

# COUNCIL BUDGET - 2016/17 MONTH 9 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.</p> <p>A net in-year underspend of £1,844k is projected against 2016/17 General Fund revenue budgets as of December 2016 (Month 9), representing an improvement of £379k 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><b>Putting our Residents First: <i>Financial Management</i></b></p> <p>Achieving Value for Money is an important element of the Council's Medium Term Financial Plan.</p>
<b>Financial Cost</b>	N/A
<b>Relevant Policy Overview Committee</b>	Corporate Services and Partnerships
<b>Ward(s) affected</b>	All

## RECOMMENDATIONS

### That Cabinet:

1. Note the forecast budget position as at December 2016 (Month 9).
2. Note the Treasury Management update as at December 2016 at Appendix E.
3. Continue the delegated authority up until the March 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 26th January 2017 and 16th February 2017 Cabinet meetings, detailed at Appendix F.

4. **Agrees the Corporate Director of Finance, in conjunction with the Leader of the Council, reviews and makes any necessary decisions to simplify and re-model the Council's budget cost codes centres in the coming financial year; to also integrate this with the Council's incoming budget management system to further aid monitoring and forecasting by users**

## **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 - It is proposed to undertake review to simplify the budget cost code centres used by managers across the Council. This work will be fed into the roll-out of the new budget management system, and will assist with the management, monitoring and forecasting of budgets, along with easier to view information for users. This recommendation enables that, in conjunction with the Leader of the Council.

### **Alternative options considered**

4. There are no other options proposed for consideration

## FURTHER INFORMATION

### General Fund Revenue Budget

5. An underspend of £1,844k is reported on normal operating activities at Month 9. This position incorporates a £2,835k net underspend across Directorate Operating Budgets and an underspend of £800k across Corporate Operating Budgets, offset by contingency pressures of £1,791k, 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.
6. The headline underspend of £1,844k represents an improvement of £379k on the position reported at Month 8, consisting of a £369k improvement across Directorate budgets primarily linked to further increases in Health contributions towards the cost of Social Care and a £10k improvement on contingency, principally driven by a slight decrease in the costs of Looked After Children.
7. 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 total £1,142k at Month 9. The reported position on operating budgets reflects the status of these savings.

**Table 1: General Fund Overview**

Original Budget	Budget Changes	Service	Month 9		Variance (As at Month 9)	Variance (As at Month 8)	Movement from Month 8
			Revised Budget	Forecast Outturn			
£'000	£'000		£'000	£'000	£'000	£'000	£'000
179,081	(578)	Directorate Operating Budgets	178,503	175,668	(2,835)	(2,466)	(369)
1,841	2,602	Corporate Operating Budgets	4,443	3,643	(800)	(800)	0
18,453	(1,881)	Development & Risk Contingency	16,572	18,363	1,791	1,801	(10)
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>198,665</b>	<b>(1,844)</b>	<b>(1,465)</b>	<b>(379)</b>
<b>200,509</b>	<b>0</b>	<b>Total Net Expenditure</b>	<b>200,509</b>	<b>198,665</b>	<b>(1,844)</b>	<b>(1,465)</b>	<b>(379)</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>2,372</b>	<b>(1,844)</b>	<b>(1,465)</b>	<b>(379)</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>(36,633)</b>			

8. At 31 March 2016 General Fund Balances totalled £39,005k. With the budgeted drawdown of £4,216k and the projected £1,844k surplus, the forecast closing balance at 31 March 2017 is £36,633k. 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 (£2,835k underspend, £369k improvement)

9. 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.

10. 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 9 forecast assumes that £2,692k of these projected costs will be funded from capital receipts and a further £1,707k will be funded from earmarked reserves.

**Table 2: Directorate Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service		Month 9		Variance (As at Month 9) £'000	Variance (As at Month 8) £'000	Movement from Month 8 £'000
				Revised Budget £'000	Forecast Outturn £'000			
10,762 (1,288)	(282) 5	Admin.	Expenditure	10,480	10,365	(115)	(118)	3
			Income	(1,283)	(1,251)	32	48	(16)
<b>9,474</b>	<b>(277)</b>		<b>Sub-Total</b>	<b>9,197</b>	<b>9,114</b>	<b>(83)</b>	<b>(70)</b>	<b>(13)</b>
15,768 (2,475)	357 (61)	Finance	Expenditure	16,125	15,904	(221)	(214)	(7)
			Income	(2,536)	(2,652)	(116)	(92)	(24)
<b>13,293</b>	<b>296</b>		<b>Sub-Total</b>	<b>13,589</b>	<b>13,252</b>	<b>(337)</b>	<b>(306)</b>	<b>(31)</b>
109,096 (56,005)	440 (430)	Residents Services	Expenditure	109,536	107,795	(1,741)	(1,621)	(120)
			Income	(56,435)	(56,063)	372	289	83
<b>53,091</b>	<b>10</b>		<b>Sub-Total</b>	<b>53,101</b>	<b>51,732</b>	<b>(1,369)</b>	<b>(1,332)</b>	<b>(37)</b>
141,576 (38,353)	(47) (560)	Social Care	Expenditure	141,529	142,863	1,334	1,513	(179)
			Income	(38,913)	(41,293)	(2,380)	(2,271)	(109)
<b>103,223</b>	<b>(607)</b>		<b>Sub-Total</b>	<b>102,616</b>	<b>101,570</b>	<b>(1,046)</b>	<b>(758)</b>	<b>(288)</b>
<b>179,081</b>	<b>(578)</b>	<b>Total Directorate Operating Budgets</b>		<b>178,503</b>	<b>175,668</b>	<b>(2,835)</b>	<b>(2,466)</b>	<b>(369)</b>

11. An underspend of £83k within the Administration Directorate is reported at Month 9, a slight improvement of £13k on prior month projections.
12. At Month 9, a £337k underspend is reported on Finance operating budgets, an improvement of £31k from Month 8.
13. An underspend of £1,369k is reported within Residents Services at Month 9, with £2,216k staffing underspends from vacant posts and the capitalisation of transformation resource, and pressures of £814k across non-staffing and income budgets. The favourable movement from Month 8 relates primarily to lower forecast staffing spend, off-set by 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.
14. An improvement of £288k 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 £1,046k 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

15. The Council's 2016/17 General Fund revenue budget contains £13,309k savings, with all prior year savings delivered in full during 2015/16. As at Month 9, £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)	(10,196)	76.6%
G On track for delivery	0	(300)	(1,275)	(396)	(1,971)	14.8%
A Potential significant savings shortfall or a significant or risky project which is at an early stage;	(142)	(60)	0	(940)	(1,142)	8.6%
R Serious problems in the delivery of the saving	0	0	0	0	0	0.0%
<b>Total 2016/17 Savings</b>	<b>(907)</b>	<b>(1,127)</b>	<b>(5,782)</b>	<b>(5,493)</b>	<b>(13,309)</b>	<b>100.0%</b>

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

16. 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	Budget Changes	Service	Month 9		Variance (As at Month 9)	Variance (As at Month 8)	Movement from Month 8	
			Revised Budget	Forecast Outturn				
£'000	£'000		£'000	£'000	£'000	£'000	£'000	
0	0	Interest and Investment Income	Salaries	0	0	0	0	0
5,386	875		Non-Sal Exp	6,261	5,461	(800)	(800)	0
(405)	0		Income	(405)	(405)	0	0	0
<b>4,981</b>	<b>875</b>		<b>Sub-Total</b>	<b>5,856</b>	<b>5,056</b>	<b>(800)</b>	<b>(800)</b>	<b>0</b>
431	0	Levies and Other Corporate Budgets	Salaries	431	431	0	0	0
9,379	2,017		Non-Sal Exp	11,396	11,396	0	0	0
(12,390)	(290)		Income	(12,680)	(12,680)	0	0	0
<b>(2,580)</b>	<b>1,727</b>		<b>Sub-Total</b>	<b>(853)</b>	<b>(853)</b>	<b>0</b>	<b>0</b>	<b>0</b>
0	0	Housing Benefit Subsidy	Salaries	0	0	0	0	0
142,055	0		Non-Sal Exp	142,055	142,055	0	0	0
(142,615)	0		Income	(142,615)	(142,615)	0	0	0
<b>(560)</b>	<b>0</b>		<b>Sub-Total</b>	<b>(560)</b>	<b>(560)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>1,841</b>	<b>2,602</b>	<b>Total Corporate Operating Budgets</b>		<b>4,443</b>	<b>3,643</b>	<b>(800)</b>	<b>(800)</b>	<b>0</b>

## Development & Risk Contingency (£1,791k pressure, £10k improvement)

17. 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 9		Variance (As at Month 9) £'000	Variance (As at Month 8) £'000	Movement from Month 8 £'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)	(300)	0
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	1,939	(273)	(284)	11
3,734	0		Demographic Growth - Looked After Children	3,734	6,311	2,577	2,598	(21)
277	0		Social Worker Agency	277	277	0	0	0
1,699	0		Demographic Growth - Transitional Children	1,699	1,619	(80)	(80)	0
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	732	0
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>18,363</b>	<b>1,791</b>	<b>1,801</b>	<b>(10)</b>

18. Movement from Month 8 on reported positions is limited to the Asylum Service and Looked After Children with projections across all other areas having been reviewed.

