

# COUNCIL BUDGET - 2016/17 MONTH 10 REVENUE AND CAPITAL BUDGET MONITORING

<b>Cabinet Member</b>	Councillor Jonathan Bianco
<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 £2,186k is projected against 2016/17 General Fund revenue budgets as of January 2017 (Month 10), representing an improvement of £342k from the position previously reported to Cabinet.</p> <p>The latest positions on other funds and the Capital Programme are detailed within the body of this report.</p>
<b>Putting our Residents First</b>	<p>This report supports the following Council objectives of: <i>Our People; Our Built Environment; Our Natural Environment; Our Heritage and Civic Pride; Financial Management</i></p> <p>Achieving Value for Money is an important element of the Council's Medium Term Financial Plan.</p>
<b>Financial Cost</b>	N/A
<b>Relevant Policy Overview Committee</b>	Corporate Services and Partnerships
<b>Ward(s) affected</b>	All

## RECOMMENDATIONS

That Cabinet:

1. Note the forecast budget position as at January 2017 (Month 10).
2. Note the Treasury Management update as at January 2017 at Appendix E.
3. Continue the delegated authority up until the April 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 16th February 2017 and 16th March 2017 Cabinet meetings, detailed at Appendix F.

4. **Agree to the appropriation of land and premises to the rear of 113-127 Moorfield Road, Cowley from the General Fund to the Housing Revenue Account to be developed as shared ownership housing.**
5. **Agree to the appropriation of land and premises at 15-16 Welbeck Court, Welbeck Avenue, Hayes from the General Fund to the Housing Revenue Account to be developed as general needs housing.**
6. **Accept a grant of £5k in respect of the Better Care Fund which has been awarded by London ADASS.**

## **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 that the site to the rear of 113-127 Moorfield Road, Cowley, which comprises five storage units / garages to the rear of a two storey block of ground floor shops and first floor flats, is re-developed to provide five 3-bedroom houses as shared ownership housing. The storage units are generating a low rental yield and therefore the demolition of the units will have a negligible impact on the General Fund. The appropriation to the HRA will enable new housing for sale on a shared ownership basis for eligible households. The appropriation will be accounted for as a notional Capital Receipt at market value for which the estimated land value of £887k can be managed within the overall HRA capital programme.
4. **Recommendation 5** - It is proposed that the commercial premises at 15 and 16 Welbeck Court, Welbeck Avenue, Hayes, are converted to residential development to provide a four bedroom flat for rental within the HRA. The premises are currently vacant and therefore the appropriation to the HRA will support bringing the site back into use representing value for money for both the General Fund and the HRA. The appropriations will be accounted for as a notional Capital Receipt at market value for which the estimated land value of £157k can be managed within the overall HRA capital programme.
5. **Recommendation 6** - The grant has been given to improve the information available to patients about the hospital discharge process with the objective of reducing the number of delayed discharges attributed to the patient/family choice Delayed Transfer of Care (DTC) reason. This grant will be spent on printing new discharge booklets.

### **Alternative options considered**

6. There are no other options proposed for consideration.

## FURTHER INFORMATION

### General Fund Revenue Budget

7. An underspend of £2,186k is reported on normal operating activities at Month 10. This position incorporates a £3,070k net underspend across Directorate Operating Budgets and an underspend of £800k across Corporate Operating Budgets, offset by contingency pressures of £1,684k, primarily relating to Looked After Children placement expenditure and Deprivation of Liberty Safeguards (DoLS) assessments. There are no exceptional items reported at this stage in the financial year.
8. The headline underspend of £2,186k represents an improvement of £342k on the position reported at Month 9, consisting of a £235k improvement across Directorate budgets primarily linked to further increases in Health contributions towards the cost of Social Care and a £107k improvement on three contingency items.
9. The Council's General Fund revenue budget contains £13,309k savings, with £11,164k already banked and £1,273k on track for delivery. Those savings classed as amber total £872k at Month 10, an improvement of £270k from 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 10		Variance (As at Month 10)	Variance (As at Month 9)	Movement from Month 9
			Revised Budget	Forecast Outturn			
£'000	£'000		£'000	£'000	£'000	£'000	£'000
179,081	(494)	Directorate Operating Budgets	178,587	175,517	(3,070)	(2,835)	(235)
1,841	2,518	Corporate Operating Budgets	4,359	3,559	(800)	(800)	0
18,453	(1,881)	Development & Risk Contingency	16,572	18,256	1,684	1,791	(107)
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>198,323</b>	<b>(2,186)</b>	<b>(1,844)</b>	<b>(342)</b>
<b>200,509</b>	<b>0</b>	<b>Total Net Expenditure</b>	<b>200,509</b>	<b>198,323</b>	<b>(2,186)</b>	<b>(1,844)</b>	<b>(342)</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>2,030</b>	<b>(2,186)</b>	<b>(1,844)</b>	<b>(342)</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>(36,975)</b>			

10. At 31 March 2016 General Fund Balances totalled £39,005k. With the budgeted drawdown of £4,216k and the projected £2,186k surplus, the forecast closing balance at 31 March 2017 is £36,975k. The Council's current MTFF assumes that balances will remain between £15,000k and £32,000k to manage emergent risks, with sums above that level earmarked for use to smooth the impact of government funding cuts.

### Directorate Operating Budgets (£3,070k underspend, £235k improvement)

11. An overview of the forecast outturn on Directorate Operating Budgets is contained in Table 2, with further detail for each directorate contained within Appendix A. Variances relating to those more volatile areas of activity being managed through Development and Risk Contingency are expanded upon below.

12. From 1 April 2016 the Council is able to utilise Capital Receipts, rather than revenue resources, to finance the costs of service reform, both one-off implementation costs (including redundancy costs) and transformation staffing costs. The Month 10 forecast assumes that £2,723k of these projected costs will be funded from Capital Receipts and a further £1,623k will be funded from earmarked reserves.

**Table 2: Directorate Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service		Month 10		Variance (As at Month 10) £'000	Variance (As at Month 9) £'000	Movement from Month 9 £'000
				Revised Budget £'000	Forecast Outturn £'000			
10,762	(278)	Admin.	Expenditure	10,484	10,363	(121)	(115)	(6)
(1,288)	5		Income	(1,283)	(1,247)	36	32	4
<b>9,474</b>	<b>(273)</b>		<b>Sub-Total</b>	<b>9,201</b>	<b>9,116</b>	<b>(85)</b>	<b>(83)</b>	<b>(2)</b>
15,768	357	Finance	Expenditure	16,125	15,884	(241)	(221)	(20)
(2,475)	(61)		Income	(2,536)	(2,652)	(116)	(116)	0
<b>13,293</b>	<b>296</b>		<b>Sub-Total</b>	<b>13,589</b>	<b>13,232</b>	<b>(357)</b>	<b>(337)</b>	<b>(20)</b>
109,096	(1,369)	Residents Services	Expenditure	107,727	105,885	(1,842)	(1,741)	(101)
(56,005)	1,516		Income	(54,489)	(54,032)	457	372	85
<b>53,091</b>	<b>147</b>		<b>Sub-Total</b>	<b>53,238</b>	<b>51,853</b>	<b>(1,385)</b>	<b>(1,369)</b>	<b>(16)</b>
141,576	(49)	Social Care	Expenditure	141,527	142,763	1,236	1,334	(98)
(38,353)	(615)		Income	(38,968)	(41,447)	(2,479)	(2,380)	(99)
<b>103,223</b>	<b>(664)</b>		<b>Sub-Total</b>	<b>102,559</b>	<b>101,316</b>	<b>(1,243)</b>	<b>(1,046)</b>	<b>(197)</b>
<b>179,081</b>	<b>(494)</b>	<b>Total Directorate Operating Budgets</b>		<b>178,587</b>	<b>175,517</b>	<b>(3,070)</b>	<b>(2,835)</b>	<b>(235)</b>

13. At Month 10, an £85k underspend is reported on Administration operating budgets, a slight improvement of £2k from Month 9. An underspend of £357k within the Finance Directorate is reported at Month 10, an improvement of £20k on Month 9 projections.
14. An underspend of £1,385k is reported within Residents Services at Month 10, with £2,262k staffing underspends from vacant posts and the capitalisation of transformation resource, alongside pressures of £877k across non-staffing and income budgets. The favourable movement from Month 9 relates primarily to lower forecast non-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.
15. An improvement of £197k is reported on Social Care budgets, reflecting increased income in Health funded packages and the deferral of agency appointments across the group. Overall the group is reporting a £1,243k underspend, inclusive of net staffing underspends of £1,424k from posts being held vacant and capitalisation of transformation workforce costs. Within this reported position, there is remains a risk around supplier inflation on care placements which will remain under review over the coming months.

