AND RISK CONTINGENCY (£2,651k overspend, £305k adverse)**

64. 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, 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 £2,651k, an adverse movement of £305k on the Month 7 projections, due to an increase in the projected cost of supporting Unaccompanied Asylum Seeking Children, where the Council is experiencing an increase in the number of children, and Looked After Children placements, following the requirement to place a number of children in high cost residential placements.

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

Original Budget	Budget Changes	Development & Risk Contingency	Month 8		Variance (As at Month 8)	Variance (As at Month 7)	Movement from Month 7
			Revised Budget	Forecast Outturn			
£'000	£'000		£'000	£'000	£'000	£'000	£'000
2,212	0	Asylum Service	2,212	1,928	(284)	(470)	186
3,734	0	Demographic Growth - Looked After Children	3,734	6,332	2,598	2,542	56
277	0	Social Worker Agency	277	277	0	0	0
1,699	0	Demographic Growth - Transitional Children	1,699	1,619	(80)	(170)	90
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	732	732	759	(27)
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>12,729</b>	<b>2,651</b>	<b>2,346</b>	<b>305</b>

**Asylum Service (£284k underspend, £186k improvement)**

65. This service is projecting a drawdown of £1,928k from the contingency, £284k below the budget, and an adverse movement of £186k on the month 7 projections, due to an increase in the number of Unaccompanied Asylum Seeking Children (UASC), requiring support, which the Council have been unable to move on as part of the National Transfer Agreement. One of these UASC requires a secure high cost residential placement, which accounts for £82k of the adverse movement. There is very high likelihood that the numbers of UASC will continue to grow over the coming months and as a result this position will be very closely monitored.

66. The £284k underspend reflects the benefits that the service is delivering through a major review of the support provided to UASC to ensure that individual UASC are accessing all available funding sources from a range of Central Government departments, rather than relying solely on Council funding. It also reflects the impact of the review of all financial policies relating to the provision of allowances, which will ensure that there is a consistent approach to the financial support provided.

67. The National Transfer arrangements for UASC have now been in operation for 5 months. Hillingdon continues to receive new applications and it is now apparent that a number of UASC are being successfully transferred to other local authorities. However, it should be noted that this is a voluntary scheme, 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 95 UASC, which is 47 above the cap. This would imply that Hillingdon would not have to take on any new UASC with effect from 1 July 2016, although the reality for Hillingdon is that we are unable to move all UASC onwards.

#### **Demographic Growth - Looked After Children (£2,598k overspend, £56k adverse)**

68. The service is projecting a drawdown of £6,332k from the Contingency, £2,598k above budget, an adverse movement of £56k on the Month 7 projections, due to a further requirement to place a number of children in high cost residential placements. 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.
69. The service is currently managing a 9% growth (equating to 157 additional cases per month) in the number of contacts and referrals. Despite this, the number of Looked After Children, children with a Child Protection Plan and those identified as Children in Need remain within the average monthly range for each care need from May 2015 to October 2016.
70. 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 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 47% IFA and 53% In-House, which is a slight improvement on last month's figures.
71. 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 £324k. However, it should be noted that the position with the CCG has improved significantly, where they are now discussing individual cases at the tripartite funding panel, which has been set up to reach funding agreements for children requiring an Education, Health and Care Plan. To date, the CCG have agreed to provide funding for a number of children resulting in a contribution of £115k for this financial year. A number of other cases have been presented to the panel, where it is expected that further funding will be provided by the CCG, totalling £159k.

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

72. 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 (£80k underspend, £90k adverse)**

73. The draw down from the Transitional Children contingency is forecast at £1,619k, resulting in an £80k underspend and an adverse movement of £90k from Month 7. To date 26 new children have transferred, 4 have had an increase in their package costs as they are no

longer supported by Education and a further 5 are expected to transfer by the end of the year. This position will be kept under close review.

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

74. At Month 8 it is forecast that the full drawdown of the £432k contingency for Adult Demographic changes will be required, no change from the Month 7 projections. The demographic forecasting tool is regularly refreshed and expenditure areas are kept under close review.

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

75. Only £78k of the contingency is forecast to be drawn down in respect of the Winterbourne View transfer cases, resulting in an underspend of £315k, no change from Month 7. No further step downs are anticipated this financial year.

#### **Deprivation of Liberty Safeguards (DoLS) (£732k overspend, £27k improvement)**

76. The number of DoLS referrals received to the end of November is 972 (851 in October), an average of 27 per week. The forecast pressure for Month 8 has improved by £27k since the Month 7 forecast. 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 (£1,061k overspend, £49k adverse)**

##### **Safeguarding Children (£81k overspend, £2k adverse)**

77. The service is reporting an overspend of £81k, an adverse movement of £2k on the Month 7 projections. 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 (£283k underspend, £1k improvement)**

78. The service is reporting an underspend of £283k, an improvement of £1k on the Month 7 projections. The underspend reported relates to staffing costs, which are projecting an underspend of £328k 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.

79. This is netted down by a projected overspend of £71k 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.

##### **Children's Social Care (£1,261k overspend, £47k adverse movement)**

80. An overspend of £1,261k is projected, an adverse movement of £47k from Month 7, due to a further increase in the projected cost of staffing, where it has been assumed that there will be no new permanent appointments for the remainder of the year and a reduction in the amount of funds required from the Earmarked Reserves to fund Section 17 Accommodation costs

and ad-hoc support, where the service has implemented a more robust system to manage this demand.

81. There is an overspend of £1,296k on staffing costs, reflecting the latest projections on timing of permanent recruitment and resulting use of agency staff, where the latest forecast assumes that there will be no new permanent appointments in this 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. However, it is proposed that £132k of staffing costs will be capitalised to reflect the work that staff are undertaking on transformation projects.
82. The overspend also reflects the impact of 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. It is now evident that the current arrangement will continue until the end of the financial year, whilst the service undertakes a targeted recruitment campaign, which was launched at the end of October 2016.
83. 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.
84. Additionally, the service has an overspend of £889k on non-staffing costs, which relates primarily to the cost of staff recruitment (an additional cost of £342k), 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 £266k) and ad-hoc crisis support (an additional cost of £36k). These costs will be met from a drawdown of £852k from the earmarked reserves.