19. The Asylum service is projecting a drawdown of £1,939k from the contingency, £273k below the budget, and an adverse movement of £11k on the Month 8 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. There is a 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.

20. Looked after Children is projecting a drawdown of £6,311k from the Contingency, £2,577k above budget, an improvement of £21k on the Month 8 projections. The service has implemented a number of changes to the approval and review process at the beginning of this financial year, which provide a much stronger challenge in the decision making process and is now being reflected in the projected cost of placements.

21. The number of DoLS referrals received to the end of December is 1,070 (972 in November). This is an average of twenty seven per week. The forecast pressure for Month 9 remains unchanged from the Month 8 forecast.
22. 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

23. 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.
24. 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 9		
			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

25. The latest forecasts on the Schools Budget shows a pressure of £207k 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.
26. The projected drawdown from Dedicated Schools Grant balances for the Schools Budget has reduced by £2k to £1,073k from the position reported at Month 8, exceeding available reserves by £207k. 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.
27. A £1k surplus is reported on the Parking Revenue Account at Month 9, representing an adverse movement of £23k from Month 8 forecasts.
28. A surplus of £2,000k is projected on the Council's share of Business Rates revenues at Month 9, in line with the position reported at Month 8. 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 8, including lower than previously estimated levels of

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

### **Housing Revenue Account**

29. The Housing Revenue Account (HRA) is currently forecasting an in-year overall surplus of £12,942k which is £3,680k more favourable than the budgeted surplus of £9,262k. This represents a £141k improvement on the position reported at Month 8. This variance includes underspends against Planned Maintenance (£43k improvement), Tenant Services (£245k) and overall repairs (£45k improvement), partially offset by an adverse movement on non-staffing costs in the Housing Management Service. In addition, rental income shows an adverse movement of £70k, due to an increase in the number of void properties contributing to a 297k overachievement of income. As a result, HRA General Balances are projected to increase to £46,886k by 31 March 2017, with a significant element of this sum earmarked to support investment in new housing stock.
30. There have been 75 Right to Buy sales of council dwellings as at the end of December 2016 and a further 40 sales are forecast to bring the yearly total to 115 in 2016/17. Sufficient expenditure was incurred on the acquisition of new properties during Quarters 1, 2 & 3 to avoid repayment of Right to Buy Receipts to DCLG, with projects underway to avoid repayment during Quarter 4.

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

31. Appendix D outlines the forecast outturn on the 2016/17 to 2020/21 Capital Programme, with a £5,961k underspend projected over the five year programme, representing a £955k improvement from Month 8. Prudential Borrowing required to support the Council's Capital Programme is projected to be £8,309k lower than the revised budget, as a result of the projected underspend of £5,961k and £7,507k additional assumed grant income for school expansions and Disabled Facilities Grants being sufficient to offset a £5,159k fall in projected Capital Receipts.
32. This favourable variance on borrowing would result in a marginal reduction in future revenue costs of approximately £420k per annum, however, given that £14,490k 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.
33. Slippage in project expenditure now shows an underspend of £13,893k in the current financial year. This is an underspend against the £75,984k 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 £5,019k of the revised budget of £6,918k will be secured during 2016/17.



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

### ADMINISTRATION (£83k underspend, £13k improvement)

34. The Administration group is showing a projected outturn underspend of £83k at Month 9, representing a £13k improvement on the month. The movement primarily relates to increased Learning & Development income in Human Resources and further non staffing improvements across the directorate.

**Table 7: Administration Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service	Month 9		Variance (As at Month 9) £'000	Variance (As at Month 8) £'000	Movement from Month 8 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
1,490	(12)	Democr. Services	Salaries	1,478	1,475	(3)	(15)	12
1,645	111		Non-Sal Exp	1,756	1,747	(9)	(23)	14
(629)	(97)		Income	(726)	(710)	16	27	(11)
<b>2,506</b>	<b>2</b>		<b>Sub-Total</b>	<b>2,508</b>	<b>2,512</b>	<b>4</b>	<b>(11)</b>	<b>15</b>
2,307	(326)	Human Resources	Salaries	1,981	1,958	(23)	(29)	6
534	71		Non-Sal Exp	605	598	(7)	8	(15)
(248)	61		Income	(187)	(203)	(16)	(7)	(9)
<b>2,593</b>	<b>(194)</b>		<b>Sub-Total</b>	<b>2,399</b>	<b>2,353</b>	<b>(46)</b>	<b>(28)</b>	<b>(18)</b>
1,979	(124)	Legal Services	Salaries	1,855	1,840	(15)	(18)	3
87	(1)		Non-Sal Exp	86	69	(17)	(8)	(9)
(341)	41		Income	(300)	(261)	39	39	0
<b>1,725</b>	<b>(84)</b>		<b>Sub-Total</b>	<b>1,641</b>	<b>1,648</b>	<b>7</b>	<b>13</b>	<b>(6)</b>
579	0	Policy & Partnership s	Salaries	579	540	(39)	(35)	(4)
2,141	(1)		Non-Sal Exp	2,140	2,138	(2)	2	(4)
(70)	0		Income	(70)	(77)	(7)	(11)	4
<b>2,650</b>	<b>(1)</b>		<b>Sub-Total</b>	<b>2,649</b>	<b>2,601</b>	<b>(48)</b>	<b>(44)</b>	<b>(4)</b>
6,355	(462)	Admin. Directorat e	Salaries	5,893	5,813	(80)	(97)	17
4,407	180		Non-Sal Exp	4,587	4,552	(35)	(21)	(14)
(1,288)	5		Income	(1,283)	(1,251)	32	48	(16)
<b>9,474</b>	<b>(277)</b>		<b>Total</b>	<b>9,197</b>	<b>9,114</b>	<b>(83)</b>	<b>(70)</b>	<b>(13)</b>

## FINANCE (£337k underspend, £31k improvement)

35. The Finance directorate is currently projecting an outturn underspend of £337k at Month 9, representing a £31k improvement on the month. The group is reporting an underspend of £262k in staffing budgets relating to a number of vacant posts and maternity leave within Operational Finance.

**Table 8: Finance Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service	Month 9		Variance (As at Month 9) £'000	Variance (As at Month 8) £'000	Movement from Month 8 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
519	418	Business Assurance	Salaries	937	907	(30)	(30)	0
30	592		Non-Sal Exp	622	666	44	44	0
(10)	(92)		Income	(102)	(108)	(6)	0	(6)
<b>539</b>	<b>918</b>		<b>Sub-Total</b>	<b>1,457</b>	<b>1,465</b>	<b>8</b>	<b>14</b>	<b>(6)</b>
1,555	0	Procurement	Salaries	1,555	1,641	86	64	22
92	(1)		Non-Sal Exp	91	103	12	1	11
0	0		Income	0	(9)	(9)	(9)	0
<b>1,647</b>	<b>(1)</b>		<b>Sub-Total</b>	<b>1,646</b>	<b>1,735</b>	<b>89</b>	<b>56</b>	<b>33</b>
3,321	118	Operational Finance	Salaries	3,439	3,207	(232)	(209)	(23)
611	(589)		Non-Sal Exp	22	23	1	0	1
(158)	31		Income	(127)	(191)	(64)	(53)	(11)
<b>3,774</b>	<b>(440)</b>		<b>Sub-Total</b>	<b>3,334</b>	<b>3,039</b>	<b>(295)</b>	<b>(262)</b>	<b>(33)</b>
4,101	(113)	Revenues & Benefits	Salaries	3,988	3,996	8	18	(10)
1,634	(68)		Non-Sal Exp	1,566	1,575	9	9	0
(2,023)	0		Income	(2,023)	(2,040)	(17)	(27)	10
<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	1,254	(94)	(91)	(3)
2,557	0		Non-Sal Exp	2,557	2,532	(25)	(20)	(5)
(284)	0		Income	(284)	(304)	(20)	(3)	(17)
<b>3,621</b>	<b>0</b>		<b>Sub-Total</b>	<b>3,621</b>	<b>3,482</b>	<b>(139)</b>	<b>(114)</b>	<b>(25)</b>
10,844	423	Finance Directorate	Salaries	11,267	11,005	(262)	(248)	(14)
4,924	(66)		Non-Sal Exp	4,858	4,899	41	34	7
(2,475)	(61)		Income	(2,536)	(2,652)	(116)	(92)	(24)
<b>13,293</b>	<b>296</b>		<b>Total</b>	<b>13,589</b>	<b>13,252</b>	<b>(337)</b>	<b>(306)</b>	<b>(31)</b>

36. 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 9		Variance (As at Month 9) £'000	Variance (As at Month 8) £'000	Movement from Month 8 £'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 (£1,369k underspend, £37k improvement)

37. Residents Services directorate is showing a projected outturn underspend of £1,369k at Month 9, excluding identified contingency provisions.