### Progress on Savings

16. The Council's 2016/17 General Fund revenue budget contains £13,309k savings, with all prior year savings delivered in full during 2015/16. As at Month 10, £12,437k savings are now reported as being banked or on track for delivery in full during 2016/17, with the remaining £872k or 6.6% 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)	(5,475)	(4,157)	(11,164)	83.9%
G On track for delivery	(142)	(360)	(307)	(464)	(1,273)	9.6%
A Potential significant savings shortfall or a significant or risky project which is at an early stage;	0	0	0	(872)	(872)	6.6%
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)**

17. Corporately managed expenditure includes revenue costs of the Council's Capital Programme, externally set levies and income arising from the provision of support services to other funds and ring-fenced budgets. An £800k underspend has been identified against Interest and Investment Income as a result of continuing work in reviewing financing options, the on-going benefits of which have been reflected in the 2017/18 revenue budget. Forecasts for all other corporately managed budgets are consistent with budget assumptions.

**Table 4: Corporate Operating Budgets**

Original Budget	Budget Changes	Service	Month 10		Variance (As at Month 10)	Variance (As at Month 9)	Movement from Month 9	
			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	872		Non-Sal Exp	6,258	5,458	(800)	(800)	0
(405)	0		Income	(405)	(405)	0	0	0
<b>4,981</b>	<b>872</b>		<b>Sub-Total</b>	<b>5,853</b>	<b>5,053</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)	(371)		Income	(12,761)	(12,761)	0	0	0
<b>(2,580)</b>	<b>1,646</b>		<b>Sub-Total</b>	<b>(934)</b>	<b>(934)</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>2,518</b>	<b>Total Corporate Operating Budgets</b>		<b>4,359</b>	<b>3,559</b>	<b>(800)</b>	<b>(800)</b>	<b>0</b>

## Development & Risk Contingency (£1,684k overspend, £107k improvement)

18. The Council set aside £18,453k to manage volatile and uncertain elements of budgets within the Development & Risk Contingency, which included £17,453k in relation to specific risk items and £1,000k as General Contingency to manage unforeseen issues. As expected with such volatile areas, a number of variances are reported, including significant growth in the cost of supporting Looked After Children.

**Table 5: Development & Risk Contingency**

Original Budget £'000	Budget Changes £'000	Service	Month 10		Variance (As at Month 10) £'000	Variance (As at Month 9) £'000	Movement from Month 9 £'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	1,899	(313)	(273)	(40)
3,734	0		Demographic Growth - Looked After Children	3,734	6,275	2,541	2,577	(36)
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	701	701	732	(31)
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>18,256</b>	<b>1,684</b>	<b>1,791</b>	<b>(107)</b>

19. Movement from Month 9 on reported positions are limited to the Asylum Service, Deprivation of Liberty Safeguards and Looked after Children with projections across all other areas having been reviewed. Material variances within 2016/17 Development and Risk Contingency have been reviewed and where appropriate funding levels adjusted for within the 2017/18 budget approved by Cabinet and Council in February 2017.
20. An improvement from Month 9 is reported on Asylum expenditure, with the projected cost of supporting Unaccompanied Asylum Seeking Children being reduced by £40k. This reduction reflects on-going management action to minimise the cost to the local taxpayer of this function, although numbers of clients remains consistent despite introduction of the National Transfer agreement in July 2016.
21. A similar reduction of £36k is reported on Looked After Children's placements, indicating the continuing success of stronger challenge within decision making processes in avoiding further sharp rises in the cost of provision.

22. Further refinement of projections for Deprivation of Liberty Safeguards has released £31k, leaving a residual pressure of £701k for 2016/17 on this unfunded new burden.
23. 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

24. 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, with £1,95k of available funds currently uncommitted.
25. 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 10		
			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

26. The latest forecasts on the Schools Budget shows a pressure of £292k 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.
27. The projected drawdown from Dedicated Schools Grant balances for the Schools Budget has increased by £85k to £1,158k from the position reported at Month 9, exceeding available reserves by £292k. 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.
28. An £8k surplus is reported on the Parking Revenue Account at Month 10, representing a favourable movement of £7k from Month 9 forecasts.
29. A surplus of £2,000k is projected on the Council's share of Business Rates revenues at Month 10, in line with the position reported at Month 9. 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 9, including lower than previously estimated levels of

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



## **Housing Revenue Account**

30. The Housing Revenue Account (HRA) is currently forecasting an in-year overall surplus of £12,810k which is a £3,548k improvement on the budgeted surplus of £9,262k. This represents a £132k adverse movement on the position reported at Month 9. As a result, HRA General Balances are projected to total £46,754k by 31 March 2017, with a significant element of this sum earmarked to support investment in new housing stock.
31. There have been 82 Right to Buy sales of Council dwellings as at the end of January 2017 and a further 23 sales are forecast to bring the yearly total to 105 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**

32. Appendix D outlines the forecast outturn on the 2016/17 to 2020/21 Capital Programme, with a £6,228k underspend projected over the five year programme, representing a £267k improvement from Month 9. Prudential Borrowing required to support the Council's Capital Programme is projected to be £7,164k lower than the revised budget, as a result of the projected underspend of £6,228k and £6,307k additional assumed grant income for school expansions and Disabled Facilities Grants being sufficient to offset a £5,371k fall in projected Capital Receipts.
33. This favourable variance on borrowing would result in a marginal reduction in future revenue costs of approximately £365k 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.
34. Slippage in project expenditure now shows an underspend of £20,202k in the current financial year. This is an underspend against the £76,004k budget, which had already been amended downwards to rebase the 2017/18 Capital Programme, indicating that the Council will be able to defer new borrowing into later years and therefore deliver savings against capital financing budgets in 2017/18. Slippage in delivery of Capital Receipts will reduce any such saving; with current forecasts showing that £4,629k of the revised budget of £6,918k will be secured during 2016/17.

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

### ADMINISTRATION (£85k underspend, £2k improvement)

35. The Administration group is showing a projected outturn underspend of £85k at Month 10, representing a £2k improvement on the month. The movement primarily relates to increased delayed recruitment to posts within Legal Services.

**Table 7: Administration Operating Budgets**

Original Budget	Budget Changes	Service	Month 10		Variance (As at Month 10)	Variance (As at Month 9)	Movement from Month 9	
			Revised Budget	Forecast Outturn				
£'000	£'000		£'000	£'000	£'000	£'000	£'000	
1,490	(8)	Democr. Services	Salaries	1,482	1,476	(6)	(3)	(3)
1,645	111		Non-Sal Exp	1,756	1,748	(8)	(9)	1
(629)	(97)		Income	(726)	(705)	21	16	5
<b>2,506</b>	<b>6</b>		<b>Sub-Total</b>	<b>2,512</b>	<b>2,519</b>	<b>7</b>	<b>4</b>	<b>3</b>
2,307	(326)	Human Resources	Salaries	1,981	1,955	(26)	(23)	(3)
534	71		Non-Sal Exp	605	602	(3)	(7)	4
(248)	61		Income	(187)	(204)	(17)	(16)	(1)
<b>2,593</b>	<b>(194)</b>		<b>Sub-Total</b>	<b>2,399</b>	<b>2,353</b>	<b>(46)</b>	<b>(46)</b>	<b>0</b>
1,979	(124)	Legal Services	Salaries	1,855	1,830	(25)	(15)	(10)
87	(1)		Non-Sal Exp	86	70	(16)	(17)	1
(341)	41		Income	(300)	(261)	39	39	0
<b>1,725</b>	<b>(84)</b>		<b>Sub-Total</b>	<b>1,641</b>	<b>1,639</b>	<b>(2)</b>	<b>7</b>	<b>(9)</b>
579	0	Policy & Partnerships	Salaries	579	543	(36)	(39)	3
2,141	(1)		Non-Sal Exp	2,140	2,139	(1)	(2)	1
(70)	0		Income	(70)	(77)	(7)	(7)	0
<b>2,650</b>	<b>(1)</b>		<b>Sub-Total</b>	<b>2,649</b>	<b>2,605</b>	<b>(44)</b>	<b>(48)</b>	<b>4</b>
6,355	(458)	Admin. Directorate	Salaries	5,897	5,804	(93)	(80)	(13)
4,407	180		Non-Sal Exp	4,587	4,559	(28)	(35)	7
(1,288)	5		Income	(1,283)	(1,247)	36	32	4
<b>9,474</b>	<b>(273)</b>		<b>Total</b>	<b>9,201</b>	<b>9,116</b>	<b>(85)</b>	<b>(83)</b>	<b>(2)</b>