#### **ADULT SOCIAL CARE (£1,817k underspend, £401k favourable)**

##### **All Age Disabilities (AAD) (£716k underspend, £419k improvement)**

85. The service is reporting an underspend of £716k, an improvement of £419k on the Month 7 projections, in the main due to additional income from CCG for Health funding clients.
86. The salaries budget for AAD is currently forecast to underspend by £958k, an increase in underspend of £96k. The underspend is due to vacancies being held during the year and management action being taken to manage the overall budget of the directorate.
87. 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 8 forecast assumes that this action will bring the service costs close to budget by the year end. It is evident that there was a significant demographic increase in September, which resulted in an increase in the pressure, however this is still being contained by one off savings across the department.
88. The non-staffing budget is forecasting a pressure of £391k, an adverse movement of £39k from the Month 7 projection. The movement is from increased pressure from Transport which has in part been offset by placements forecast. Despite the improvement in the placements

budget, this 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, pressures are continuing from an increase in unit costs for new placements.

89. The income budget is forecasting an underspend of £149k, an improvement of £362k from, the Month 7 projections. The improvement this month is primarily from additional clients meeting Continuing Health Care criteria with back dating of the assessments, which has resulted in an additional £372k income forecast.

#### **Social Work (£275k underspend, £82k adverse)**

90. The service is reporting an underspend of £275k, an adverse movement of 82k from the Month 7 projections.
91. The staffing budget is forecast to underspend by £361k, an adverse movement of £49k from the Month 7 forecast due to additional costs for Occupational Therapy staff being forecasted due to pressure on the OT service.
92. The non-staffing budgets and income are forecast to underspend by a net £86k, an adverse movement of £33k from Month 7. The forecast for Homecare costs has reduced by approximately £100k, although this improvement has been offset by a reduced income forecast as the average rate of income has reduced.
93. 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 (£363k underspend, £28k improvement)**

94. The service is reporting an underspend of £363k, an improvement of £28k on the Month 7 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.
95. An underspend of £449k is forecast against salaries budgets, an improvement of £10k on the Month 7 projections. There is a pressure of £67k forecast on non staffing costs, an improvement of £14k from Month 7. 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 (£46k underspend, £21k improvement)**

96. The service is reporting an underspend of £46k at Month 8, an improvement of £21k on the Month 7 projections. Staffing costs are forecast close to budget, reflecting a minor £2k overspend, this has reduced by £55k due to leavers and a revision of agency staff used.
97. The non staffing budget has a pressure of £132k, which relates to the cost of Placements, which are forecast to overspend by £177k, although these costs are offset by the receipt of £230k 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 being reviewed by the BID Team 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.

98. Additional income of £180k is forecast, £230k 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 (£417k underspend, £17k improvement)**

99. The Directorate budget is forecast to underspend by £417k, an improvement of £17k from the Month 7 position, which is due to a reduction in the forecast for equipment spend. £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 (£204k underspend, £159k improvement)**

100. The latest forecast for the Pooled Better Care Fund is an underspend of £204k. The CCG are forecasting an underspend of £100k against Scheme 5: Integrated Community based Care and Support. Social Care is forecasting an underspend of £104k. The underspend is against Scheme 3: Rapid response and joined up intermediate care, - £68k, and Scheme 8: People Living with Dementia - £38k.

## Appendix B – Other Funds

### Schools Budget

#### Dedicated Schools Grant (£624k overspend, £209k adverse)

101. The Dedicated Schools Grant (DSG) is projecting an in-year overspend of £624k, an adverse movement of £209k from the month 7 position, due to an increase in the projected cost in High Needs, particularly those pupils being educated in alternative provision facilities, where the pupils are unable to be placed in a mainstream school (relating predominantly to year 10 and year 11 pupils).
102. The overall position on the DSG, is projecting that the surplus balance brought forward, will be required in full this year, with the DSG now projecting to end the year with a £209k deficit. This deficit will be the first call on the DSG for 2017/18. Schools Forum have been made aware of this and are taking steps to manage this as part of the 2017/18 budget setting process.

**Table 15: Schools Budget**

Original Budget	Budget Changes	Funding Block	Month 8		Variance (+ adv / - fav)		
			Revised Budget	Forecast Outturn	Variance (As at Month 8)	Variance (As at Month 7)	Change from Month 7
£'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	4,752	(53)	184	(237)
3,740	0	<b>Centrally Retained</b>	3,740	3,743	3	7	(4)
26,758	0	<b>Special Needs</b>	26,758	27,465	707	257	450
<b>0</b>	<b>451</b>	<b>Total Schools Budget</b>	<b>451</b>	<b>1,075</b>	<b>624</b>	<b>415</b>	<b>209</b>
0	0	Balance Brought Forward 1 April 2016	(866)	(866)			
	(451)	Use of Balances	(451)	(1,075)			
<b>0</b>	<b>0</b>	<b>Balance Carried Forward 31 March 2017</b>	<b>415</b>	<b>(209)</b>			

#### Dedicated Schools Grant Income: £33k underspend, no change

103. 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. It is expected that the Early Years Pupil Premium funding allocation will be reduced further in 2017/18 to reflect the actual take-up of funding.