Table 10: Residents Services Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 9		Variance (As at Month 9) £'000	Variance (As at Month 8) £'000	Movement from Month 8 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
15,008	(1,314)	Deputy Director Residents Services	Salaries	13,694	13,230	(464)	(455)	(9)
15,752	1,205		Non-Sal	16,957	17,351	394	367	27
(7,981)	310		Exp	(7,671)	(7,350)	321	223	98
<b>22,779</b>	<b>201</b>		<b>Sub-Total</b>	<b>22,980</b>	<b>23,231</b>	<b>251</b>	<b>135</b>	<b>116</b>
4,951	223	Development and Assets	Salaries	5,174	5,140	(34)	(32)	(2)
11,174	(5)		Non-Sal	11,169	11,253	84	179	(95)
(5,072)	(449)		Exp	(5,521)	(5,424)	97	98	(1)
<b>11,053</b>	<b>(231)</b>		<b>Sub-Total</b>	<b>10,822</b>	<b>10,969</b>	<b>147</b>	<b>245</b>	<b>(98)</b>
487	(53)	Estates and Tenancy Management	Salaries	434	354	(80)	(72)	(8)
1,154	(10)		Non-Sal	1,144	1,084	(60)	(56)	(4)
(3,279)	0		Exp	(3,279)	(3,206)	73	73	0
<b>(1,638)</b>	<b>(63)</b>		<b>Sub-Total</b>	<b>(1,701)</b>	<b>(1,768)</b>	<b>(67)</b>	<b>(55)</b>	<b>(12)</b>
1,730	(47)	Planning, Transportation and Community Projects	Salaries	1,683	1,442	(241)	(248)	7
1,534	(480)		Non-Sal	1,054	1,052	(2)	(4)	2
(10,706)	0		Exp	(10,706)	(10,801)	(95)	(95)	0
<b>(7,442)</b>	<b>(527)</b>		<b>Sub-Total</b>	<b>(7,969)</b>	<b>(8,307)</b>	<b>(338)</b>	<b>(347)</b>	<b>9</b>
1,774	0	Planning and Enforcement	Salaries	1,774	1,636	(138)	(155)	17
854	(50)		Non-Sal	804	804	0	0	0
(2,782)	0		Exp	(2,782)	(3,155)	(373)	(356)	(17)
<b>(154)</b>	<b>(50)</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	11,759	85	69	16
7,567	(920)		Non-Sal	6,647	6,626	(21)	(21)	0
(9,916)	17		Exp	(9,899)	(10,177)	(278)	(278)	0
<b>9,390</b>	<b>(968)</b>		<b>Sub-Total</b>	<b>8,422</b>	<b>8,208</b>	<b>(214)</b>	<b>(230)</b>	<b>16</b>
7,994	(2,496)	Digital Strategy & Communications	Salaries	5,498	5,456	(42)	(44)	2
5,714	92		Non-Sal	5,806	5,726	(80)	(85)	5
(3,058)	768		Exp	(2,290)	(2,150)	140	143	(3)
<b>10,650</b>	<b>(1,636)</b>		<b>Sub-Total</b>	<b>9,014</b>	<b>9,032</b>	<b>18</b>	<b>14</b>	<b>4</b>
6,027	3,161	Business and Technical Support	Salaries	9,188	8,240	(948)	(828)	(120)
1,051	(8)		Non-Sal	1,043	1,248	205	163	42
(4,197)	(700)		Exp	(4,897)	(4,354)	543	537	6
<b>2,881</b>	<b>2,453</b>		<b>Sub-Total</b>	<b>5,334</b>	<b>5,134</b>	<b>(200)</b>	<b>(128)</b>	<b>(72)</b>
4,131	588	Policy and Standards - Education, Housing and Public Health	Salaries	4,719	4,365	(354)	(354)	0
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>Sub-Total</b>	<b>6,403</b>	<b>5,948</b>	<b>(455)</b>	<b>(455)</b>	<b>0</b>
53,841	(3)	Residents Services	Salaries	53,838	51,622	(2,216)	(2,119)	(97)
55,255	443		Non-Sal	55,698	56,173	475	498	(23)
(56,005)	(430)		Exp	(56,435)	(56,063)	372	289	83
<b>53,091</b>	<b>10</b>		<b>Total</b>	<b>53,101</b>	<b>51,732</b>	<b>(1,369)</b>	<b>(1,332)</b>	<b>(37)</b>

38. 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.
39. The Council's 2016/17 contingency budget contains provision for areas of expenditure or income within Residents Services for which there is a greater degree of uncertainty. The position against these contingency items is shown in Table 2 below.
40. At month 9 projected calls on contingency are £300k below the budgeted provision (no change); following detailed modelling of the projected levy rebate from WLWA as part of MTF 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 9		Variance (As at Month 9) £'000	Variance (As at Month 8) £'000	Movement from Month 8 £'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)	(300)	0
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>(300)</b>	<b>0</b>

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

**Table 12: Housing Needs performance data**

	2016		
	October	November	December
Homeless Threat, Priority Need & Eligible	105	104	90
Presenting As Homeless	42	50	51
Duty Accepted	14	24	22
Households in Temporary Accommodation	599	607	618
Households in B&B	214	218	232

42. 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.
43. 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.

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.
47. Formal written feedback from all six Boroughs on the budget proposals for 2017/18 has now been submitted. This feedback will be considered at the next meeting of the Authority at the end of January.

#### **Deputy Director Residents Services (£251k overspend, £116k adverse movement)**

48. Within waste services there is a risk of additional costs in relation to contaminated 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.
49. Current projections show the fleet management budget position to be forecasting a pressure of £225k (£27k 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.
50. The income pressure within the Imported Food service is currently forecast at (£557k, £98k 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 (£147k overspend, £98k improvement)**

51. At Month 9 the service is reporting a £98k favourable movement, reducing the forecast overspend to £147k. The improvement relates mainly to revised projections for Borough wide maintenance (£40k favourable) following a review of year to date spend and commitments. There are also reduced running costs for the Civic Centre (£52k favourable) as a result of revised utility costs. The remaining favourable movement relates to minor adjustments to the staffing and income projections.

#### **Estates and Tenancy Management (£67k underspend, £12k improvement)**

52. The service is reporting a £12k overall favourable movement for Month 9. There is an £8k favourable movement relating to a reduction in agency costs. There is a minor £4k favourable movement in relation to non-staffing costs following a review of maintenance costs.

#### **Planning, Transportation and Community Projects (£338k underspend, £9k adverse movement)**

53. At Month 9, the service is reporting a favourable salary projection of £243k, £7k adverse, relating to various vacant posts across the service. There is a minor adverse movement of £2k for non-staffing budgets following a review of training and publicity costs.

54. 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)**

55. 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.
56. Income streams across the planning service remain robust, with income targets expected to be exceeded by £373k (£17k favourable). There is a commensurate adverse movement in staffing budgets forecast, relating to extended agency cover arrangements until the new planning structure is implemented.

**Green Spaces & Culture (£214k underspend, £16k adverse movement)**

57. At Month 9, the service is reporting a £16k adverse movement relating to a revised staffing projection for casual staff across a number of services.
58. 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 (£18k overspend, £4k adverse movement)**

59. 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 £4k adverse movement in relation to contracts expenditure.
60. 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 (£200k underspend, £72k improvement)**

61. 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 £543k (£6k adverse).
62. There is a forecast non-staffing adverse movement for month 9, relating to parking contractor costs, cleaning costs and P&D machine repairs and Park Mark registration, netted down by a revised recharge to the PRA. The net movement is £42k.
63. There is a revised projected underspend of £948k (£120k 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, no change)**

64. The implementation of the new Homelessness and Lettings structure has resulted in a higher turnover of staff than previously predicted resulting in higher transition costs until the structure beds down.

65. Interim resources deployed to smooth the transition to the new structure can be funded via capital receipts, as previously reported.