## FINANCE (£357k underspend, £20k improvement)

36. The Finance directorate is currently projecting an outturn underspend of £357k at Month 10, representing a £20k improvement on the month. The group is reporting an underspend of £285k 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 10		Variance (As at Month 10) £'000	Variance (As at Month 9) £'000	Movement from Month 9 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
519	418	Business Assurance	Salaries	937	899	(38)	(30)	(8)
30	592		Non-Sal Exp	622	669	47	44	3
(10)	(92)		Income	(102)	(109)	(7)	(6)	(1)
<b>539</b>	<b>918</b>		<b>Sub-Total</b>	<b>1,457</b>	<b>1,459</b>	<b>2</b>	<b>8</b>	<b>(6)</b>
1,555	0	Procurement	Salaries	1,555	1,626	71	86	(15)
92	(1)		Non-Sal Exp	91	105	14	12	2
0	0		Income	0	(9)	(9)	(9)	0
<b>1,647</b>	<b>(1)</b>		<b>Sub-Total</b>	<b>1,646</b>	<b>1,722</b>	<b>76</b>	<b>89</b>	<b>(13)</b>
3,321	118	Operation: Finance	Salaries	3,439	3,214	(225)	(232)	7
611	(589)		Non-Sal Exp	22	23	1	1	0
(158)	31		Income	(127)	(191)	(64)	(64)	0
<b>3,774</b>	<b>(440)</b>		<b>Sub-Total</b>	<b>3,334</b>	<b>3,046</b>	<b>(288)</b>	<b>(295)</b>	<b>7</b>
4,101	(113)	Revenues & Benefits	Salaries	3,988	3,995	7	8	(1)
1,634	(68)		Non-Sal Exp	1,566	1,575	9	9	0
(2,023)	0		Income	(2,023)	(2,039)	(16)	(17)	1
<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	1,248	(100)	(94)	(6)
2,557	0		Non-Sal Exp	2,557	2,530	(27)	(25)	(2)
(284)	0		Income	(284)	(304)	(20)	(20)	0
<b>3,621</b>	<b>0</b>		<b>Sub-Total</b>	<b>3,621</b>	<b>3,474</b>	<b>(147)</b>	<b>(139)</b>	<b>(8)</b>
10,844	423	Finance Directorate	Salaries	11,267	10,982	(285)	(262)	(23)
4,924	(66)		Non-Sal Exp	4,858	4,902	44	41	3
(2,475)	(61)		Income	(2,536)	(2,652)	(116)	(116)	0
<b>13,293</b>	<b>296</b>		<b>Total</b>	<b>13,589</b>	<b>13,232</b>	<b>(357)</b>	<b>(337)</b>	<b>(20)</b>

37. 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 10		Variance (As at Month 10) £'000	Variance (As at Month 9) £'000	Movement from Month 9 £'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 (£1,385k underspend, £16k improvement)

38. Residents Services directorate is showing a projected outturn underspend of £1,385k at Month 10, excluding identified contingency provisions. **Table 10: operating budgets below:**

Original Budget £'000	Budget Changes £'000	Service	Month 10		Variance (As at Month 10) £'000	Variance (As at Month 9) £'000	Movement from Month 9 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
15,008	(1,314)	Deputy Director Residents Services	Salaries	13,694	13,230	(464)	(464)	0
15,752	821		Non-Sal Exp	16,573	17,148	575	394	181
(7,981)	371		Income	(7,610)	(7,210)	400	321	79
<b>22,779</b>	<b>(122)</b>		<b>Sub-Total</b>	<b>22,657</b>	<b>23,168</b>	<b>511</b>	<b>251</b>	<b>260</b>
4,951	223	Development and Assets	Salaries	5,174	5,142	(32)	(34)	2
11,174	(4)		Non-Sal Exp	11,170	11,150	(20)	84	(104)
(5,072)	(454)		Income	(5,526)	(5,429)	97	97	0
<b>11,053</b>	<b>(235)</b>		<b>Sub-Total</b>	<b>10,818</b>	<b>10,863</b>	<b>45</b>	<b>147</b>	<b>(102)</b>
487	(53)	Estates and Tenancy Management	Salaries	434	354	(80)	(80)	0
1,154	83		Non-Sal Exp	1,237	1,067	(170)	(60)	(110)
(3,279)	0		Income	(3,279)	(3,206)	73	73	0
<b>(1,638)</b>	<b>30</b>		<b>Sub-Total</b>	<b>(1,608)</b>	<b>(1,785)</b>	<b>(177)</b>	<b>(67)</b>	<b>(110)</b>
1,730	(47)	Planning, Transportation and Community Projects	Salaries	1,683	1,442	(241)	(241)	0
1,534	(12)		Non-Sal Exp	1,522	1,535	13	(2)	15
(10,706)	0		Income	(10,706)	(10,800)	(94)	(95)	1
<b>(7,442)</b>	<b>(59)</b>		<b>Sub-Total</b>	<b>(7,501)</b>	<b>(7,823)</b>	<b>(322)</b>	<b>(338)</b>	<b>16</b>
1,774	0	Planning and Enforcement	Salaries	1,774	1,667	(107)	(138)	31
854	(50)		Non-Sal Exp	804	800	(4)	0	(4)
(2,782)	0		Income	(2,782)	(3,154)	(372)	(373)	1
<b>(154)</b>	<b>(50)</b>		<b>Sub-Total</b>	<b>(204)</b>	<b>(687)</b>	<b>(483)</b>	<b>(511)</b>	<b>28</b>
11,739	(65)	Green Spaces, Sport & Culture	Salaries	11,674	11,756	82	85	(3)
7,567	(1,019)		Non-Sal Exp	6,548	6,534	(14)	(21)	7
(9,916)	17		Income	(9,899)	(10,185)	(286)	(278)	(8)
<b>9,390</b>	<b>(1,067)</b>		<b>Sub-Total</b>	<b>8,323</b>	<b>8,105</b>	<b>(218)</b>	<b>(214)</b>	<b>(4)</b>
7,994	(3,414)	Digital Strategy & Communications	Salaries	4,580	4,527	(53)	(42)	(11)
5,714	(881)		Non-Sal Exp	4,833	4,751	(82)	(80)	(2)
(3,058)	2,658		Income	(400)	(250)	150	140	10
<b>10,650</b>	<b>(1,637)</b>		<b>Sub-Total</b>	<b>9,013</b>	<b>9,028</b>	<b>15</b>	<b>18</b>	<b>(3)</b>
6,027	3,161	Business and Technical Support	Salaries	9,188	8,202	(986)	(948)	(38)
1,051	(5)		Non-Sal Exp	1,046	1,213	167	172	(5)
(4,197)	(700)		Income	(4,897)	(4,352)	545	543	2
<b>2,881</b>	<b>2,456</b>		<b>Sub-Total</b>	<b>5,337</b>	<b>5,063</b>	<b>(274)</b>	<b>(233)</b>	<b>(41)</b>
4,131	588	Policy and Standards - Education, Housing and Public Health	Salaries	4,719	4,338	(381)	(354)	(27)
10,455	619		Non-Sal Exp	11,074	11,029	(45)	(12)	(33)
(9,014)	(376)		Income	(9,390)	(9,446)	(56)	(56)	0
<b>5,572</b>	<b>831</b>		<b>Sub-Total</b>	<b>6,403</b>	<b>5,921</b>	<b>(482)</b>	<b>(422)</b>	<b>(60)</b>
53,841	(921)	Residents Services	Salaries	52,920	50,658	(2,262)	(2,216)	(46)
55,255	(448)		Non-Sal Exp	54,807	55,227	420	475	(55)
(56,005)	1,516		Income	(54,489)	(54,032)	457	372	85
<b>53,091</b>	<b>147</b>		<b>Total</b>	<b>53,238</b>	<b>51,853</b>	<b>(1,385)</b>	<b>(1,369)</b>	<b>(16)</b>

39. The overall variance is a result of staffing underspends across the group and favourable income projections in planning, offset mainly by pressure on the Adaptions 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.
40. 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.
41. At month 10 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 MTFF development work. The table below shows the breakdown for each contingency item.

**Table 11: Development and Risk Contingency**

Original Budget	Budget Changes	Development & Risk Contingency	Month 10		Variance (As at Month 10)	Variance (As at Month 9)	Movement from Month 9
			Revised Budget	Forecast Outturn			
£'000	£'000		£'000	£'000	£'000	£'000	£'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>

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

**Table 12: Housing Needs performance data**

	2016/2017		
	November	December	January
Homeless Threat, Priority Need & Eligible	104	90	98
Presenting As Homeless	50	51	43
Duty Accepted	24	22	25
Households in Temporary Accommodation	607	618	634
Households in B&B	218	232	248

43. As in previous years, a contingency has been set aside in 2016/17 to resource the need for Temporary Accommodation in the Borough. The call on contingency relating to homelessness remains at £2,025k, which is as per the budgeted provision.
44. 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.
45. A contingency of £2,728k has been set aside to fund estimated increases in waste tonnages via the levy. Work has now concluded between WLWA and the six Boroughs to develop the

estimates for 2017/18 and future years, with the resulting Levy figures factored into the final projections for the MTFF.

46. 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.
47. WLWA have indicated that there is the potential of a one-off disbursement of reserves in 2017/18, following the end of this financial year. WLWA's forecast end of year (16/17) reserves balances are £2.6m higher than their revised reserves recommendation for 17/18 (set at £5.6m) in their draft budget.