#### Delegated to Schools, nil variance, no change

104. 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: £53k underspend, £237k improvement**

105. The favourable movement in the Early Years block is due to a reduction in the projected expenditure on the free entitlement for vulnerable two year olds following the autumn term adjustments to reflect the actual number of children taking up the offer.
106. The three Early Years Centres continue to forecast a shortfall in income with the centres focusing on increasing occupancy levels in order to address the current shortfall, but will end the year with a significant overspend of £397k.
107. There are a number of budgets within the Early Years which are forecasting to be 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. The vulnerable children funding is currently projecting to be £283k under spent as the relevant teams work towards identifying sufficient children to utilise the full resource. 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.
108. 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: £3k overspend, £4k improvement**

109. There is still a £28k projected underspend relating 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 due to a vacant Domestic Violence officer post.
110. These underspends are offset by a projected £14k overspend on the cost of the Courier Service to schools along with a £61k overspend on the Growth Contingency fund following the expansion of Hillside Infants school from September 2016.

### **High Needs: £707k overspend, £450k adverse**

111. The adverse movement of £450k since month 7 is due to a significant increase in the number of pupils receiving education in the Pupil Referral Unit. A proportion of this spend relates to the previous financial year as the unit has been over their planned place numbers since January 2016.
112. There is still a level of uncertainty on the total projected spend on post-19 High Needs pupils. Several colleges have requested a significant increase in the number of students that they consider have special educational needs and the additional resource required to support these young people. The Authority is in negotiations with providers in order to determine resource requirements.
113. There is a continuing budget pressure 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.

114. A £118k 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.
115. There is a projected overspend of £97k on the SEN support teams due to the recruitment of additional visual impairment specialist teachers and increased funding of the Inclusion team as previously agreed by Schools Forum.
116. 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. The Council has been made aware of one maintained school, which is converting as a sponsored academy, where the conversion process is currently in progress, but there are no definitive timeframes yet on when the actual conversion will take place.

### Maintained School Balances & Budgets

117. 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 licensed 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.
118. 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 Balances**

School Type	Total Number of Schools	Number of Schools In Deficit 2015/16	Value of Deficit £000	Number of Schools In Deficit 2016/17
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>

119. 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 staffing costs, due to changes in National Insurance and Pension rate contributions.

## Parking Revenue Account: £24k in year surplus (£8k favourable movement)

120. 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: Parking Revenue Account**

Original Budget £'000	Budget Changes £'000	Service	Month 8		Variance (+ adv / - fav)		
			Revised Budget £'000	Forecast Outturn £'000	Month 8 £'000	Month 7 £'000	Movement £'000
(4,079)	0	Income	(4,079)	(4,119)	(40)	(25)	(15)
4,079	0	Expenditure	4,079	4,095	16	9	7
<b>0</b>	<b>0</b>	<b>In-year (Surplus) / Deficit</b>	<b>0</b>	<b>(24)</b>	<b>(24)</b>	<b>(16)</b>	<b>(8)</b>

121. An in-year surplus of £24k is forecast for the 2016/17 financial year, of which there is a projected income surplus of £40k (£15k favourable).

122. The £40k overachievement forecast for PRA income is attributable to favourable variances of £47k and £32k re residents parking permits and parking bay suspensions, offset by a £39k projected shortfall in pay and display income (based on actual receipts to week 32 and prior year equivalent revenue for weeks 33-52). An increase in the forecast for parking suspension income to reflect the 2016/17 element of a full year suspension of ten bays in West Drayton accounts for the favourable movement of £17k this month.

123. There is a net £176k 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. The £3k favourable movement this month reflects an assumed later start date for a replacement of the long-vacant parking technician post.

124. The key components of the £193k adverse non-staff variance are (a) the parking enforcement contract with APCOA, £99k over-budget (b) additional costs of £13k and £11k respectively relating to the renewal of ParkMap and the Videalert unattended CCTV system at Sidmouth Drive (c) a £26k pressure re parking signs and road-marking and (d) £16k for OAP brown badges and other areas, including public notices, stationery (re residents parking permits), printing and equipment hire (£6k relating to the rental of a letter folding machine). The £12k adverse movement this month is largely attributable to increased spend on public notices and parking signs/road-markings.

## COLLECTION FUND (£2,500k surplus, no movement from Month 7)

### Collection Fund

125. 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	Budget Changes	Service	Month 8		Variance (As at Month 8)	Variance (As at Month 7)	Movement from Month 7	
			Revised Budget	Forecast Outturn				
£'000	£'000		£'000	£'000	£'000	£'000	£'000	
(118,703)	0	Council Tax	Gross Income	(118,703)	(119,043)	(340)	(340)	0
12,118	0		Council Tax Support	12,118	11,718	(400)	(400)	0
(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>(500)</b>	<b>0</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/fwds 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>(2,500)</b>	<b>0</b>	

126. There has been no movement in the reported position across the Collection Fund at Month 8, with surpluses of £500k on Council Tax and £2,000k on Business Rates reported.

127. At Month 8, a surplus of £500k is projected on 2016/17 Council Tax income in contrast to larger surpluses recorded in recent years. Strong taxbase growth, declining demand for the Council Tax Reduction Scheme and high collection rates reducing the level of bad debt provision are being off-set by an exceptional one-off pressure on discounts. This relates the continuation of historic empty property reliefs discounts awarded before these were reduced from 1 April 2016.

128. A surplus of approximately £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. It is expected that new properties coming on stream alongside a review of the approach to providing for appeal losses will secure additional income over the remainder of the year and deliver an overall £2,000k surplus for release in 2017/18.