## SOCIAL CARE (£1,046k underspend, £288k improvement)

66. Social Care is projecting an underspend of £1,046k as at Month 9, an improvement of £288k from Month 8, due to a further increase in external income, primarily from the CCG, where agreements have been reached on the funding. However, it should be noted that 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 9		Variance (As at Month 9) £'000	Variance (As at Month 8) £'000	Movement from Month 8 £'000
				Revised Budget £'000	Forecast Outturn £'000			
1,826	(250)	Safeguarding Children	Salaries	1,576	1,675	99	94	5
1,612	(1,352)		Non-Sal Exp	260	359	99	44	55
(165)	0		Income	(165)	(225)	(60)	(57)	(3)
<b>3,273</b>	<b>(1,602)</b>		<b>Sub-Total</b>	<b>1,671</b>	<b>1,809</b>	<b>138</b>	<b>81</b>	<b>57</b>
4,678	(341)	Early Intervention Services	Salaries	4,337	4,025	(312)	(328)	16
3,406	(258)		Non-Sal Exp	3,148	3,155	7	71	(64)
(1,712)	310		Income	(1,402)	(1,434)	(32)	(26)	(6)
<b>6,372</b>	<b>(289)</b>		<b>Sub-Total</b>	<b>6,083</b>	<b>5,746</b>	<b>(337)</b>	<b>(283)</b>	<b>(54)</b>
11,888	(47)	Children's Social Care	Salaries	11,841	13,129	1,288	1,296	(8)
9,996	2,118		Non-Sal Exp	12,114	13,016	902	888	14
(6,899)	(391)		Income	(7,290)	(8,212)	(922)	(923)	1
<b>14,985</b>	<b>1,680</b>		<b>Sub-Total</b>	<b>16,665</b>	<b>17,933</b>	<b>1,268</b>	<b>1,261</b>	<b>7</b>
8,669	299	All-Age Disabilities	Salaries	8,968	7,910	(1,058)	(958)	(100)
44,634	294		Non-Sal Exp	44,928	45,411	483	391	92
(9,536)	(206)		Income	(9,742)	(10,042)	(300)	(149)	(151)
<b>43,767</b>	<b>387</b>		<b>Sub-Total</b>	<b>44,154</b>	<b>43,279</b>	<b>(875)</b>	<b>(716)</b>	<b>(159)</b>
4,460	331	Social Work	Salaries	4,791	4,630	(161)	(361)	200
28,082	286		Non-Sal Exp	28,368	29,187	819	1,041	(222)
(8,570)	(625)		Income	(9,195)	(10,132)	(937)	(955)	18
<b>23,972</b>	<b>(8)</b>		<b>Sub-Total</b>	<b>23,964</b>	<b>23,685</b>	<b>(279)</b>	<b>(275)</b>	<b>(4)</b>
8,873	(471)	Early Intervention & Prevention	Salaries	8,402	7,887	(515)	(449)	(66)
3,067	84		Non-Sal Exp	3,151	3,204	53	67	(14)
(10,897)	320		Income	(10,577)	(10,526)	51	19	32
<b>1,043</b>	<b>(67)</b>		<b>Sub-Total</b>	<b>976</b>	<b>565</b>	<b>(411)</b>	<b>(363)</b>	<b>(48)</b>
2,574	(182)	Safeguarding, Quality & Partnerships	Salaries	2,392	2,393	1	2	(1)
6,531	(96)		Non-Sal Exp	6,435	6,473	38	132	(94)
(541)	82		Income	(459)	(639)	(180)	(180)	0
<b>8,564</b>	<b>(196)</b>		<b>Sub-Total</b>	<b>8,368</b>	<b>8,227</b>	<b>(141)</b>	<b>(46)</b>	<b>(95)</b>
631	0	Directorate & Support Services	Salaries	631	400	(231)	(231)	0
649	(462)		Non-Sal Exp	187	9	(178)	(186)	8
(33)	(50)		Income	(83)	(83)	0	0	0
<b>1,247</b>	<b>(512)</b>		<b>Sub-Total</b>	<b>735</b>	<b>326</b>	<b>(409)</b>	<b>(417)</b>	<b>8</b>
43,599	(661)	<b>Social Care Directorate Total</b>	Salaries	42,938	42,049	(889)	(935)	46
97,977	614		Non-Sal Exp	98,591	100,814	2,223	2,448	(225)
(38,353)	(560)		Income	(38,913)	(41,293)	(2,380)	(2,271)	(109)
<b>103,223</b>	<b>(607)</b>		<b>Total</b>	<b>102,616</b>	<b>101,570</b>	<b>(1,046)</b>	<b>(758)</b>	<b>(288)</b>



**SOCIAL CARE DEVELOPMENT AND RISK CONTINGENCY (£2,641k overspend, £10k improvement)**

67. 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 £2,641k, a slight improvement of £10k on the Month 8 projections, due to a reduction in the projected cost of placements.

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

Original Budget	Budget Changes	Development & Risk Contingency	Month 9		Variance (As at Month 9)	Variance (As at Month 8)	Movement from Month 8
			Revised Budget	Forecast Outturn			
£'000	£'000		£'000	£'000	£'000	£'000	£'000
2,212	0	Asylum Service	2,212	1,939	(273)	(284)	11
3,734	0	Demographic Growth - Looked After Children	3,734	6,311	2,577	2,598	(21)
277	0	Social Worker Agency	277	277	0	0	0
1,699	0	Demographic Growth - Transitional Children	1,699	1,619	(80)	(80)	0
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	732	0
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>12,719</b>	<b>2,641</b>	<b>2,651</b>	<b>(10)</b>

**Asylum Service (£273k underspend, £11k adverse movement)**

68. This service is projecting a drawdown of £1,939k from the contingency, £273k below the budget, and an adverse movement of £11k on the Month 8 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. There is a 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.

69. The £273k 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.

70. The National Transfer arrangements for UASC have now been in operation for 6 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 94 UASC, which is 46 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 (£2,577k overspend, £21k improvement)**

71. The service is projecting a drawdown of £6,311k from the Contingency, £2,577k above budget, an improvement of £21k on the Month 8 projections. The service has implemented a number of changes to the approval and review process at the beginning of this financial years, which provide a much stronger challenge in the decision making process and is now being reflected in the projected cost of placements.
72. The number of contacts and referrals is beginning to reduce to those levels evident in 2015, with the number of Looked After Children, children with a Child Protection Plan and those identified as Children in Need remaining within the average monthly range for each care need from May 2015 to November 2016.
73. The main saving built into the base budget relates to the change in the number of children placed through an Independent Fostering Agency (IFA), linked to the October 2015 Foster Care recruitment initiative. The service is continuing to manage the pressure on this saving within the wider placements budget as the actual recruitment has slipped from the profile included in the saving. Additionally, the number of IFA placements are expected to increase, as they represent a key element of the strategy for stepping down high cost placements, although the age profile and needs of the cases forecasts these to be at a higher average cost than other IFA placements. The current split for foster care placements still stands at 47% IFA and 53% In-House.
74. 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 £330k. 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)**

75. 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. The recruitment of Social Workers remains very competitive, and as a consequence the permanency rate will remain at approximately 77.5% for the remainder of this financial year. It is anticipated that the full drawdown of this contingency will be required.

### **Demographic Growth - Transitional Children (£80k underspend, £90k adverse)**

76. The draw down from the Transitional Children contingency is forecast at £1,619k, resulting in an £80k underspend, no change from Month 8. 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)**

77. At Month 9 it is forecast that the full drawdown of the £432k contingency for Adult Demographic changes will be required, no change from the Month 8 projections. The demographic forecasting tool is regularly refreshed and expenditure areas are kept under close review.

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

78. It still remains that 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 8. No further step downs are anticipated this financial year.

**Deprivation of Liberty Safeguards (DoLS) (£732k overspend, nil movement)**

79. The number of DoLS referrals received to the end of December 1,070 (972 in November), an average of 27 per week. The forecast pressure for Month 9 is unchanged from the Month 8 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 (£1,069k overspend, £10k adverse movement)**

**Safeguarding Children (£138k overspend, £57k adverse movement)**

80. The service is reporting an overspend of £138k, an adverse movement of £57k on the Month 8 projections, due to a realignment of the supported accommodation budgets. 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 (£337k underspend, £54k improvement)**

81. The service is reporting an underspend of £337k, an improvement of £54k on the Month 8 projections, due to the implementation of a freeze on all non essential expenditure until the end of the financial year. The underspend reported relates to staffing costs, which are projecting an underspend of £312k 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.
82. This is netted down by a projected overspend of £7k 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 (£1,268k overspend, £7k adverse movement)**

83. The service is projecting an overspend of £1,268k is projected, an adverse movement of £7k from Month 8. This relates to an overspend of £1,288k 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.

84. 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.
85. 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.
86. Additionally, the service has an overspend of £902k 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 £860k from the earmarked reserves.