#### **Deputy Director Residents Services (£511k overspend, £260k adverse movement)**

48. Following prior notification of the ongoing risk of additional costs in relation to contaminated recycling loads, there is an adverse movement of £80k at month 10 in the forecast, reflecting additional costs incurred via the contractor. The service is working closely with procurement to actively manage down this ongoing pressure.
49. Current projections show the fleet management budget position to be forecasting a pressure of £326k (£101k adverse), with increases in contract hire and maintenance costs the main drivers of this increase.
50. The income pressure within the Imported Food service is currently forecast at (£636k, £79k 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 (£45k overspend, £102k improvement)**

51. At month 10 the service is reporting a £104k favourable movement in non-staffing costs. The improvement relates to a revised projection for recharges to the HRA for housing road network monitoring and minor repairs service. The service is reporting a number of minor movements on staffing and income budgets, net affect £2k adverse.

#### **Estates and Tenancy Management (£177k underspend, £110k improvement)**

52. The service is reporting a £110k overall favourable movement for Month 10. The movement relates to a realignment of NNDR budgets for the year, following receipt of a number of credit notes that have been recently received, a number of which are backdated over more than one financial year.

#### **Planning, Transportation and Community Projects (£322k underspend, £16k adverse movement)**

53. At month 10, the service is reporting an adverse movement of £15k on non-staffing spend following a review of non-staffing costs relating to a number of projects across planning policy. 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 (£483k underspend, £28k adverse movement)**

54. The service is reporting an adverse movement of £28k for month 10. There is a revised projection in the agency staffing forecast following the extension of an interim legal resource to continue to work a number of projects across the service. A number of posts continue to be funded from gift funding income, with additional resources in an Earmarked reserve to be utilised dependent on the final value of gift funding received.
55. Income streams across the planning service remain robust, with income targets expected to be exceeded by £372k (£1k adverse). 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 (£218k underspend, £4k improvement)**

56. At month 10, the service is reporting a £4k favourable movement relating to a number of minor adjustments to staffing, non-staffing and income projections across a number of services.
57. There is a risk that income streams in Bereavement services could fall below that achieved in prior years, based on current straight-line projections. Income from both the Crematorium and from Cemeteries will be closely monitored over the final months of the financial year, given potential future fluctuations in income depending on weather conditions.

### **Digital Strategy & Communications (£15k overspend, £3k improvement)**

58. ICT is reporting a favourable variance of £11k in relation to a review of staffing projections, netted down by minor adjustments to income and non-staffing budgets to give a net favourable movement of £3k for the month.
59. The ICT service is currently forecasting a net pressure resulting from the current transition from the phase 1 restructure and the net residual pressure from the winding down of the HGfL service.

### **Business and Technical Support (£274k underspend, £74k improvement)**

60. The off-street parking income at the Cedars and Grainges multi-storey car parks continues to experience pressure relating to the loss of season ticket income at both car parks and a reduction in daily parking income. The most recent income projection forecasts a pressure of £545k (£2k adverse).
61. There is a forecast non-staffing favourable movement for month 10, relating to various budget lines across the service area. The net movement is £38k, with the main component of the underspend relating to reduced energy bills for Cedars and Grainges car parks.
62. There is a revised projected underspend of £986k (£38k 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 (£482k underspend, £27 improvement)**

63. At month 10 there is a £27k favourable movement for Community Safety, relating to a review of staffing projections for the service.

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. Interim resources deployed to smooth the transition to the new structure can be funded via Capital Receipts, as previously reported.



## **SOCIAL CARE (£1,243k underspend, £197k improvement)**

65. Social Care is projecting an underspend of £1,243k as at Month 10, an improvement of £197k from Month 9, due to a continued increase in external income, primarily from the CCG, where agreements have been reached on the funding and a reflection of the service taking management action to delay the use of agency staff and defer expenditure until 2017/18. 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 10		Variance (As at Month 10) £'000	Variance (As at Month 9) £'000	Movement from Month 9 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
1,826	(250)	Safeguarding Children	Salaries	1,576	1,633	57	99	(42)
1,612	(1,352)		Non-Sal Exp	260	358	98	99	(1)
(165)	1		Income	(164)	(226)	(62)	(60)	(2)
<b>3,273</b>	<b>(1,601)</b>		<b>Sub-Total</b>	<b>1,672</b>	<b>1,765</b>	<b>93</b>	<b>138</b>	<b>(45)</b>
4,678	(341)	Early Intervention Services	Salaries	4,337	3,966	(371)	(312)	(59)
3,406	(258)		Non-Sal Exp	3,148	3,118	(30)	7	(37)
(1,712)	310		Income	(1,402)	(1,406)	(4)	(32)	28
<b>6,372</b>	<b>(289)</b>		<b>Sub-Total</b>	<b>6,083</b>	<b>5,678</b>	<b>(405)</b>	<b>(337)</b>	<b>(68)</b>
11,888	(1,225)	Children's Social Care	Salaries	10,663	11,827	1,164	1,288	(124)
9,996	1,867		Non-Sal Exp	11,863	12,813	950	902	48
(6,899)	(391)		Income	(7,290)	(8,164)	(874)	(922)	48
<b>14,985</b>	<b>251</b>		<b>Sub-Total</b>	<b>15,236</b>	<b>16,476</b>	<b>1,240</b>	<b>1,268</b>	<b>(28)</b>
8,669	299	All-Age Disabilities	Salaries	8,968	7,881	(1,087)	(1,058)	(29)
44,634	294		Non-Sal Exp	44,928	45,649	721	483	238
(9,536)	(201)		Income	(9,737)	(10,073)	(336)	(300)	(36)
<b>43,767</b>	<b>392</b>		<b>Sub-Total</b>	<b>44,159</b>	<b>43,457</b>	<b>(702)</b>	<b>(875)</b>	<b>173</b>
4,460	331	Social Work	Salaries	4,791	4,394	(397)	(161)	(236)
28,082	887		Non-Sal Exp	28,969	30,028	1,059	819	240
(8,570)	(625)		Income	(9,195)	(10,208)	(1,013)	(937)	(76)
<b>23,972</b>	<b>593</b>		<b>Sub-Total</b>	<b>24,565</b>	<b>24,214</b>	<b>(351)</b>	<b>(279)</b>	<b>(72)</b>
8,873	707	Early Intervention & Prevention	Salaries	9,580	9,045	(535)	(515)	(20)
3,067	(268)		Non-Sal Exp	2,799	2,845	46	53	(7)
(10,897)	320		Income	(10,577)	(10,523)	54	51	3
<b>1,043</b>	<b>759</b>		<b>Sub-Total</b>	<b>1,802</b>	<b>1,367</b>	<b>(435)</b>	<b>(411)</b>	<b>(24)</b>
2,574	(182)	Safeguarding, Quality & Partnerships	Salaries	2,392	2,326	(66)	1	(67)
6,531	(96)		Non-Sal Exp	6,435	6,459	24	38	(14)
(541)	82		Income	(459)	(673)	(214)	(180)	(34)
<b>8,564</b>	<b>(196)</b>		<b>Sub-Total</b>	<b>8,368</b>	<b>8,112</b>	<b>(256)</b>	<b>(141)</b>	<b>(115)</b>
631	0	Directorate & Support Services	Salaries	631	442	(189)	(231)	42
649	(462)		Non-Sal Exp	187	(21)	(208)	(178)	(30)
(33)	(111)		Income	(144)	(174)	(30)	0	(30)
<b>1,247</b>	<b>(573)</b>		<b>Sub-Total</b>	<b>674</b>	<b>247</b>	<b>(427)</b>	<b>(409)</b>	<b>(18)</b>
43,599	(661)	Social Care Directorate Total	Salaries	42,938	41,514	(1,424)	(889)	(535)
97,977	612		Non-Sal Exp	98,589	101,249	2,660	2,223	437
(38,353)	(615)		Income	(38,968)	(41,447)	(2,479)	(2,380)	(99)
<b>103,223</b>	<b>(664)</b>		<b>Total</b>	<b>102,559</b>	<b>101,316</b>	<b>(1,243)</b>	<b>(1,046)</b>	<b>(197)</b>

**SOCIAL CARE DEVELOPMENT AND RISK CONTINGENCY (£2,534k overspend, £107k improvement)**

66. The Council's 2016/17 Development and Risk Contingency includes a provision for areas of expenditure within Social Care for which there is a greater degree of uncertainty. In part, this is caused by in year demographic changes, 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 £2,534k, an improvement of £107k on the Month 9 projections, due to a reduction in the projected cost of placements.

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

Original Budget	Development & Risk	Month 10		
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Budget	Changes	Contingency	Revised Budget	Forecast Outturn	Variance (As at Month 10)	Variance (As at Month 9)	Movement from Month 9
£'000	£'000		£'000	£'000	£'000	£'000	£'000
2,212	0	Asylum Service	2,212	1,899	(313)	(273)	(40)
3,734	0	Demographic Growth - Looked After Children	3,734	6,275	2,541	2,577	(36)
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	701	701	732	(31)
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>12,612</b>	<b>2,534</b>	<b>2,641</b>	<b>(107)</b>

### Asylum Service (£313k underspend, £40k improvement)

67. This service is projecting a drawdown of £1,899k from the contingency, £313k below the budget, and an improvement of £40k on the month 9 projections, due to a reduction in the projected cost of support provided to Unaccompanied Asylum Seeking Children (UASC).
68. The £313k 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.
69. The National Transfer arrangements for UASC have now been in operation for 7 months and still operates as a voluntary scheme. Hillingdon continues to receive new applications and it is now apparent that a number of UASC are being successfully transferred to other local authorities. 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 96 UASC, which is 48 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 (£2,541k overspend, £36k improvement)

70. The service is projecting a drawdown of £6,275k from the Contingency, £2,541k above budget, an improvement of £36k on the Month 9 projections. The service 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.
71. 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 have increased, reflecting 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 stands at 46% IFA and 54% In-House.