## Appendix C – Housing Revenue Account

129. The Housing Revenue Account (HRA) is currently forecasting an in-year overall surplus of £12,801k which is £3,539k more favourable than the budgeted surplus of £9,262k, resulting in a forecast 2016/17 closing HRA General Balance of £46,745k. The Month 8 forecast shows an increase in the underspend of £700k compared to Month 7. The table below presents key variances by service area:

**Table 19: Housing Revenue Account**

Service	Month 8		Variance (+ adv / - fav)		
	Revised Budget	Forecast Outturn	Variance (As at Month 8)	Variance (As at Month 7)	Movement from Month 7
	£'000	£'000	£'000	£'000	£'000
Rent Income	(56,215)	(56,582)	(367)	(367)	0
Other Income	(5,272)	(5,026)	246	246	0
<b>Net Income</b>	<b>(61,487)</b>	<b>(61,608)</b>	<b>(121)</b>	<b>(121)</b>	<b>0</b>
Housing Management	11,081	11,284	203	141	62
Tenant Services	5,225	4,735	(490)	(458)	(32)
Repairs	5,249	4,725	(524)	(114)	(410)
Planned Maintenance	4,666	2,043	(2,623)	(2,303)	(320)
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>48,807</b>	<b>(3,418)</b>	<b>(2,719)</b>	<b>(700)</b>
<b>(Surplus) / Deficit</b>	<b>(9,262)</b>	<b>(12,801)</b>	<b>(3,539)</b>	<b>(2,839)</b>	<b>(700)</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>(46,745)</b>	<b>(3,539)</b>	<b>(2,839)</b>	<b>(700)</b>

### Income

130. Rental income is forecast to be favourable by £367k for the year, no change from Month other Income is forecast to be under recovered by £246k, no change from Month 7.

131. The number of RTB applications received in November was 33, with the first eight months of RTB applications totalling 205 compared to 142 for the same period last year and 67 RTB completions compared to 96 for the same period last year. The MTFE 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.

### Expenditure

132. The Housing management service is forecast to overspend by £203k, an adverse movement of £62k on Month 7, mainly due to non-staffing costs.

133. Tenant services overall forecast is an underspend of £490k, a net favourable movement of £32k on Month 7. This is due to a favourable movement of £47k relating to running costs and an adverse movement of £15k on staffing.

134. The overall repairs budget is forecast to underspend by £524k, a favourable movement of £410k on Month 7. The key variances and movements are summarised in Table 2 below. The responsive repairs and voids budget is forecast to overspend by £19k, a favourable movement of £246k on Month 7.

**Table 20: Repairs variances and movements**

<b>Repairs</b>	<b>Variance Month 8 £'000</b>	<b>Movement from Month 7 £'000</b>
Vacancies and delays in recruitment	(264)	(51)
Pooled transport	(170)	0
Materials	(168)	(38)
Rechargeable repairs income	(80)	40
Consultancy fees	(85)	0
Non salary costs	(158)	(99)
Responsive repairs and voids	19	(246)
Redundancies	382	(16)
<b>Total</b>	<b>(524)</b>	<b>(410)</b>

135. The Planned Maintenance budget is forecast to underspend by £2,623k, a favourable movement of £320k on Month 7. The key variances and movements are summarised in the table below and overall are due to the validation, procurement and consultation timetables required to deliver these. It is forecast that there will be no spend in 2016/17 on the external cyclical decorations budget of £1,376k, a favourable movement of £150k on Month 7.

**Table 21 : Planned Maintenance variances and movements**

<b>Planned Maintenance</b>	<b>Variance Month 8 £'000</b>	<b>Movement from Month 7 £'000</b>
External cyclical decorations	(1,376)	(150)
Gas servicing and breakdowns	(372)	0
Service Contracts	(125)	43
Fencing	(199)	(50)
Housing road network maintenance	(173)	(50)
Better neighbourhood funds	(106)	(25)
Other surveys/works	(272)	(88)
<b>Total</b>	<b>(2,623)</b>	<b>(320)</b>

136. 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. The Development and Risk contingency budget is forecast to break even. This budget will also be used, if required, to increase the level of the bad debt provision, which will be reviewed during the 2016/17 closing process.

## HRA Capital Expenditure

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

**Table 22 - 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	11,780	11,280	0	(500)	44,190	44,190	0	0
3,878	New Build - Appropriation of Land	1,481	1,481	0	0	1,481	1,481	0	0
778	New Build - Supported Housing Provision	11,539	9,947	(1,592)	0	44,733	41,823	(2,910)	0
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>33,826</b>	<b>31,734</b>	<b>(1,592)</b>	<b>(500)</b>	<b>99,430</b>	<b>96,520</b>	<b>(2,910)</b>	<b>0</b>
	<b>Works to Stock</b>								
N/A	Works to stock programme	13,092	4,809	(65)	(8,218)	40,103	40,038	(65)	(65)
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>5,919</b>	<b>(65)</b>	<b>(8,668)</b>	<b>46,355</b>	<b>46,290</b>	<b>(65)</b>	<b>(65)</b>
	<b>Total HRA Capital</b>	<b>48,478</b>	<b>37,653</b>	<b>(1,657)</b>	<b>(9,168)</b>	<b>145,785</b>	<b>142,810</b>	<b>(2,975)</b>	<b>0</b>
	<b>Movement</b>	<b>(9,507)</b>	<b>(1,034)</b>	<b>(65)</b>	<b>8,538</b>	<b>0</b>	<b>(65)</b>	<b>(65)</b>	<b>(65)</b>

### MAJOR PROJECTS

138. The Revised budget for the 2016/17 HRA Major Projects programme is £33,826k. This represents a reduction of £9,507k on the month 7 position following Cabinet approval to re-phase the budget into future years to reflect the revised profiling of expenditure on the numerous projects which are at various stages of development.

139. As at Month 8 the Major Projects programme is forecast to underspend by £1,592k in 2016/17 and £2,910k over the period 2016-2021. This represents no change to the month 7 position and is attributable largely to the decision to cancel the supported housing development at the Chippendale Waye site (£2,510k) and a reduction in contract costs for the supported housing schemes at both the Grassy Meadow and Parkview sites (£400k) following a value engineering exercise.

140. There is an anticipated further slippage of £500k expected within the General Needs Housing Stock budget stemming from a delay in the construction of the Housing Programme comprising new builds, extensions and conversions. The contractors are not expected to be on site until March 2017 which is 2 months later than initially expected.