#### **ADULT SOCIAL CARE (£2,115k underspend, £298k improvement)**

##### **All Age Disabilities (AAD) (£875k underspend, £159k improvement)**

87. The service is reporting an underspend of £875k, an improvement of £159k on the Month 8 projections, in the main due to additional income from CCG for Health funding clients.
88. The salaries budget for AAD is currently forecast to underspend by £1,058k, an improvement of £100k on the Month 8 projections, due to further management action being taken to appoint to essential posts only. The underspend is due to vacancies being held during the year and management action being taken to manage the overall budget of the directorate.
89. 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 the use of vehicles. It is evident that there was a significant demographic increase in September 2016, which resulted in an increase in the pressure; however this is still being contained by one off savings across the department.
90. The non-staffing budget is forecasting a pressure of £483k, an adverse movement of £92k from the Month 8 projection. The movement is from increased pressure from Transport due to revisions to routes taking longer than previously expected. The placements forecast has remained largely unchanged in Month 9.
91. The income budget is forecasting an overachievement of £300k, an improvement of £151k from the Month 8 projections. The improvement this month is from additional Health Income for clients who now meet Continuing Health Care criteria and client contribution due to reassessments of a number of clients' contribution to care.

#### **Social Work (£279k underspend, £4k improvement)**

92. The service is reporting an underspend of £279k, an improvement of £4k from the Month 8 projections.
93. The staffing budget is forecast to underspend by £161k, an improvement of £13k from the Month 8 forecast due to posts being vacant longer than previously anticipated.
94. The non-staffing budgets and income are forecast to underspend by a net £118k, a minor adverse movement of £9k from Month 8.
95. The demand for residential and nursing beds across the Social Care sector remains high and average unit costs have increased during this financial year.

#### **Adults Early Intervention & Prevention (£411k underspend, £48k improvement)**

96. The service is reporting an underspend of £411k, an improvement of £48k on the Month 8 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.
97. An underspend of £515k is forecast against salaries budgets, an improvement of £66k on the Month 8 projections. The movement this month is due to recruitment difficulties within the Reablement team and a reduction in forecast for a manager who has transferred to another service.
98. There is a pressure of £53k forecast on non staffing costs, an improvement of £14k from Month 8. The improvement is due to a revised forecast for utility and food costs across the provider services. 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.
99. There is a pressure on income of £51k an increase of £32k from Month 8. Income anticipated for the Reablement service previously will now not be achieved due to the reduction in the number of posts filled.

#### **Safeguarding Quality & Partnerships (£141k underspend, £95k improvement)**

100. The service is reporting an underspend of £141k at Month 9, an improvement of £95k from the Month 8 projections. Staffing costs are forecast close to budget.
101. The non staffing budget has a pressure of £38k, an improvement of £94k since Month 8. The improved forecast is due to a review of the placement costs. The placements pressure is now forecast at £126k which is offset by CCG income for S117 placements. The pressure of £100k in respect of the Complex Care Service remains as the new delivery model will not be in place until the new financial year. These pressures are offset by a reduced recharge of £159k against the combined adults and children's safeguarding structure.
102. 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 (£409k underspend, £8k adverse movement)**

103. The Directorate budget is forecast to underspend by £409k, an adverse movement of £8k from the Month 8 position, which is due to an increase in legal costs. £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, no change)**

104. 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 (£622k overspend, £2k improvement)

105. The Dedicated Schools Grant (DSG) is projecting an in-year overspend of £622k. The overspend relates mainly to continuing pressure in High Needs spend particularly in relation to post-16 pupils and those pupils being educated in alternative provision facilities, where the pupils are unable to be placed in a mainstream school (this relates predominantly to year 10 and year 11 pupils).
106. 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 £207k deficit. This deficit will be the first call on the DSG for 2017/18. Schools Forum has been made aware of this and is 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 9		Variance (+ adv / - fav)		
			Revised Budget	Forecast Outturn	Variance (As at Month 9)	Variance (As at Month 8)	Change from Month 8
£'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	4,743	(62)	(53)	(9)
3,740	0	<b>Centrally Retained</b>	3,740	3,743	3	3	0
26,758	0	<b>Special Needs</b>	26,758	27,472	714	707	7
<b>0</b>	<b>451</b>	<b>Total Schools Budget</b>	<b>451</b>	<b>1,073</b>	<b>622</b>	<b>624</b>	<b>(2)</b>
0	0	Balance Brought Forward 1 April 2016	(866)	(866)			
	(451)	Use of Balances	(451)	(1,073)			
<b>0</b>	<b>0</b>	<b>Balance Carried Forward 31 March 2017</b>	<b>415</b>	<b>(207)</b>			

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

107. 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)

108. 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 (£62k underspend, £9k improvement)**

109. 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.
110. 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.
111. 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.
112. 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.
113. 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, no change)**

114. 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.
115. 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 (£714k overspend, £7k adverse movement)**

116. 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.
117. 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.
118. 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.



119. 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.

### School Academy Conversions

120. The Academies Act 2010, allows schools to convert to academy status and by doing so will receive funding directly from the Education Funding Agency (EFA). Schools can convert at any point in the year, once they have converted, a number of adjustments are required to realign the DSG income budget and the amount delegated to maintained schools.
121. We have 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

122. 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.
123. 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>

124. 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: £1k in year surplus (£23k adverse movement)**

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

**Table 17: Parking Revenue Account**

Original Budget £'000	Budget Changes £'000	Service	Month 9		Variance (+ adv / - fav)		
			Revised Budget £'000	Forecast Outturn £'000	Month 9 £'000	Month 8 £'000	Movement £'000
(4,079)	0	Income	(4,079)	(4,103)	(24)	(40)	16
4,079	0	Expenditure	4,079	4,102	23	16	7
<b>0</b>	<b>0</b>	<b>In-year (Surplus) / Deficit</b>	<b>0</b>	<b>(1)</b>	<b>(1)</b>	<b>(24)</b>	<b>23</b>

126. An in-year surplus of £1k is forecast for the 2016/17 financial year. The adverse movement this month relates to a review of the relevant recharges between the General Fund and the PRA.

127. The overall forecast for PRA income is attributable to favourable variances re residents parking permits and parking bay suspensions, offset by a projected shortfall in pay and display income (based on actual receipts to week 32 and prior year equivalent revenue for weeks 33-52).

128. There is a net 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 £50k 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 Clear cameras.

129. The key components of the non-staff variance are (a) the parking enforcement contract with APCOA (b) unbudgeted costs of £13k and £11k respectively relating to the renewal of ParkMap and the Videalert unattended CCTV system at Sidmouth Drive (c) a £26k pressure re parking signs and road-marking (d) £23k re Cabinet Approved Schemes costs and (e) various other areas including OAP brown badges, public notices, stationery (re residents parking permits), printing and equipment hire, all partly offset by underspends for postage and car allowances (£16k and £2k respectively).

## COLLECTION FUND (£2,500k surplus, no movement from Month 8)

### Collection Fund

130. The collection of local taxes is managed through the Council's Collection Fund in order to avoid short-term volatility in income impacting on provision of services. Sums quoted relate to the Council's own share of income and disregard monies collected on behalf of the Greater London Authority and Central Government. 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 9		Variance (As at Month 9)	Variance (As at Month 8)	Movement from Month 8	
			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/fwd 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>	

131. 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.

132. At Month 9, 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.

133. 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

134. The Housing Revenue Account (HRA) is currently forecasting an in-year overall surplus of £12,942k which is £3,680k more favourable than the budgeted surplus of £9,262k, taking forecast closing balance to be £46,886k. At Month 9 an increase in the underspend of £141k is forecast compared to Month 8. The table below presents key variances by service area:

**Table 19: Housing Revenue Account**

Service	Month 9		Variance (+ adv / - fav)		
	Revised Budget	Forecast Outturn	Variance (As at Month 9)	Variance (As at Month 8)	Movement from Month 8
	£'000	£'000	£'000	£'000	£'000
Rent Income	(56,215)	(56,512)	(297)	(367)	70
Other Income	(5,272)	(5,026)	246	246	0
<b>Net Income</b>	<b>(61,487)</b>	<b>(61,538)</b>	<b>(51)</b>	<b>(121)</b>	<b>70</b>
Housing Management	11,081	11,406	325	203	122
Tenant Services	5,225	4,490	(735)	(490)	(245)
Repairs	5,249	4,680	(569)	(524)	(45)
Planned Maintenance	4,666	2,000	(2,666)	(2,623)	(43)
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>48,576</b>	<b>(3,629)</b>	<b>(3,418)</b>	<b>(211)</b>
<b>(Surplus) / Deficit</b>	<b>(9,262)</b>	<b>(12,942)</b>	<b>(3,680)</b>	<b>(3,539)</b>	<b>(141)</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>(46,886)</b>	<b>(3,680)</b>	<b>(3,539)</b>	<b>(141)</b>

### Income

135. Rental income is forecast to be favourable by £297k for the year, an adverse movement of £70k from Month 8 due to voids. Other Income is forecast to be under recovered by £246k, no change from Month 8.