72. 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 £449k. 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 £125k.

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

73. 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, no movement)**

74. The drawdown from the Transitional Children contingency is forecast at £1,619k, resulting in an £80k underspend, no change from Month 9. To date 34 new children have transferred, 4 have had an increase in their package costs as they are no longer supported by Education no further transfers are expected this financial year.

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

75. At Month 10 it is forecast that the full drawdown of the £432k contingency for Adult Demographic changes will be required, no change from the Month 9 projections. The demographic forecasting tool is regularly refreshed and expenditure areas are kept under close review.

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

76. 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 9. No further step downs are anticipated this financial year.

#### **Deprivation of Liberty Safeguards (DoLS) (£701k overspend, £31k improvement)**

77. The number of DoLS referrals received to the end of January 1,138 (1,070 in December), an average of 26 per week. The forecast pressure for Month 10 is showing an improvement of £31k from the Month 9 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**

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## **CHILDREN'S SERVICES (£928k overspend, £141k improvement)**

### **Safeguarding Children (£93k overspend, £44k improvement)**

78. The service is reporting an overspend of £93k, an improvement of £44k on the Month 9 projections, due to the Head of Service taking a decision to defer the recruitment of new agency staff until the 2017/18 financial year. 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 (£405k underspend, £69k improvement)**

79. The service is reporting an underspend of £405k, an improvement of £69k on the Month 9 projections, due to the Head of Service maintaining the implementation of a freeze on all non essential expenditure until the end of the financial year and deferring the recruitment of new agency staff until the 2017/18 financial year. The underspend reported relates to staffing costs, which are projecting an underspend of £371k 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. This also includes 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 (£1,240k overspend, £28k improvement)**

80. The service is projecting an overspend of £1,240k, an improvement of £28k from Month 9. This relates to an overspend of £1,165k 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.

81. 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.

82. 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.

83. Additionally, the service has an overspend of £950k on non-staffing costs, which relates primarily to the cost of staff recruitment (an additional cost of £256k), 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 £222k) and ad-hoc crisis support (an additional cost of £106k). These costs will be met from a drawdown of £800k from the earmarked reserves.

### **ADULT SOCIAL CARE (£2,170k underspend, £56k improvement)**

#### **All Age Disabilities (AAD) (£702k underspend, £172k adverse movement)**

84. The service is reporting an underspend of £702k, an adverse movement of £172k on the Month 9 projections, due to an increase forecast for 1:1 support for clients and the Social Care element of Education placements.
85. The salaries budget for AAD is currently forecast to underspend by £1,087k, an improvement of £29k on the month 9 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.
86. 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.
87. The non-staffing budget is forecasting a pressure of £721k, an adverse movement of £237k from the Month 9 projection. The movement is from increased forecast for the Social Care element of Education placements and an increase in forecast for 1:1 support for clients with high needs.
88. The income budget is forecasting an underspend of £336k, an improvement of £35k from the Month 9 projections. The improvement this month is from additional Health Income for clients who now meet Continuing Health Care criteria.

#### **Social Work (£351k underspend, £72k improvement)**

89. The service is reporting an underspend of £351k, an improvement of £72k from the Month 9 projections.
90. The staffing budget is forecast to underspend by £183k, an improvement of £22k from the Month 9 forecast due to posts being vacant longer than previously anticipated.
91. The non-staffing budget is forecast to overspend by £846k an adverse movement of £27k from the Month 9 position, this pressure is offset by additional income.
92. The income budget is forecast to underspend by £1,013k an improvement of £76k from the Month 9 position, this underspend is covering the pressure in non staffing. The improvement is from additional Health income of £62k and increased client contributions of £14k.
93. 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 (£435k underspend, £24k improvement)**

94. An underspend of £535k is forecast against salaries budgets, an improvement of £20k on the Month 9 projections. The movement this month is due to recruitment difficulties within the Reablement team.
95. There is a pressure of £46k forecast on non staffing costs, an minor improvement of £7k from Month 9. The pressure remains in delivering the preventative savings target, where there is an ongoing review. It is anticipated that savings can be delivered but is now unlikely to be implemented in the current year. This pressure is being offset by other one off savings across the department.
96. There is a pressure on income of £54k a marginal increase of £3k from month 9.

**Safeguarding Quality & Partnerships (£256k underspend, £115k improvement)**

97. Staffing costs are forecast to underspend by £66k an improvement of £67k from month 9. This was due to a vacancy being held pending the restructure of the Social Care Management Team that had previously been forecast as spent.
98. The non staffing budget has a pressure of £24k, an improvement of £14k since month 9. 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 against the combined adults and children's safeguarding structure.
99. Additional income of £214k is forecast, £264k of this additional income is from Health for joint S117 placements, which is netted down by a pressure from reduced client contributions.

**Directorate & Support (£427k underspend, £18k improvement)**

100. The Directorate budget is forecast to underspend by £427k, an improvement £18k from the Month 9 position. The improvement is for a review of funding in respect of the Care Act funding. £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 and lower forecast expenditure in relation to the Care Act work.

## Appendix B – Other Funds

### Schools Budget

#### Dedicated Schools Grant (£707k overspend, £86k adverse movement)

101. The Dedicated Schools Grant (DSG) is projecting an in-year overspend of £707k, an adverse movement of £86k on the month 9 projections, due to an increase in the amount of funds provided for vulnerable children and a further increase in the cost of High Needs placements. 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).
102. The overall position on the DSG, is projecting that the surplus balance brought forward, will be required in full this year, with the DSG now projecting to end the year with a £292k deficit. In determining the DSG budget for 2017/18, it was assumed that the deficit would be £209k, which is £83k lower than the projected figure. The 2017/18 DSG budget includes a reserve of £500k, which will be able to absorb the projected shortfall.

**Table 15: Schools Budget**

Original Budget	Budget Changes	Funding Block	Month 10		Variance (+ adv / - fav)		
			Revised Budget	Forecast Outturn	Variance (As at Month 10)	Variance (As at Month 9)	Change from Month 9
£'000	£'000		£'000	£'000	£'000	£'000	£'000
(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	105,810	(2)	(2)	0
4,805	0	<b>Early Years</b>	4,805	4,818	13	(62)	74
3,740	(0)	<b>Centrally Retained</b>	3,740	3,736	(4)	3	(7)
26,758	(0)	<b>Special Needs</b>	26,758	27,491	733	715	19
<b>0</b>	<b>451</b>	<b>Total Schools Budget</b>	<b>451</b>	<b>1,158</b>	<b>707</b>	<b>621</b>	<b>86</b>
0	0	Balance Brought Forward 1 April 2016	(866)	(866)			
	(451)	Use of Balances	(451)	(1,158)			
<b>0</b>	<b>0</b>	<b>Balance Carried Forward 31 March 2017</b>	<b>(415)</b>	<b>292</b>			

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

103. The projected £33k surplus relates to the Early Years Pupil Premium where Early Years settings have so far identified less children eligible for payment of early years pupil premium than we have been funded for. The funding allocation for 2016/17 has now been adjusted by the DfE, however we still expect a small underspend unless additional eligible children are identified throughout the year. It is expected that the Early Years Pupil Premium funding allocation will be reduced further in 2017/18 to reflect the actual take-up of funding.

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

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



### **Early Years (£13k overspend, £74k adverse movement)**

105. 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 £400k.
106. 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.
107. The vulnerable children funding is now projecting to be £233k under spent, which has moved by £50k, reflecting an increase in the number of vulnerable children that will be funded as the relevant teams work towards identifying relevant children to utilise the resource.
108. The Early Years Advisory team still has a vacant post leading to a projected £36k 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.
109. 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. For this financial year, Schools Forum have not discussed or agreed any new commitments.

### **Centrally Retained (£4k underspend, £7k improvement)**

110. 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.
111. This is 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 (£733k overspend, £19k adverse movement)**

112. There is still a level of uncertainty on the total projected spend on post-19 High Needs pupils. Several colleges have requested a significant increase in the number of students that they consider have special educational needs and the additional resource required to support these young people. The authority is in negotiations with providers in order to determine resource requirements.
113. There is a continuing budget pressure linked to the number of Looked After Children being placed out of borough. This is off-set by a number of joint-funded placements where contributions are expected from social care and health towards the costs being charged to the DSG.
114. A £118k underspend is projected on the SEN contingency budget as less expenditure is expected on additional therapies for SEN pupils now that the new banded funding model has been adopted and top-up funding should be sufficient to meet all the needs of these pupils.