### New General Needs Housing Stock

141. With the exception of the aforementioned £500k slippage, the 2016/17 General Needs Housing Stock budget is expected to be utilised in full. The vast majority of the expenditure incurred has been with respect to the purchase and repair of housing stock. Currently 26 properties have been approved for purchase.

142. Approval has been obtained for the delivery of 19 units of General Needs Housing stock at Acol Crescent to be delivered by 2018/19. Specialist design consultants for architectural

services have now been appointed to take the scheme up to the planning stage with the intention to go out to tender by January 2017.

143. Following July Cabinet approval, to allocate a budget of £2,139k towards the construction of a housing programme comprising new builds, extensions and conversions, tenders have been received and evaluated by the Council's procurement team. A Cabinet Member report is currently in preparation for the appointment of contractors with an estimated construction start date for March 2016.
144. Cabinet in October 2016 also approved the appointment of consultants for the redevelopment of Belmore Allotments following the tender for professional, technical and construction services, and for them to carry out the tasks necessary to prepare full proposals and deliver the schemes to completion. This will be funded from the overall General Needs Housing Stock budget of £44,190k.

### **New Build - Appropriation of Land**

145. £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.

### **New Build - Supported Housing**

146. The Supported Housing Programme comprises the build of 174 mixed client group units across four different sites. The developments of the housing units are at various different stages of the project lifecycle.
147. 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 are progressing to plan with demolition of both sites now complete. The construction training programme is in the process of being approved and contractor design works are being finalised with a view to discharging planning conditions. At this early stage, both projects are progressing to scheduled timetable. Following a value engineering exercise the costs of the main contract at Grassy Meadow has reduced by £289k with a further £111k reduction being attributed towards the Parkview project.
148. 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.
149. 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**

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

### **Works to Stock**

151. The Works to Stock programme has an overall forecast phasing variance of £8,218k, an increased phasing variance of £469k compared to Month 7. In addition there is a forecast cost underspend of £65k, an increased underspend of £65k compared to Month 7. Elements of the programme contributing to this variance are shown in Table 23 below :



**Table 23: HRA Works to Stock Programme 2016/17**

<b>Workstream</b>	<b>Variance Month 8</b>	<b>Movement from Month 7</b>
	<b>£'000</b>	<b>£'000</b>
Kitchens / Bathrooms	(2,948)	(469)
Lifts	(1,642)	0
Windows	(906)	0
Electrical Upgrades	(893)	0
Communal Doors	(720)	0
External Doors	(303)	0
Communal Heating	(273)	0
Other Communal Areas	(190)	0
Walls	(172)	0
Roofing	(171)	0
Warm Safe and Dry	(65)	(65)
All Other Workstreams	0	0
<b>Works to Stock Total</b>	<b>(8,283)</b>	<b>(534)</b>

152. The increased phasing variance compared to Month 7 of £469k is due to a revised projected start on site for the kitchens and bathrooms programme in February 2017 following contract approval and contractor mobilisation. The remaining variances across all work-streams are due to the validation, procurement and consultation timetables required to deliver these works.
153. Major Adaptations - no change from Month 7, this has a forecast re-phasing variance in 2016/17 of £450k due to delays in the tendering process.

### **HRA Capital Receipts**

154. There have been 67 Right to Buy sales of council dwellings as at the end of November 2016 for a total sales value of £9,715k and a total of a further 48 sales are forecast to bring the yearly total to 115, totalling approximately £17,000k in 2016/17
155. The Council has signed an agreement with Department for Communities & Local Government to re-invest the proceeds in housing stock regeneration. This enables the Council to retain a higher level of receipts because of reduced pooling, however the terms of the agreement stipulate that receipts must be spent within three years or otherwise are returned to government with the addition of punitive interest. The revised General Needs housing programme for 2015-2021 approved by Cabinet in February has been phased to utilise these receipts within the allowed timescales.
156. The table below sets out the total level of retained receipts since the inception of the agreement:

**Table 24: 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>	

157. 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.
158. 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
159. 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, September 2016, and December 2016.

## Appendix D - GENERAL FUND CAPITAL PROGRAMME

160. As at Month 8 an underspend of £13,448k is reported on the £75,976k General Fund Capital Programme for 2016/17, with £4,630k favourable cost variances and £8,818k slippage on project expenditure. The forecast outturn variance over the life of the 2016/17 to 2020/21 programme is £5,006k net underspend relating to various schemes.
161. General Fund Capital Receipts of £4,862k are forecast for 2016/17, with total receipts to 2020/21 expected to reach £70,408k, representing an adverse variance of £5,159k against budget.
162. Overall, Prudential Borrowing required to support the 2016/17 to 2020/21 capital programmes is forecast to be within budget by £7,027k due to additional available capital grants and contributions of £7,180k and scheme cost underspends of £5,006k, partly offset by the shortfall of £5,159k in forecast Capital Receipts.

### Capital Programme Overview

163. Table 25 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 25: 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	Movement
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Schools Programme	32,184	30,023	(1,661)	(500)	158,997	157,336	(1,661)	(53)
Main Programme	16,623	14,019	(1,055)	(1,549)	98,291	97,236	(1,055)	-
Programme of Works	26,349	17,666	(1,914)	(6,769)	73,010	70,720	(2,290)	(342)
<b>Total Main Programme</b>	<b>75,156</b>	<b>61,708</b>	<b>(4,630)</b>	<b>(8,818)</b>	<b>330,298</b>	<b>325,292</b>	<b>(5,006)</b>	<b>(395)</b>
Development & Risk Contingency:								
General Contingency	820	820	-	-	6,820	6,820	-	-
<b>Total Capital Programme</b>	<b>75,976</b>	<b>62,528</b>	<b>(4,630)</b>	<b>(8,818)</b>	<b>337,118</b>	<b>332,112</b>	<b>(5,006)</b>	<b>(395)</b>
<b>Movement</b>	<b>(20,944)</b>	<b>(3,266)</b>	<b>(395)</b>	<b>18,073</b>	<b>32</b>	<b>(363)</b>	<b>(395)</b>	<b>-</b>

164. The movement in the 2016/17 revised budget reflects the approval by Cabinet in December to re-phase Schools and Main Programme expenditure budgets on various projects for completion in future years. Overall the total capital programme budget has increased by £32k due to a recent allocation of Section 106 monies to a Highways scheme.
165. The Schools Programme reports a cost underspend of £1,661k which is partly due to release of contingencies on the completed Primary Schools expansions programme and first phase of works for the replacement of Northwood secondary school. The further improvement in month of £53k relates to settlement of final account on one Phase 2 scheme. There is re-phasing of £500k on temporary classrooms provision. Further information on the performance

of the Schools Programme is provided in the Cabinet School Capital Programme Update Report.