136. The number of RTB applications received in December was 17, see Graph 1 below. The first nine months RTB applications total 222 compared to 155 for the same period last year.

137. There have been 8 RTB completions in December. In the first nine months of 2016/17 there have been 75 RTB completions compared to 100 for the same period last year. The MTFP 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

138. The Housing management service is forecast to overspend by £325k, an adverse movement of £122k on Month 8, due to increase in legal costs £46k, council tax on void properties £56k and a £20k reduction in the income from capitalised salaries.

139. Tenant services overall forecast is an underspend of £735k; a favourable movement of £245k on Month 8 due to a reduction in the utilities forecast spend.

140. The overall repairs budget is forecast to underspend by £569k, a net favourable movement of £45k on Month 8. The key variances and movements are summarised in Table 2 below.

There is a favourable movement of £55k in staffing compared to Month 8 due to vacancies and delays in recruitment, and an adverse movement on rechargeable repairs income as there is less demand for repairs work on the caravan site.

**Table 20: Repairs variances and movements**

<b>Repairs</b>	<b>Variance Month 9 £'000</b>	<b>Movement from Month 8 £'000</b>
Vacancies and delays in recruitment	(319)	(55)
Pooled transport	(170)	0
Materials	(168)	0
Rechargeable repairs income	(70)	10
Consultancy fees	(85)	0
Non salary costs	(158)	0
Responsive repairs and voids	19	0
Redundancies	382	0
<b>Total</b>	<b>(569)</b>	<b>(45)</b>

141. The Planned Maintenance budget is forecast to underspend by £2,666k, a favourable movement of £43k on Month 8. The key variances and movements are summarised in Table 3 below and overall are due to the validation, procurement and consultation timetables required to deliver these. The key favourable movements from Month 8 are service contracts £28k and better neighbourhood funds £15k.

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

<b>Planned Maintenance</b>	<b>Variance Month 9 £'000</b>	<b>Movement from Month 8 £'000</b>
External cyclical decorations	(1,376)	0
Gas servicing and breakdowns	(372)	0
Service Contracts	(153)	(28)
Fencing	(199)	0
Housing road network maintenance	(173)	0
Better neighbourhood funds	(121)	(15)
Other surveys/works	(272)	0
<b>Total</b>	<b>(2,666)</b>	<b>(43)</b>

142. Within the Development and Risk contingency there are significant legal and consultancy costs arising from the Triscott House dispute. There is a provision of £729k, which was included in the accounts for costs relating to specialist consultants and legal fees. At this stage, costs are expected to be contained within the Development and Risk Contingency budget. The Development and Risk Contingency 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. Overall the budget is forecast to break even.

## HRA Capital Expenditure

143. 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	20,806	20,306	0	(500)	53,216	53,216	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
<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	4,148	(664)	(8,280)	40,103	39,439	(664)	(599)
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>5,258</b>	<b>(664)</b>	<b>(8,730)</b>	<b>46,355</b>	<b>45,691</b>	<b>(664)</b>	<b>(599)</b>
	<b>Total HRA Capital</b>	<b>48,478</b>	<b>36,992</b>	<b>(2,256)</b>	<b>(9,230)</b>	<b>145,785</b>	<b>142,211</b>	<b>(3,574)</b>	<b>(599)</b>
	<b>Movement</b>	<b>0</b>	<b>(661)</b>	<b>(599)</b>	<b>(62)</b>	<b>0</b>	<b>(599)</b>	<b>(599)</b>	<b>(599)</b>

### MAJOR PROJECTS

144. The Revised budget for the 2016/17 HRA Major Projects programme is £33,826k following Cabinet approval in month 7 to re-phase £9,507k of the budget into future years. This reflects the current profiling of expenditure on the numerous projects which are at various stages of development. The budget also reflects the Cabinet approval to allocate and release £9,026k from the HRA General Capital Contingency budget to the New General Needs Housing Stock budget, for the acquisition of Berkeley Apartments.
145. As at Month 9 the Major Projects programme remains unchanged from the Month 8 position. The programme is forecast to underspend by £1,592k in 2016/17 and £2,910k over the period 2016-2021 due to New Builds Supported Housing Provision. Further there is an anticipated slippage of £500k expected within the General Needs Housing Stock.

### New General Needs Housing Stock

146. 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 purchased.
147. Approval has been obtained for the delivery of 19 units of General Needs Housing stock at Acol Crescent to be delivered by 2018/19. However following a more detailed review and consultation with housing services, a revised scheme is currently being considered.
148. Following July Cabinet approval, to allocate a budget of £2,139k towards the construction of a housing programme comprising new builds, extensions and conversions, contractors are due to be appointed shortly. The construction costs on the new builds are greater than initially expected representing an overall budget pressure of £382k across the whole programme.

There is however scope within the overall General Needs Housing Stock budget of £53,216k to meet this budgetary pressure subject to approval to progress the development.

149. 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. Initial feasibility works will be commencing shortly.
150. The Berkeley apartments site is included in the New General Needs Housing Stock budget and forecast figures. The total cost is expected to be £9,977k. The date of exchange was at the end of December 2016.

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

151. The majority of this budget, £1,400k, 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**

152. 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.
153. The site set up and demolition works at both Grassy and Parkview are complete. The contractor design works are ongoing with sub-contractors appointed for various items. The construction training programme is in the process of being approved. 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.
154. The proposed delivery of 12 supported housing units for Mental Health clients at the Chippendale Waye 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.
155. The Supported Housing Development at Acol Crescent is being undertaken concurrently with the General Needs Housing Units at the same site. The scheme design has changed marginally with options and cost implications being assessed. However the project will still deliver 14 supported housing units for clients with learning difficulties which remains consistent with the original proposal.

### **Works to Stock**

156. The 2016/17 Works to Stock programme has an overall forecast favourable variance of £8,944k, of which £8,280k is due to phasing. This is an increase in the phasing variance of £62k compared to Month 8, due to re-procurement activity for roofing renewal. The remainder of the 2016/17 forecast favourable variance is a cost underspend of £664k, this has increased by £599k compared to Month 8 and relates to the Warm, Safe and Dry budgets.
157. Overall the variances across all work-streams are due to the validation, procurement and consultation timetables required to deliver these works. Elements of the programme contributing to the variance are shown in Table 5 below:

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

<b>Workstream</b>	<b>Variance Month 9</b>	<b>Movement from Month 8</b>
	<b>£'000</b>	<b>£'000</b>
Kitchens / Bathrooms	(2,948)	0
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	(233)	(62)
Warm Safe and Dry	(664)	(599)
All Other Workstreams	0	0
<b>Works to Stock Total</b>	<b>(8,944)</b>	<b>(661)</b>

158. Major Adaptations - no change from Month 8, this has a forecast re-phasing variance in 2016/17 of £450k due to delays in the tendering process. A new contractor has been appointed.

### **HRA Capital Receipts**

159. There have been 75 Right to Buy sales of council dwellings as at the end of December 2016 for a total sales value of £11,239k and a total of a further 40 sales are forecast to bring the yearly total to 115, totalling approximately £17,000k in 2016/17

160. 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.

161. 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	1,006	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
2016/17 Q3 Actual	24	3,309	621	2,688	Dec-19
<b>Total Retained Receipts</b>	<b>535</b>	<b>53,545</b>	<b>14,960</b>	<b>38,585</b>	

162. As at the end of December 2016 there have cumulatively been £53,545k 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.

163. 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

164. 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

165. As at Month 9 an underspend of £19,478k is reported on the £75,984k General Fund Capital Programme for 2016/17, with £5,585k favourable cost variances and £13,893k slippage on project expenditure. The forecast outturn variance over the life of the 2016/17 to 2020/21 programme is £5,961k net underspend relating to various schemes.
166. General Fund Capital Receipts of £5,019k 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. Overall, Prudential Borrowing required to support the 2016/17 to 2020/21 capital programmes is forecast to be within budget by £8,309k due to additional available capital grants and contributions of £7,507k and scheme cost underspends of £5,961k, partly offset by the shortfall of £5,159k in forecast Capital Receipts.