115. There is a projected overspend of £97k on the SEN support teams due to the recruitment of additional visual impairment specialist teachers and increased funding of the Inclusion team as previously agreed by Schools Forum.

### School Academy Conversions

116. The Academies Act 2010, allows schools to convert to academy status and by doing so will receive funding directly from the Education Funding Agency (EFA). Schools can convert at any point in the year, once they have converted, a number of adjustments are required to realign the DSG income budget and the amount delegated to maintained schools.
117. The Council has now been made aware that there are two maintained school, which are looking to convert as a sponsored academy, where the conversion process is currently in progress, but there are no definitive timeframes yet on when the actual conversions will take place.

### Maintained School Balances & Budgets

118. 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.
119. 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>

120. 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: £8k in year surplus (£7k improvement)

121. 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	Budget Changes	Service	Month 10		Variance (+ adv / - fav)		
			Revised Budget	Forecast Outturn	Month 10	Month 9	Movement
£'000	£'000		£'000	£'000	£'000	£'000	£'000
(4,079)	0	Income	(4,079)	(4,110)	(31)	(24)	(7)
4,079	0	Expenditure	4,079	4,102	23	23	0
<b>0</b>	<b>0</b>	<b>In-year (Surplus) / Deficit</b>	<b>0</b>	<b>(8)</b>	<b>(8)</b>	<b>(1)</b>	<b>(7)</b>

122. An in-year surplus of £8k is forecast for the 2016/17 financial year.

123. The £31k overachievement forecast for PRA income is attributable to favourable variances of £50k and £35k re residents parking permits and parking bay suspensions, offset by a £54k projected shortfall in pay and display income (based on actual receipts to week 39 and prior year equivalent revenue for weeks 40-52).

124. The key components of the non-staff variance are (a) the parking enforcement contract with APCOA, £56k over-budget (b) unbudgeted costs of £50k, 13k and £11k respectively relating to the renewal of ASLAN, ParkMap and the Videalert unattended CCTV system at Sidmouth Drive (c) £18k re Cabinet Approved Schemes (public notices and parking signs/markings costs) and (e) various other areas including OAP brown badges, stationery (re residents parking permits), bailiff fees, printing and equipment hire. These overspends are partly offset by savings across several areas including credit card fees, postage, scanning, PATAS and debt registration.

125. The favourable movement this month follows a detailed review of forecasts with the budget manager based on actuals payments to date and anticipated spend over the final two months of the year. This has resulted in a fall in the projected outturn for (most significantly), the costs of enforcement, scanning, PATAS, debt registration and credit card fees.

## COLLECTION FUND (£2,500k surplus, no movement from Month 10)

### Collection Fund

126. 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 surplus of £2,500k reported at Month 9 was included in the Council's General Fund 2017/18 Budget as approved by Cabinet and Council in February 2017. Any subsequent movement in the position will impact upon the Council's General Fund Budget for 2018/19.

**Table 18: Collection Fund**

Original Budget	Budget Changes	Service	Month 10		Variance (As at Month 10)	Variance (As at Month 9)	Movement from Month 9	
			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>	

127. There has been no movement in the reported position across the Collection Fund at Month 9, with surpluses of £500k on Council Tax and £2,000k on Business Rates reported.

128. At Month 10, 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.

129. 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

130. The Housing Revenue Account (HRA) is currently forecasting an in-year overall surplus of £12,810k which is £3,548k more favourable than the budgeted surplus of £9,262k. Therefore the 2016/17 closing HRA General Balance is forecasted to be £46,754k. The Month 10 forecast shows a reduction in the underspend of £132k compared to the reported Month 9 forecast. The table below presents key variances by service area:

**Table 19: Housing Revenue Account**

Service	Month 10		Variance (+ adv / - fav)		
	Revised Budget	Forecast Outturn	Variance (As at Month 10)	Variance (As at Month 9)	Movement from Month 9
	£'000	£'000	£'000	£'000	£'000
Rent Income	(56,215)	(56,512)	(297)	(297)	0
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>(51)</b>	<b>0</b>
Housing Management	11,081	11,516	435	325	110
Tenant Services	5,225	4,470	(755)	(735)	(20)
Repairs	5,249	4,722	(527)	(569)	42
Planned Maintenance	4,666	2,000	(2,666)	(2,666)	0
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>48,734</b>	<b>(3,497)</b>	<b>(3,629)</b>	<b>132</b>
<b>(Surplus) / Deficit</b>	<b>(9,262)</b>	<b>(12,810)</b>	<b>(3,548)</b>	<b>(3,680)</b>	<b>132</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>(46,754)</b>	<b>(3,548)</b>	<b>(3,680)</b>	<b>132</b>

### Income

131. Rental income is forecast to be favourable by £297k for the year, no change from Month 9.
132. Other Income is forecast to be under recovered by £246k, no change from Month 9.
133. The number of RTB applications received in January was 23, see Graph 1 below. The first ten months RTB applications total 245 compared to 177 for the same period last year.
134. There have been 7 RTB completions in January. In the first ten months of 2016/17 there have been 82 RTB completions compared to 107 for the same period last year. The MTFF assumed 115 RTB sales and the latest forecast assumes 105 sales, a reduction of 10 sales. The forecast of 105 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

135. The Housing management service is forecast to overspend by £435k, an adverse movement of £110k on Month 9, due to reduction in RTB sales administration income of £28k and other running costs of £82k.
136. Tenant services overall forecast is an underspend of £755k, a favourable net movement of £20k on Month 9 due staffing costs.

137. The overall repairs budget is forecast to underspend by £527k, a net adverse movement of £42k on Month 9. The key variances and movements are summarised in the table below. There is a favourable movement of £43k in staffing compared to Month 9 due to vacancies and delays in recruitment, an adverse movement on materials of £63k due to increased activity levels and an adverse movement of £22k due to responsive repairs and voids which is demand led.

**Table 20: Repairs variances and movements**

<b>Repairs</b>	<b>Variance Month 10  £'000</b>	<b>Movement from Month 9  £'000</b>
Vacancies and delays in recruitment	(362)	(43)
Pooled transport	(170)	0
Materials	(105)	63
Rechargeable repairs income	(70)	0
Consultancy fees	(85)	0
Non salary costs	(158)	0
Responsive repairs and voids	41	22
Redundancies	382	0
<b>Total</b>	<b>(527)</b>	<b>42</b>

138. The Planned Maintenance budget is forecast to underspend by £2,666k, no change from Month 9. The key variances and movements are summarised in the following table and overall are due to the validation, procurement and consultation timetables required to deliver these.

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

<b>Planned Maintenance</b>	<b>Variance Month 10  £'000</b>	<b>Movement from Month 9  £'000</b>
External cyclical decorations	(1,376)	0
Gas servicing and breakdowns	(372)	0
Service Contracts	(153)	0
Fencing	(199)	0
Housing road network maintenance	(173)	0
Better neighbourhood funds	(121)	0
Other surveys/works	(272)	0
<b>Total</b>	<b>(2,666)</b>	<b>0</b>

139. 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

140. 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	20,053	0	(753)	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	6,102	(1,592)	(3,845)	44,733	41,823	(2,910)	0
<b>14,026</b>	<b>Total Major Projects</b>	<b>33,826</b>	<b>27,636</b>	<b>(1,592)</b>	<b>(4,598)</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	3,574	(1,191)	(8,327)	40,103	38,912	(1,191)	(527)
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>4,684</b>	<b>(1,191)</b>	<b>(8,777)</b>	<b>46,355</b>	<b>45,164</b>	<b>(1,191)</b>	<b>(527)</b>
	<b>Total HRA Capital</b>	<b>48,478</b>	<b>32,320</b>	<b>(2,783)</b>	<b>(13,375)</b>	<b>145,785</b>	<b>141,684</b>	<b>(4,101)</b>	<b>(527)</b>
	<b>Movement</b>	<b>0</b>	<b>(4,672)</b>	<b>(527)</b>	<b>(4,145)</b>	<b>0</b>	<b>(527)</b>	<b>(527)</b>	<b>(527)</b>

### MAJOR PROJECTS

141. As at Month 10 the Major Projects programme reports increased re-phasing totalling £4,598k due mainly to further slippage on the Supported Housing programme. The programme is forecast to underspend by £1,592k in 2016/17 and £2,910k over the period 2016-2021. There is also anticipated slippage of £753k within the General Needs Housing Stock programme.

#### New General Needs Housing Stock

142. The 2016/17 General Needs Housing Stock budget is expected to be largely utilised with the bulk of expenditure incurred on the purchase and repair of housing stock. Currently 26 properties have been purchased. Forecast re-phasing has increased by £253k from Month 9 to £753k due to re-profiling of expenditure on the provision of seven new builds and five extensions and conversions, for which contractors are to be appointed shortly.

143. 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.

144. Consultants have been appointed to undertake initial feasibility works for the redevelopment of Belmore Allotments.

145. Contracts have been exchanged for the acquisition of Berkeley apartments for future use as a homeless hostel site and the total cost of £9,977k is included in the New General Needs Housing Stock forecast.