166. The main programme forecasts a phasing underspend of £1,549k on a number of projects, including works on Hayes Town Centre improvements which are underway, however some elements of the works will not be completed until next financial year. The Vehicle Replacement Programme reports further slippage as essential replacement in the current financial year is not significant. There is a forecast net cost underspend of £1,055k over the life of the programme which is mainly due to a forecast underspend on CCTV enforcement (School Keep Clear Zones).
167. Programmes of Works are forecast to underspend by £2,290k over the life of the programme on several schemes, 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 further reduced forecast expenditure of £342k on several programmes that will not be fully committed or delivered by the end of the financial year. These include Private Sector Renewal/Landlord Property Renovation Grants and the Civic Centre Works Programme, which is underway however identified works will not all be completed this financial year.
168. 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

169. Table 26 below outlines the latest financing projections for the capital programme, with a favourable medium term variance of £7,027k reported on Prudential Borrowing, due mainly to an increase in grant funding partially offset by a forecast shortfall in capital receipts.

**Table 26: 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	56,752	44,660	(12,092)	265,116	252,930	(12,186)	(550)
Financed by							
Capital Receipts	6,918	4,862	(2,056)	75,567	70,408	(5,159)	10
CIL	3,580	3,580	-	25,080	25,080	-	-
Prudential Borrowing	46,254	36,218	(10,036)	164,469	157,442	(7,027)	(560)
<b>Total Council Resources</b>	<b>56,752</b>	<b>44,660</b>	<b>(12,092)</b>	<b>265,116</b>	<b>252,930</b>	<b>(12,186)</b>	<b>(550)</b>
Grants & Contributions	19,224	17,868	(1,356)	72,002	79,182	7,180	155
<b>Total Programme</b>	<b>75,976</b>	<b>62,528</b>	<b>(13,448)</b>	<b>337,118</b>	<b>332,112</b>	<b>(5,006)</b>	<b>(395)</b>

170. The 2016/17 revised financing budgets have reduced reflecting the approved re-phasing of sources of financing to match re-profiling of expenditure into future years.
171. The capital receipts forecast reports a shortfall of £5,159k 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.