### Capital Programme Overview

167. 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	32,202	26,485	(2,436)	(3,281)	159,015	156,579	(2,436)	(775)
Main Programme	16,373	12,356	(1,134)	(2,883)	93,288	92,154	(1,134)	(79)
Programme of Works	26,589	16,845	(2,015)	(7,729)	73,250	70,859	(2,391)	(101)
<b>Total Main Programme</b>	<b>75,164</b>	<b>55,686</b>	<b>(5,585)</b>	<b>(13,893)</b>	<b>325,553</b>	<b>319,592</b>	<b>(5,961)</b>	<b>(955)</b>
Development & Risk Contingency:								
General Contingency	820	820	-	-	6,820	6,820	-	-
<b>Total Capital Programme</b>	<b>75,984</b>	<b>56,506</b>	<b>(5,585)</b>	<b>(13,893)</b>	<b>332,373</b>	<b>326,412</b>	<b>(5,961)</b>	<b>(955)</b>
<b>Movement</b>	<b>8</b>	<b>(6,022)</b>	<b>(955)</b>	<b>(5,075)</b>	<b>(4,745)</b>	<b>(5,700)</b>	<b>(955)</b>	<b>-</b>

168. The reduction in the total approved programme budget from 2016-21 reflects changes to plans on Youth Centres with funding to be partly reallocated to Youth Provision, included for approval in the 2017-2022 Council's Budget Cabinet Report. The movement in the 2016/17 budget also includes an adjustment to the attribution of Transport for London funding between capital and revenue schemes and further schools' contributions to the Devolved Formula Capital programme.
169. The Schools Programme reports a cost underspend of £2,436k 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 £775k relates mainly to a reduction to agreed fixtures, fittings and equipment costs

for Abbotsfield School. Further information on the performance of the Schools Programme is provided in the Cabinet School Capital Programme Update Report.

170. The main programme forecasts a phasing underspend of £2,883k on a number of projects in various stages of progress that will be completed in future years. The 1&2 Merrimans housing conversion project and associated appropriation is now forecast in next financial year. Construction works on site for the refurbishment of three Bowls Clubs are due to commence shortly however there is forecast re-phasing largely on the remaining unallocated funding. The car park resurfacing programme reports further slippage as works are not anticipated to commence this financial year. The forecast net cost underspend has improved by £79k due to release of contingencies on the completed works on CCTV enforcement (School Keep Clear Zones).
171. Programmes of Works are forecast to underspend by £2,391k over the life of the programme on several schemes. This is partly due to lower required expenditure over the medium term on replacement of defective street lighting with the roll out of the new street lighting LED programme. There is further reduced forecast expenditure of £101k on several programmes that will not be fully committed or delivered by the end of the financial year. These include Private Sector Renewal Grants and the Road Safety Programme.
172. There remain £6,820k unallocated contingency funds over the life of the five year programme which at this stage is forecast to be fully utilised as and when risk issues emerge.

## Capital Financing - General Fund

173. Table 26 below outlines the latest financing projections for the capital programme, with a favourable medium term variance of £8,309k 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	56,502	38,579	(17,923)	260,113	246,645	(13,468)	(1,282)
Financed by							
Capital Receipts	6,918	5,019	(1,899)	75,567	70,408	(5,159)	-
CIL	3,580	3,900	320	25,080	25,080	-	-
Prudential Borrowing	46,004	29,660	(16,344)	159,466	151,157	(8,309)	(1,282)
<b>Total Council Resources</b>	<b>56,502</b>	<b>38,579</b>	<b>(17,923)</b>	<b>260,113</b>	<b>246,645</b>	<b>(13,468)</b>	<b>(1,282)</b>
Grants & Contributions	19,482	17,927	(1,555)	72,260	79,767	7,507	327
<b>Total Programme</b>	<b>75,984</b>	<b>56,506</b>	<b>(19,478)</b>	<b>332,373</b>	<b>326,412</b>	<b>(5,961)</b>	<b>(955)</b>

174. 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.

175. As at the end of December a total of £3,669k CIL receipts (after administration fees) have been invoiced or received by the Council this financial year which represents a movement of £654k in month. The current year income budget for the year has been exceeded which is reported as a favourable phasing movement as the timing and scale of future receipts is not certain. 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.
176. 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.
177. Grants and contributions are forecast to increase by a further £327k due partly to Education Funding Agency funding of £238k in respect of fixtures, fittings and ICT at Abbotsfield School. There are also forecast increases in schools' contributions over the original budget assumption for next year's Schools Conditions programme.
178. The revised prudential borrowing budget has reduced by £5,003k due to changes in plans for Youth Centres. Over the life of the approved programme a favourable variance of £8,309k is forecast due to the increase in available grants and contributions 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	2,662	1,373	(783)	(506)	3,519	2,736	(783)	2,659	0	77
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	23,088	(1,658)	(2,675)	30,849	29,191	(1,658)	23,479	3,876	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>32,202</b>	<b>26,485</b>	<b>(2,436)</b>	<b>(3,281)</b>	<b>159,015</b>	<b>156,579</b>	<b>(2,436)</b>	<b>123,882</b>	<b>30,784</b>	<b>1,913</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	1,850	(807)	0	2,657	1,850	(807)	1,440	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	15	0	(10)	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	450	0	(280)	812	812	0	150	0	662
156	Harlington/Pinkwell Bowls & Pavilion	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	10	0	(40)	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	50	0	(50)	1,053	1,053	0	53	1,000	0
0	Bessingby FC Boxing Clubhouse	150	30	0	(120)	950	950	0	950	0	0
0	New Museum	100	50	0	(50)	5,000	5,000	0	4,250	0	750
0	New Theatre	50	20	0	(30)	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	0	0	0	0	0	0	0	0	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	0	0	(250)	250	250	0	250	0	0
1,720	Cedars & Grainges Car Park	932	632	(100)	(200)	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	142	0	(540)	4,072	4,072	0	4,072	0	0
0	RAGC Car Park	50	25	0	(25)	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	0	0	(420)	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	1,298	(157)	(34)	1,581	1,424	(157)	1,412	0	12
<b>59,599</b>	<b>Total Main Programme</b>	<b>16,373</b>	<b>12,356</b>	<b>(1,134)</b>	<b>(2,883)</b>	<b>93,288</b>	<b>92,154</b>	<b>(1,134)</b>	<b>84,041</b>	<b>5,250</b>	<b>2,863</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	200	0	(326)	1,326	1,326	0	1,326	0	0
	<b>Community, Commerce and Regeneration</b>										
N/A	Chrysalis Programme	1,275	850	0	(425)	5,275	5,275	0	5,275	0	0
N/A	Playground Replacement Programme	250	50	0	(200)	1,250	1,250	0	1,250	0	0
	<b>Education and Children Services</b>										
N/A	Formula Devolved Capital to Schools	1,520	1,071	0	(449)	2,634	2,634	0	0	1,981	653
N/A	Urgent Building Condition Works	3,808	2,261	0	(1,547)	5,949	5,948	(1)	2,432	2,530	986
	<b>Finance, Property and Business Services</b>										
N/A	Civic Centre Works Programme	1,969	500	(620)	(849)	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	82	(121)	0	803	682	(121)	653	29	0
N/A	Street Lighting	191	97	(94)	0	567	97	(470)	97	0	0
N/A	Transport for London	5,752	3,575	(352)	(1,825)	21,062	20,710	(352)	0	19,796	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	25	(175)	0	1,000	825	(175)	825	0	0
N/A	Private Sector Renewal Grant	450	75	(375)	0	2,250	1,875	(375)	1,875	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	402	0	(53)	455	455	0	0	0	455
	<b>Total Programme of Works</b>	<b>26,589</b>	<b>16,845</b>	<b>(2,015)</b>	<b>(7,729)</b>	<b>73,250</b>	<b>70,859</b>	<b>(2,391)</b>	<b>31,902</b>	<b>35,949</b>	<b>3,008</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>75,984</b>	<b>56,506</b>	<b>(5,585)</b>	<b>(13,893)</b>	<b>332,373</b>	<b>326,412</b>	<b>(5,961)</b>	<b>246,645</b>	<b>71,983</b>	<b>7,784</b>

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

**Table 27: Outstanding Deposits - Average Rate of Return on Deposits: 0.58%**

	Actual (£m)	Actual (%)	Bench-mark (%)
Up to 1 Month	66.2	47.02	40.00
1-2 Months	10.0	7.10	5.00
2-3 Months	5.0	3.55	10.00
3-6 Months	20.0	14.21	15.00
6-9 Months	10.0	7.10	10.00
9-12 Months	14.4	10.23	5.00
12-18 Months	10.0	7.10	10.00
18-24 Months	5.0	3.55	5.00
<b>Subtotal</b>	<b>140.6</b>	<b>99.86</b>	<b>100.00</b>
Unpaid Maturities	0.2	0.14	0.00
<b>Grand Total</b>	<b>140.8</b>	<b>100.00</b>	<b>100.00</b>

179. 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 County Council, North Tyneside Council, Northumberland CC, Stockport BC, Goldman Sachs International, Lloyds Bank and Santander UK plc. An overseas deposit is held with DBS Bank Ltd.
180. 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 in 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 December, 46% of the Council's total funds have exposure to bail-in risk compared to a December benchmark average of 67% in the Local Authority sector (latest benchmark provided quarterly by the Council's treasury advisors Arlingclose). The Council's exposure reduces to 13% once instant access facilities are removed from the bail-in total.
181. During the month, cash was mainly placed and withdrawn from instant access accounts. A fixed-term deposit with Salford City Council reached maturity during December. In addition a 95 day notice deposit was placed with Goldman Sachs International.