#### New Build - Appropriation of Land

146. Appropriations from the General Fund to the HRA that have been approved by Cabinet include £1,400k for the Acol Crescent site in order to develop both supported housing units and general needs units, and £81k for the appropriation of the land at Fir Tree Avenue for the construction of three new houses.

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

147. 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.
148. The overall £2,910k underspend being reported for the supported housing programme is due mainly to the Chippendale Way scheme that is not proceeding, resulting in an underspend of £2,510k. Cost underspends of £400k are also forecast on the Grassy Meadow and Parkview projects following a value engineering exercise.
149. 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. There is an increase of £3,845k in forecast re-phasing of expenditure on Grassy Meadow, based on revised cash flow estimates resulting mainly from site contamination and utilities disconnection issues. However it is expected that works will subsequently accelerate and continue to progress based on the scheduled timetable.
150. 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**

151. The 2016/17 Works to Stock programme has an overall forecast favourable variance of £9,518k, of which £8,327k is due to phasing. This is an increase in the phasing variance of £47k compared to Month 9 due to additional validation required to focus windows replacement on existing single glazed windows.
152. The remainder of the 2016/17 overall forecast favourable variance is a cost underspend of £1,191k, an increase of £527k compared to Month 9. This is due to the reduced opportunity this financial year to deliver additional planned boiler replacement and fire safety works, for which virements within the programme would be required.
153. 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 the table below:



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

<b>Workstream</b>	<b>Variance Month 10</b>	<b>Movement from Month 9</b>
	<b>£'000</b>	<b>£'000</b>
Kitchens / Bathrooms	(3,252)	(304)
Lifts	(1,618)	24
Windows	(953)	(47)
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	(301)	(68)
Warm Safe and Dry	(843)	(179)
All Other Workstreams	(3,252)	(304)
<b>Works to Stock Total</b>	<b>(9,518)</b>	<b>(574)</b>

154. Major Adaptations - no change from Month 9, 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**

155. There have been 82 Right to Buy sales of council dwellings as at the end of January 2017 for a total sales value of £12,530k and a total of a further 23 sales are forecast to bring the yearly total to 105, totalling approximately £16,000k in 2016/17

156. 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.

157. 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>	

158. 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.

159. 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

160. 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

162. As at Month 10 an underspend of £26,054k is reported on the £76,004k General Fund Capital Programme for 2016/17, with £5,852k favourable cost variances and £20,202k slippage on project expenditure. The forecast outturn variance over the life of the 2016/17 to 2020/21 programme is £6,228k net underspend relating to various schemes.
163. General Fund Capital Receipts of £4,629k are forecast for 2016/17, with total receipts to 2020/21 expected to reach £70,196k, representing an adverse variance of £5,371k against budget.
164. Overall, Prudential Borrowing required to support the 2016/17 to 2020/21 capital programmes is forecast to be within budget by £7,164k due to additional available capital grants and contributions of £6,307k and scheme cost underspends of £6,228k, partly offset by the shortfall of £5,371k in forecast Capital Receipts.

### Capital Programme Overview

165. 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	22,722	(2,436)	(7,044)	159,015	156,579	(2,436)	-
Main Programme	16,580	10,748	(1,133)	(4,699)	93,495	92,361	(1,134)	-
Programme of Works	26,609	15,867	(2,283)	(8,459)	73,270	70,612	(2,658)	(267)
<b>Total Main Programme</b>	<b>75,391</b>	<b>49,337</b>	<b>(5,852)</b>	<b>(20,202)</b>	<b>325,780</b>	<b>319,552</b>	<b>(6,228)</b>	<b>(267)</b>
Development & Risk Contingency:								
General Contingency	613	613	-	-	6,613	6,613	-	-
<b>Total Capital Programme</b>	<b>76,004</b>	<b>49,950</b>	<b>(5,852)</b>	<b>(20,202)</b>	<b>332,393</b>	<b>326,165</b>	<b>(6,228)</b>	<b>(267)</b>
<b>Movement</b>	<b>20</b>	<b>(6,556)</b>	<b>(267)</b>	<b>(6,309)</b>	<b>20</b>	<b>(247)</b>	<b>(267)</b>	<b>-</b>

166. The movement in the 2016/17 budget relates to a recent allocation of £20k Section 106 monies to a new Highways project.
167. 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 cost savings on the replacement of Northwood and Abbotsfield Secondary schools. Forecast re-phasing has increased by £3,763k from Month 9 due to revised profiling of expenditure on the new Primary and Secondary expansion programmes which are in early stages, and also on the Secondary Schools replacements programme. Further information on the performance of the Schools Programme is provided in the Cabinet School Capital Programme Update Report.

168. The main programme forecasts a phasing underspend of £4,699k on a number of projects in various stages of progress that will be completed in future years. External delays have been encountered on public realm works under the Gateway Hillingdon project resulting in the programme slipping. The next phase of works are expected to commence shortly at Harlington Road Depot but will not be fully spent this financial year.
169. Programmes of Works are forecast to underspend by £2,658k 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 £267k on several programmes that will not be fully committed by the end of the financial year, including Disabled Facilities Grants.
170. There remain £613k unallocated contingency funds in 2016/17 after the recent approval of £207k from the contingency to cover set up costs relating to the award of contract for the delivery of revenues and benefits services. There are £6,000k further contingency funds over the period 2017-21 which at this stage are forecast to be fully utilised as and when risk issues emerge.

### Capital Financing - General Fund

171. Table 26 below outlines the latest financing projections for the capital programme, with a favourable medium term variance of £7,164k reported on Prudential Borrowing, due mainly to an increase in grant funding over original budget estimates and scheme cost underspends, 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	32,585	(23,917)	260,113	247,578	(12,535)	933
Financed by							
Capital Receipts	6,918	4,629	(2,289)	75,567	70,196	(5,371)	(212)
CIL	3,580	3,800	220	25,080	25,080	-	-
Prudential Borrowing	46,004	24,156	(21,848)	159,466	152,302	(7,164)	1,145
<b>Total Council Resources</b>	<b>56,502</b>	<b>32,585</b>	<b>(23,917)</b>	<b>260,113</b>	<b>247,578</b>	<b>(12,535)</b>	<b>933</b>
Grants & Contributions	19,502	17,365	(2,137)	72,280	78,587	6,307	(1,200)
<b>Total Programme</b>	<b>76,004</b>	<b>49,950</b>	<b>(26,054)</b>	<b>332,393</b>	<b>326,165</b>	<b>(6,228)</b>	<b>(267)</b>

172. The Capital Receipts forecast reports a shortfall of £5,371k 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. This includes a further reduction of £212k in Month 10 as the forecast number of 2016/17 Right to Buy sales to be completed has reduced by 10.

173. As at the end of December a total of £3,679k CIL receipts (after administration fees) have been invoiced or received by the Council this financial year which represents a movement of £10k 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.
174. 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.
175. Grants and contributions are forecast to reduce by £1,200k due mainly to re-allocating the £1m Battle of Britain Bunker grant for revenue purposes. The other movement relates to commitments on Disabled Facilities Grants which are forecast to be £200k below the approved budget.
176. The adverse movement of £1,145k on forecast prudential borrowing over the life of the approved programme is mainly as a result of the above reductions in available grant and 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	600	0	(207)	27,135	27,135	0	27,135	0	0
198	Secondary Schools Expansions	1,202	385	0	(817)	95,702	95,702	0	68,794	26,908	0
17,405	Secondary Schools New Build	27,421	20,349	(1,658)	(5,414)	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>22,722</b>	<b>(2,436)</b>	<b>(7,044)</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	415	0	(1,332)	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	167	0	(33)	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	158	0	8	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 & Pavillion	162	139	(23)	0	162	139	(23)	0	0	139
0	Haste Hill Golf Club	280	245	0	(35)	280	280	0	280	0	0
32,198	Hillingdon Sports & Leisure Centre	50	3	0	(47)	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	38	0	(62)	1,053	1,053	0	1,053	0	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	0	0	(50)	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	125	0	(102)	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	0	0	(50)	250	250	0	250	0	0
0	Street Lighting - Invest to Save	300	230	0	(70)	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	288	0	(312)	1,000	1,000	0	1,000	0	0
16,711	Projects Completing in 2016/17	1,696	1,395	(156)	(145)	1,788	1,631	(157)	1,619	0	12
<b>59,599</b>	<b>Total Main Programme</b>	<b>16,580</b>	<b>10,748</b>	<b>(1,133)</b>	<b>(4,699)</b>	<b>93,495</b>	<b>92,361</b>	<b>(1,134)</b>	<b>85,248</b>	<b>4,250</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	0	0	(250)	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	1,947	0	(1,861)	5,949	5,949	0	2,433	2,531	985
	<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	568	0	(256)	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	0	0	(206)	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	54	(137)	0	567	54	(513)	54	0	0
N/A	Transport for London	5,752	3,507	(352)	(1,893)	21,062	20,710	(352)	0	19,796	914
	<b>Social Services, Housing, Health and Wellbeing</b>										
N/A	Disabled Facilities Grant	2,300	2,100	(200)	0	11,500	11,300	(200)	0	11,300	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	50	(400)	0	2,250	1,850	(400)	1,850	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	475	394	0	(81)	475	475	0	0	0	475
	<b>Total Programme of Works</b>										
		<b>26,609</b>	<b>15,867</b>	<b>(2,283)</b>	<b>(8,459)</b>	<b>73,270</b>	<b>70,612</b>	<b>(2,658)</b>	<b>31,835</b>	<b>35,750</b>	<b>3,027</b>
	Capital Priority Growth	0	0	0	0	0	0	0	0	0	0
N/A	General Contingency	613	613	0	0	6,613	6,613	0	6,613	0	0
	<b>Total GF Capital Programme</b>										
		<b>76,004</b>	<b>49,950</b>	<b>(5,852)</b>	<b>(20,202)</b>	<b>332,393</b>	<b>326,165</b>	<b>(6,228)</b>	<b>247,578</b>	<b>70,784</b>	<b>7,803</b>