172. As at the end of November a total of £3,015k CIL receipts (after administration fees) have been invoiced or received by the Council this financial year which represents a movement of £153k 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.
173. 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 remains £14,490k in assumed Basic Needs grant 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.
174. A further £155k Section 106 Balances received this year in respect of Education are in the process of allocation to the existing Schools Expansions Programme thereby reducing the prudential borrowing requirement.
175. The revised prudential borrowing budget reports a favourable variance of £7,027k due to the increase in available Schools and DFG grants and scheme cost underspends 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	2,644	1,615	(629)	(400)	3,501	2,872	(629)	2,813	0	59
265	New Primary Schools Expansions	807	807	0	0	27,135	27,135	0	27,135	0	0
198	Secondary Schools Expansions	1,202	1,202	0	0	95,702	95,702	0	68,794	26,908	0
17,405	Secondary Schools New Build	27,421	26,384	(1,037)	0	30,849	29,812	(1,037)	24,338	3,638	1,836
184	Hearing Impaired Resource Base (Vyners)	10	15	5	0	10	15	5	15	0	0
0	Additional Temporary Classrooms	100	0	0	(100)	1,800	1,800	0	1,800	0	0
<b>154,171</b>	<b>Total Schools Programme</b>	<b>32,184</b>	<b>30,023</b>	<b>(1,661)</b>	<b>(500)</b>	<b>158,997</b>	<b>157,336</b>	<b>(1,661)</b>	<b>124,895</b>	<b>30,546</b>	<b>1,895</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	3,033	2,464	0	(569)	3,533	3,533	0	330	3,040	163
136	Inspiring Shopfronts	200	200	0	0	1,221	1,221	0	1,221	0	0
12	Uxbridge Cemetery Gatehouse	25	25	0	0	988	988	0	988	0	0
0	Uxbridge Change of Heart	150	150	0	0	1,996	1,996	0	1,109	800	87
	<b>Central Services, Culture and Heritage</b>										
38	Bowls Club Refurbishments	730	730	0	0	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	245	0	(35)	280	280	0	280	0	0
32,198	Hillingdon Sports & Leisure Centre	50	20	0	(30)	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	1,750	1,750	0	0	5,956	5,956	0	5,956	0	0
0	Battle of Britain Underground Bunker	100	75	0	(25)	1,053	1,053	0	53	1,000	0
0	Bessingby FC Boxing Clubhouse	150	100	0	(50)	950	950	0	950	0	0
0	New Museum	100	100	0	0	5,000	5,000	0	4,250	0	750
0	New Theatre	50	50	0	0	44,000	44,000	0	42,950	0	1,050
0	Yiewsley Site Development	50	20	0	(30)	4,302	4,302	0	4,302	0	0
97	Youth Centre Projects x 3	250	250	0	0	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	180	0	(70)	250	250	0	250	0	0
1,720	Cedars & Grainges Car Park	932	732	(100)	(100)	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	682	242	0	(440)	4,072	4,072	0	4,072	0	0
0	RAGC Car Park	50	50	0	0	250	250	0	250	0	0
0	Street Lighting - Invest to Save	300	300	0	0	5,500	5,500	0	5,500	0	0
	<b>Social Services, Housing, Health and Wellbeing</b>										
0	1 & 2 Merrimans Housing Project	420	420	0	0	620	620	0	620	0	0
47	Dementia Centre	47	0	(47)	0	2,512	2,465	(47)	2,465	0	0
	<b>Cross Cabinet Member Portfolios</b>										
	Environmental Recreational Initiatives	600	400	0	(200)	1,000	1,000	0	1,000	0	0
16,711	Projects Completing in 2016/17	1,489	1,332	(157)	0	1,581	1,424	(157)	1,360	0	64
<b>59,599</b>	<b>Total Main Programme</b>	<b>16,623</b>	<b>14,019</b>	<b>(1,055)</b>	<b>(1,549)</b>	<b>98,291</b>	<b>97,236</b>	<b>(1,055)</b>	<b>89,071</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	1,029	0	(390)	2,533	2,533	0	0	1,981	552
N/A	Urgent Building Condition Works	3,850	2,701	0	(1,149)	5,991	5,991	0	2,574	2,529	888
	<b>Finance, Property and Business Services</b>										
N/A	Civic Centre Works Programme	1,969	750	(619)	(600)	3,969	3,350	(619)	3,350	0	0
N/A	ICT Single Development Plan	824	632	0	(192)	2,424	2,424	0	2,424	0	0
N/A	Property Works Programme	480	300	(180)	0	2,400	2,220	(180)	2,220	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	132	(71)	0	803	732	(71)	703	29	0
N/A	Street Lighting	191	97	(94)	0	567	97	(470)	97	0	0
N/A	Transport for London	5,571	3,225	(352)	(1,994)	20,881	20,529	(352)	0	19,615	914
	<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	50	(150)	0	1,000	850	(150)	850	0	0
N/A	Private Sector Renewal Grant	450	100	(350)	0	2,250	1,900	(350)	1,900	0	0
N/A	Landlord Property Renovation Grant	148	50	(98)	0	148	50	(98)	50	0	0
	<b>Cross Cabinet Member Portfolios</b>										
N/A	Section 106 Projects	455	425	0	(30)	455	455	0	0	0	455
	<b>Total Programme of Works</b>										
		<b>26,349</b>	<b>17,666</b>	<b>(1,914)</b>	<b>(6,769)</b>	<b>73,010</b>	<b>70,720</b>	<b>(2,290)</b>	<b>32,144</b>	<b>35,767</b>	<b>2,809</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>75,976</b>	<b>62,528</b>	<b>(4,630)</b>	<b>(8,818)</b>	<b>337,118</b>	<b>332,112</b>	<b>(5,006)</b>	<b>252,930</b>	<b>71,563</b>	<b>7,619</b>



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

**Table 27: Outstanding Deposits - Average Rate of Return on Deposits: 0.59%**

	Actual (£m)	Actual (%)	Bench-mark (%)
Up to 1 Month	46.3	37.07	40.00
1-2 Months	14.0	11.21	5.00
2-3 Months	5.0	4.00	10.00
3-6 Months	20.0	16.01	15.00
6-9 Months	10.0	8.01	10.00
9-12 Months	14.4	11.53	5.00
12-18 Months	10.0	8.01	10.00
18-24 Months	5.0	4.00	5.00
<b>Subtotal</b>	<b>124.7</b>	<b>99.84</b>	<b>100.00</b>
Unpaid Maturities	0.2	0.16	0.00
<b>Grand Total</b>	<b>124.9</b>	<b>100.00</b>	<b>100.00</b>

176. With the exception of the unpaid Heritable investments, deposits are held with UK or overseas institutions, all of which hold a minimum A- Fitch (or lowest equivalent) long-term credit rating. UK deposits are currently held in AAA rated Money Market Funds, Pooled Funds, Blaenau Gwent CBC, Birmingham CC, Enfield Council, Guildford Council, Lancashire CC, Monmouthshire CC, North Tyneside Council, Northumberland CC, Salford CC, Stockport BC, Lloyds Bank and Santander UK plc. An overseas deposit is held with DBS Bank Ltd.
177. The Council aims to minimise its exposure to bail-in risk by utilising bail-in exempt instruments and institutions whenever possible. However, due to the significant amount held instant access facilities needed to manage daily cashflows, it is not possible to fully protect Council funds from bail-in risk. Currently at the end of November, 35% of the Council's total funds have exposure to bail-in risk compared to a September benchmark average of 66% in the Local Authority sector (latest benchmark provided quarterly by the Council's treasury advisors Arlingclose). The Council's exposure reduces to 10% once instant access facilities are removed from the bail-in total.
178. During the month, cash was mainly placed and withdrawn from instant access accounts. Two fixed-term deposits with Nationwide BS and National Australia Bank, a Bank of Scotland Covered Bond and Nordea CD all reached maturity during November. In addition to this, a forward dated investment with Northumberland CC was settled, a long-term deposit was placed with Lloyds Bank and monies were placed in a short-bond pooled fund with Payden & Rygel.