**Table 28: Outstanding Debt - Average Interest Rate on Debt: 3.36%**

		Actual (£m)	Actual (%)
<b>General Fund</b>	PWLB	61.07	22.63
	Long-Term Market	15.00	5.56
<b>HRA</b>	PWLB	160.82	59.59
	Long-Term Market	33.00	12.22
	<b>Total</b>	<b>269.89</b>	<b>100.00</b>

182. There was one scheduled General Fund PWLB EIP debt repayment of £0.75m this month. There were no early repayment opportunities and with gilt yields falling towards the end of December premiums have moved higher making early repayment unfeasible. There were no breaches of the prudential indicators or non-compliance with the treasury management policy and practices.
183. In order to maintain liquidity for day-to-day business operations and over the year-end period, cash balances will either be placed in instant access accounts or short-term deposits.



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

184. 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 Lawyer ASC & ECS	01/02/2015	23/01/2017	17/04/2017	53	11	64
Benefit Officer	01/12/2014	20/01/2017	21/04/2017	83	15	98
<b>Residents Services</b>						
Homeless Prevention Caseworker	24/02/2014	16/01/2017	12/03/2017	111	7	118
Homeless Prevention Caseworker	24/02/2014	16/01/2017	12/03/2017	111	7	118
Homeless Prevention Caseworker	24/02/2014	16/01/2017	12/03/2017	111	7	118
Homeless Prevention Caseworker	24/02/2014	16/01/2017	12/03/2017	111	7	118
Homeless Prevention Caseworker	24/02/2014	16/01/2017	12/03/2017	111	7	118
Homeless Prevention Caseworker	24/02/2014	16/01/2017	12/03/2017	111	7	118
Homeless Prevention Caseworker	24/02/2014	16/01/2017	12/03/2017	111	7	118
Homeless Prevention Caseworker	24/02/2014	16/01/2017	12/03/2017	111	7	118
Homeless Prevention Caseworker	24/02/2014	16/01/2017	12/03/2017	111	7	118
Waste Services Caretaker	24/08/2012	01/01/2017	31/03/2017	73	5	78
Waste Services Caretaker	29/08/2012	01/01/2017	31/03/2017	73	5	78
Waste Services Caretaker	24/08/2012	01/01/2017	31/03/2017	68	5	73
Waste Services Caretaker	06/09/2012	01/01/2017	31/03/2017	72	5	77
Waste Services Caretaker	22/09/2013	01/01/2017	31/03/2017	80	6	86
Waste Services Caretaker	16/11/2013	01/01/2017	31/03/2017	51	5	56
Waste Services Caretaker	16/11/2013	01/01/2017	31/03/2017	51	5	56
Quantity Surveyor	03/04/2011	01/01/2017	09/04/2017	268	17	285
Senior Management Support for Asset Management	12/08/2013	01/01/2017	14/04/2017	302	26	328
Smoking Cessation Seasonal Advisors	01/04/2013	01/01/2017	07/04/2017	106	5	111
<b>Social Care</b>						
Advanced Practitioner	19/12/2011	06/02/2017	05/03/2017	288	6	294
Advanced Practitioner	29/02/2016	30/01/2017	05/03/2017	79	8	87
AMHP	12/09/2015	30/01/2017	05/03/2017	99	7	106
AMHP	01/06/2015	30/01/2017	05/03/2017	125	8	133
AMPH Social Worker	18/08/2015	30/01/2017	05/03/2017	100	7	107
Approved Mental Health Worker	29/05/2016	30/01/2017	05/03/2017	45	7	52
Approved Mental Health Worker	01/03/2014	30/01/2017	05/03/2017	156	8	164

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
Business Objects Officer	19/10/2015	30/01/2017	05/03/2017	148	13	161
Case Progression Manager	07/04/2014	06/02/2017	05/03/2017	249	7	256
Child Protection Chair	01/07/2015	06/02/2017	05/03/2017	72	7	79
Child Protection Chair	20/07/2015	06/02/2017	05/03/2017	116	7	123
Child Sexual Exploitation (CSE) Co-ordinator	03/11/2014	06/02/2017	05/03/2017	201	6	207
Contract Management Officer	24/08/2015	30/01/2017	05/03/2017	178	11	189
Early Years Practitioner	24/02/2014	06/02/2017	05/03/2017	51	1	52
Early Years Practitioner	29/10/2014	06/02/2017	05/03/2017	55	2	57
Early Years Practitioner	02/03/2015	06/02/2017	05/03/2017	56	2	58
Early Years Practitioner	12/01/2015	06/02/2017	05/03/2017	56	2	58
Early Years Practitioner	06/10/2014	06/02/2017	05/03/2017	61	2	63
Early Years Practitioner	30/03/2015	06/02/2017	05/03/2017	65	2	67
Early Years Practitioner	01/05/2015	06/02/2017	05/03/2017	112	2	114
Educational Psychologist	01/03/2016	30/01/2017	05/03/2017	109	15	124
Independent Domestic Violence Advisor	12/01/2015	06/02/2017	05/03/2017	93	4	97
Independent Reviewing Officer	05/10/2015	06/02/2017	05/03/2017	101	7	108
Independent Reviewing Officer	27/05/2014	06/02/2017	05/03/2017	212	7	219
LD Programme Review	29/07/2015	30/01/2017	05/03/2017	173	13	186
Lead Approved Mental Health Practitioner	01/06/2012	30/01/2017	05/03/2017	210	6	216
Local Children & Adult Safeguarding Board Training & Quality Assurance Officer	01/12/2015	06/02/2017	05/03/2017	78	6	84
LSAB Coordinator	24/11/2015	06/02/2017	05/03/2017	49	4	53
Maingrade Educational Psychologist	15/11/2015	30/01/2017	05/03/2017	134	9	143
MASH Manager	13/01/2014	06/02/2017	05/03/2017	319	10	329
Occupational Therapist	01/04/2015	30/01/2017	05/03/2017	124	7	131
Occupational Therapist	07/10/2013	30/01/2017	05/03/2017	202	6	208
Occupational Therapist	06/06/2016	30/01/2017	05/03/2017	45	7	52
Occupational Therapist	03/12/2015	30/01/2017	05/03/2017	78	7	85
Panel Advisor	10/08/2015	06/02/2017	05/03/2017	109	7	116
Placement Officer	18/03/2016	06/02/2017	05/03/2017	46	5	51
Practice Improvement Practitioner	08/05/2014	06/02/2017	05/03/2017	132	7	139
Principal Educational Psychologist	01/06/2015	30/01/2017	05/03/2017	185	12	197
Quality Assurance Manager	01/02/2016	06/02/2017	05/03/2017	106	11	117
Receptionist/ Administrative Assistant	01/09/2014	06/02/2017	05/03/2017	54	2	56
Residential Care Worker	01/04/2012	30/01/2017	05/03/2017	130	3	133
Senior Social Worker	28/03/2016	06/02/2017	05/03/2017	68	6	74
Senior Social Worker	30/04/2012	06/02/2017	05/03/2017	205	6	211
Senior Social Worker	28/03/2016	30/01/2017	05/03/2017	49	6	55

<b>Post Title</b>	<b>Original Start Date</b>	<b>Approved From</b>	<b>Proposed End Date</b>	<b>Previous Approval £'000</b>	<b>Approved £'000</b>	<b>Total £'000</b>
Social Worker	04/07/2016	06/02/2017	05/03/2017	48	6	54
Social Worker	28/03/2016	06/02/2017	05/03/2017	57	5	62
Social Worker	01/08/2015	06/02/2017	05/03/2017	63	5	68
Social Worker	04/05/2015	06/02/2017	05/03/2017	95	5	100
Social Worker	04/05/2015	06/02/2017	05/03/2017	95	6	101
Social Worker	27/10/2014	06/02/2017	05/03/2017	127	6	133
Social Worker	13/04/2015	06/02/2017	05/03/2017	131	6	137
Social Worker	19/06/2014	06/02/2017	05/03/2017	146	6	152
Social Worker	05/09/2014	06/02/2017	05/03/2017	182	6	188
Social Worker	11/08/2014	06/02/2017	05/03/2017	195	7	202
Social Worker	01/01/2013	06/02/2017	05/03/2017	235	5	240
Social Worker	01/04/2013	06/02/2017	05/03/2017	237	6	243
Social Worker	01/01/2013	06/02/2017	05/03/2017	241	6	247
Special Needs Officer	05/01/2015	30/01/2017	05/03/2017	70	2	72
Team Manager	03/04/2016	06/02/2017	05/03/2017	74	7	81
Team Manager	01/01/2013	06/02/2017	05/03/2017	297	7	304
Team Manager - MASH	28/09/2014	06/02/2017	05/03/2017	217	7	224