## Appendix E – Treasury Management Report as at 31 January 2017

**Table 27: Outstanding Deposits - Average Rate of Return on Deposits: 0.57%**

	Actual (£m)	Actual (%)	Bench-mark (%)
Up to 1 Month	65.1	48.33	40.00
1-2 Months	10.0	7.42	5.00
2-3 Months	0.0	0.0	10.00
3-6 Months	25.0	18.56	15.00
6-9 Months	12.4	9.21	10.00
9-12 Months	12.0	8.91	5.00
12-18 Months	5.0	3.71	10.00
18-24 Months	5.0	3.71	5.00
<b>Subtotal</b>	<b>134.5</b>	<b>99.85</b>	<b>100.00</b>
Unpaid Maturities	0.2	0.15	0.00
<b>Grand Total</b>	<b>134.7</b>	<b>100.00</b>	<b>100.00</b>

177. 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, Cambridgeshire County Council, Enfield Council, Guildford Council, Lancashire CC, 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.
178. 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 January, 48% 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 10% once instant access facilities are removed from the bail-in total.
179. During the month, cash was mainly placed and withdrawn from instant access accounts, with exception of two new short-term deposits with the DMADF and Cambridgeshire County Council. Fixed-term deposits with Monmouthshire Council, Lloyds, DMADF and Birmingham City Council reached maturity during January.

**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>

180. There were no scheduled debt repayments or early debt repayment opportunities during January. Gilts went up but then tailed off towards the end of the month, so although premiums fell slightly they still remained too high to make repayment feasible. There were no breaches of the prudential indicators or non-compliance with the treasury management policy and practices.
181. 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

182. 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>Residents Services</b>						
Curriculum Development Manager	31/10/2016	13/02/2017	30/06/2017	29	29	58
Quality Manager (Skills and Employment)	31/10/2016	13/02/2017	30/06/2017	35	35	70
Planning Enforcement Officer	06/10/2014	27/02/2017	26/05/2017	187	20	207
Planning Lawyer	14/12/2014	27/02/2017	13/08/2017	68	19	87
Development Surveyor	10/03/2014	13/03/2017	02/07/2017	93	13	106
DFG Adaptations Surveyor	01/12/2015	06/03/2017	16/04/2017	90	11	101
<b>Social Care</b>						
Residential Care Worker	01/04/2012	06/03/2017	02/04/2017	133	2	135
Approved Mental Health Worker	01/03/2014	06/03/2017	02/04/2017	164	0	164
Lead Approved Mental Health Practitioner	01/06/2012	06/03/2017	02/04/2017	217	5	222
Occupational Therapist	07/10/2013	06/03/2017	02/04/2017	208	5	213
Special Needs Officer-	05/01/2015	06/03/2017	02/04/2017	72	2	74
Occupational Therapist	01/04/2015	06/03/2017	02/04/2017	130	5	135
Contract Management Officer	24/08/2015	06/03/2017	02/04/2017	189	9	198
AMHP	01/06/2015	06/03/2017	02/04/2017	132	0	132
Maingrade Educational Psychologist	15/11/2015	06/03/2017	02/04/2017	106	4	110
Principle Educational Psychologist	01/06/2015	06/03/2017	02/04/2017	200	9	209
AMHP	12/09/2015	06/03/2017	02/04/2017	106	6	112
LD Programme Review	29/07/2015	06/03/2017	02/04/2017	185	10	195
Occupational Therapist	03/12/2015	06/03/2017	02/04/2017	85	2	87
Senior Social Worker	06/01/2016	06/03/2017	02/04/2017	73	8	80
Advanced Practitioner	29/02/2016	06/03/2017	02/04/2017	87	0	87
Educational Psychologist	01/03/2016	06/03/2017	02/04/2017	124	12	136
Approved Mental Health Worker	19/06/2016	06/03/2017	02/04/2017	46	5	51
Approved Mental Health Worker	29/05/2016	06/03/2017	02/04/2017	52	0	52
Occupational Therapist	06/06/2016	06/03/2017	02/04/2017	52	5	57
AMPH Social Worker	18/08/2015	06/03/2017	02/04/2017	108	1	109
Social Worker	11/07/2016	06/03/2017	02/04/2017	45	5	50
Social Worker	01/04/2013	06/03/2017	02/04/2017	45	6	51
Social Worker	01/08/2016	06/03/2017	02/04/2017	45	6	51
Placement Officer	18/03/2016	06/03/2017	02/04/2017	48	5	53
Early Years Practitioner	24/02/2014	06/03/2017	02/04/2017	53	1	54

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
LSAB Coordinator	24/11/2015	06/03/2017	02/04/2017	50	4	54
Early Years Practitioner	02/03/2015	06/03/2017	02/04/2017	56	2	58
Early Years Practitioner	29/10/2014	06/03/2017	02/04/2017	57	2	59
Social Worker	04/07/2016	06/03/2017	02/04/2017	54	6	60
Receptionist/ Administrative Assistant	01/09/2014	06/03/2017	02/04/2017	58	2	60
Early Years Practitioner	12/01/2015	06/03/2017	02/04/2017	58	2	60
Early Years Practitioner	06/10/2014	06/03/2017	02/04/2017	64	2	66
Social Worker	28/03/2016	06/03/2017	02/04/2017	62	5	67
Early Years Practitioner	30/03/2015	06/03/2017	02/04/2017	66	2	68
Social Worker	01/08/2015	06/03/2017	02/04/2017	68	5	73
Child Protection Chair	01/07/2015	06/03/2017	02/04/2017	77	7	84
Team Manager	03/04/2016	06/03/2017	02/04/2017	81	7	88
Local Children & Adult Safeguarding Board Training & Quality Assurance Officer	01/12/2015	06/03/2017	02/04/2017	83	6	89
Independent Domestic Violence Advisor	12/01/2015	06/03/2017	02/04/2017	94	4	98
Social Worker	04/05/2015	06/03/2017	02/04/2017	98	6	104
Social Worker	04/05/2015	06/03/2017	02/04/2017	99	5	104
Independent Reviewing Officer	05/10/2015	06/03/2017	02/04/2017	105	7	112
Early Years Practitioner	01/05/2015	06/03/2017	02/04/2017	114	2	116
Panel Advisor	10/08/2015	06/03/2017	02/04/2017	114	7	121
Quality Assurance Manager	01/02/2016	06/03/2017	02/04/2017	110	11	121
Child Protection Chair	20/07/2015	06/03/2017	02/04/2017	122	7	129
Social Worker	27/10/2014	06/03/2017	02/04/2017	131	6	137
Practice Improvement Practitioner	08/05/2014	06/03/2017	02/04/2017	132	7	139
Social Worker	13/04/2015	06/03/2017	02/04/2017	136	6	142
Social Worker	19/06/2014	06/03/2017	02/04/2017	143	6	149
Social Worker	05/09/2014	06/03/2017	02/04/2017	192	6	198
Social Worker	11/08/2014	06/03/2017	02/04/2017	201	7	208
Senior Social Worker	30/04/2012	06/03/2017	02/04/2017	205	6	211
Child Sexual Exploitation (CSE) Co-ordinator	03/11/2014	06/03/2017	02/04/2017	208	6	214
Independent Reviewing Officer	27/05/2014	06/03/2017	02/04/2017	215	7	222
Team Manager - MASH	28/09/2014	06/03/2017	02/04/2017	223	7	230
Social Worker	01/01/2013	06/03/2017	02/04/2017	238	5	243
Social Worker	01/04/2013	06/03/2017	02/04/2017	241	6	247
Social Worker	01/01/2013	06/03/2017	02/04/2017	246	6	252
Case Progression Manager	07/04/2014	06/03/2017	02/04/2017	256	7	263
Advanced Practitioner	19/12/2011	06/03/2017	02/04/2017	294	6	300
Team Manager	01/01/2013	06/03/2017	02/04/2017	304	7	311
MASH Manager	13/01/2014	06/03/2017	02/04/2017	328	10	338