**Table 28: Outstanding Debt - Average Interest Rate on Debt: 3.35%**

		Actual (£m)	Actual (%)
<b>General Fund</b>	PWLB	61.82	22.84
	Long-Term Market	15.00	5.54
<b>HRA</b>	PWLB	160.82	59.42
	Long-Term Market	33.00	12.20
	<b>Total</b>	<b>270.64</b>	<b>100.00</b>

179. There were no scheduled debt repayments. Although there was a slight rise in gilt yields, premiums still remain too high for the repayment of fixed-rate debt to be feasible. There were no breaches of the prudential indicators or non-compliance with the treasury management policy and practices.
180. 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

181. 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 29: 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 Buyer	05/06/2016	08/12/2016	26/02/2017	39	19	58
Category Manager	15/11/2015	20/12/2016	22/01/2017	127	4	131
<b>Residents Services</b>						
Building Control Surveyor	23/08/2012	14/12/2016	03/03/2017	134	8	142
Older People's Housing Service (OPHS) Officer	3/06/2014	20/12/2016	26/03/2017	96	9	105
Project Engineer	10/06/2013	20/12/2016	02/04/2017	228	19	247
Project Engineer - Design	10/06/2013	20/12/2016	19/03/2017	181	17	198
Highway Development Engineer	05/05/2016	20/12/2016	21/04/2017	55	18	73
Highway Engineer	05/05/2016	20/12/2016	24/03/2017	37	18	55
<b>Social Care</b>						
Residential Care Worker	01/04/2012	02/01/2017	29/01/2017	128	2	130
Approved Mental Health Worker	01/03/2014	02/01/2017	29/01/2017	150	6	156
Lead Approved Mental Health Practitioner	01/06/2012	02/01/2017	29/01/2017	205	5	210
Occupational Therapist	07/10/2013	02/01/2017	29/01/2017	198	4	202
Special Needs Officer	05/01/2015	02/01/2017	29/01/2017	68	2	70
Occupational Therapist	01/04/2015	02/01/2017	29/01/2017	118	5	123
Contract Management Officer	24/08/2015	02/01/2017	29/01/2017	169	9	178
Approved mental health professional (AMHP)	01/06/2015	02/01/2017	29/01/2017	119	6	125
Principle Educational Psychologist	01/06/2015	02/01/2017	29/01/2017	173	12	185
AMHP	12/09/2015	02/01/2017	29/01/2017	93	6	99
LD Programme Review	29/07/2015	02/01/2017	29/01/2017	173	0	173
Occupational Therapist	03/12/2015	02/01/2017	29/01/2017	73	5	78
Senior Social Worker	06/01/2016	02/01/2017	29/01/2017	65	1	66
Advanced Practitioner	29/02/2016	02/01/2017	29/01/2017	74	5	79
Educational Psychologist	01/03/2016	02/01/2017	29/01/2017	97	12	109
Safeguarding and DOLS Co-ordinator	19/10/2014	02/01/2017	29/01/2017	122	0	122
AMPH Social Worker	18/08/2015	02/01/2017	29/01/2017	96	5	101
Business Objects Officer	00/01/1900	02/01/2017	29/01/2017	138	11	149
Early Years Practitioner	02/03/2015	02/01/2017	05/02/2017	52	3	55
Social Worker	28/03/2016	02/01/2017	05/02/2017	50	6	56

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
Receptionist/ Administrative Assistant	01/09/2014	02/01/2017	05/02/2017	53	3	56
Early Years Practitioner	29/10/2014	02/01/2017	05/02/2017	53	3	56
Early Years Practitioner	12/01/2015	02/01/2017	05/02/2017	54	3	57
Social Worker	01/08/2015	02/01/2017	05/02/2017	54	6	60
Early Years Practitioner	06/10/2014	02/01/2017	05/02/2017	59	3	62
Early Years Practitioner	30/03/2015	02/01/2017	05/02/2017	64	2	66
Senior Social Worker	28/03/2016	02/01/2017	05/02/2017	60	8	68
Team Manager	03/04/2016	02/01/2017	05/02/2017	65	9	74
Local Children & Adult Safeguarding Board Training & Quality Assurance Officer	01/12/2015	02/01/2017	05/02/2017	78	8	86
Independent Domestic Violence Advisor	12/01/2015	02/01/2017	05/02/2017	88	5	93
Social Worker	04/05/2015	02/01/2017	05/02/2017	88	6	94
Social Worker	04/05/2015	02/01/2017	05/02/2017	90	8	98
Child Protection Chair	01/07/2015	02/01/2017	05/02/2017	92	9	101
Independent Reviewing Officer	05/10/2015	02/01/2017	05/02/2017	93	9	102
Early Years Practitioner	01/05/2015	02/01/2017	05/02/2017	105	3	108
Quality Assurance Manager	01/02/2016	02/01/2017	05/02/2017	98	14	112
Child Protection Chair	20/07/2015	02/01/2017	05/02/2017	109	9	118
Panel Advisor	10/08/2015	02/01/2017	05/02/2017	112	8	120
Social Worker	27/10/2014	02/01/2017	05/02/2017	121	8	129
Social Worker	13/04/2015	02/01/2017	05/02/2017	127	7	134
Practice Improvement Practitioner	08/05/2014	02/01/2017	05/02/2017	134	8	142
Social Worker	19/06/2014	02/01/2017	05/02/2017	148	7	155
Social Worker	05/09/2014	02/01/2017	05/02/2017	175	7	182
Social Worker	11/08/2014	02/01/2017	05/02/2017	188	9	197
Child Sexual Exploitation (CSE) Co-ordinator	03/11/2014	02/01/2017	05/02/2017	191	8	199
Senior Social Worker	30/04/2012	02/01/2017	05/02/2017	198	7	205
Independent Reviewing Officer	27/05/2014	02/01/2017	05/02/2017	204	8	212
Team Manager - MASH	28/09/2014	02/01/2017	05/02/2017	206	9	215
Social Worker	01/01/2013	02/01/2017	05/02/2017	229	6	235
Social Worker	01/04/2013	02/01/2017	05/02/2017	230	7	237
Social Worker	01/01/2013	02/01/2017	05/02/2017	237	7	244
Case Progression Manager	07/04/2014	02/01/2017	05/02/2017	240	8	248
Social Worker	19/12/2011	02/01/2017	05/02/2017	281	7	288
Team Manager	01/01/2013	02/01/2017	05/02/2017	288	9	297
MASH Manager	13/01/2014	02/01/2017	05/02/2017	305	13	318