

COUNCIL BUDGET - 2016/17 REVENUE AND CAPITAL BUDGET OUTTURN

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

HEADLINE INFORMATION

Purpose of report	<p>This report provides the Council's outturn financial position and performance against the 2016/17 revenue budget and Capital Programme.</p> <p>A net in-year underspend of £3,949k is reported against 2016/17 General Fund revenue budgets as of March 2017 (Outturn), representing an improvement of £1,521k from the position previously reported to Cabinet. This improvement includes the release of £927k uncommitted contingency and growth monies, and £594k movements across operating budgets.</p> <p>The latest positions on other funds and the Capital Programme are detailed within the body of this report.</p>
Contribution to our plans and strategies	<p>Putting our Residents First: <i>Financial Management</i></p> <p>Achieving Value for Money is an important element of the Council's Medium Term Financial Plan.</p>
Financial Cost	N/A
Policy Overview Committee	Corporate Services and Partnerships
Ward(s) affected	All

RECOMMENDATIONS

That Cabinet:

1. Note the outturn budget position as at March 2017 (Month 12), including release of Development and Risk Contingency & Priority Growth funds into Directorate Operating budgets as outlined in Tables 4 and 5.
2. Note the Treasury Management update as at March 2017 at Appendix E.
3. Continue the delegated authority up until the July 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 20th April 2017 and 22nd June 2017 Cabinet meetings, detailed at Appendix F.

4. Approves the rephasing of £13,560k of HRA Capital Budgets from 2016/17 into future years as per Appendix C, alongside the rephasing of a net £3,429k of 2017/18 HRA Capital Budgets into subsequent years.
5. Approves the rephasing of £15,978k General Fund Capital Budgets from 2016/17 into future years as per Appendix D, alongside rephasing of a net £4,856k from 2017/18 into future years.
6. Approves a virement of £660k Inspiring Shopfronts funding to the Gateway Hillingdon programme to support a new Gateway Initiative at Eastcote Town Centre.
7. Approves the proposed amendments to the Council's Local Council Tax Reduction Scheme effective from 1 April 2018 for public consultation, to align the scheme with recent changes to Housing Benefit regulations.
8. Approves acceptance of gift funding in relation to Planning Performance Agreements on major developments within the Borough in accordance with the provisions of Section 93 of the Local Government Act 2003, in respect of application: COMAG site, West Drayton (up to £23,500).
9. Ratify the decisions taken by the Leader of the Council and relevant Cabinet Members, which would ordinarily be reserved to the Cabinet, as set out in Appendix H.

INFORMATION

Reasons for Recommendations

1. The reason for **Recommendation 1** 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. This recommendation also seeks ratification of the release of Development and Risk Contingency completed during the closure of the 2016/17 accounts. **Recommendation 2** signposts a comprehensive update on the Council's Treasury Management performance during this financial year is included at Appendix E including compliance with CIPFA's Prudential Indicators.
2. **Recommendation 4** - The re-phasing of £13,560k HRA Capital Budgets (major projects and works to stock programme) is recommended to realign existing unspent budgets to match delivery on various projects and programmes of works in future years and does not represent additional expenditure to the approved Capital Programme.

The re-phasing of £3,575k HRA Capital Budgets from 2017/18 into future years reflects re-profiling of the works to stock programme due to the procurement, leasehold consultation and manufacturing lead-in timescales and seasonal scheduling for these works. The re-phasing includes lift renewals contracts for high rise blocks £862k, roofing renewals £786k, structural works £932k, replacement of single-glazed windows £498k and kitchens and bathrooms £497k. Finally, there is the forward phasing of £146k into 2017/18 required to renew communal heating systems at Drayton Court and Yiewsley Court sheltered housing schemes, resulting in a net rephasing of £3,429k from 2017/18.

3. **Recommendation 5** - The re-phasing of £15,978k 2016/17 General Fund capital expenditure and financing budgets is required to enable existing projects to be delivered in future years.

In addition, recommended re-phasing of £5,400k from 2017/18 reflects re-profiling of planned expenditure since the original budget was approved in February 2017. The re-phasing includes Crossrail complementary measures at Hayes & Harlington (£1,300k) and West Drayton Crossrail stations (£950k) into 2018/19 in line with revised funding profiles agreed with Transport for London. Other re-phasings include £2,200k funding for additional

temporary classrooms to support the Secondary Schools expansions programme in 2018/19, and £950k Uxbridge Change of Heart Council match funding into 2018/19 for completion of the scheme next year. Finally, it is recommended that £544k Inspiring Shopfronts funding from 2018/19 is brought forward into 2017/18 budgets, reducing the net rephasing from 2017/18 to £4,856k.

4. In order to consolidate funding for a new Gateway Initiative for Eastcote Town Centre, it is proposed in **Recommendation 6** that £660k is vired from the 2017/18 Inspiring Shopfronts budget into the Gateway Hillingdon Programme.
5. The localisation of Council Tax Support was implemented in April 2013, giving the Council responsibility for setting up a local Council Tax Reduction (CTR) Scheme to provide financial support to pensioners and working age residents including vulnerable people in paying their council tax liability. The Council agreed that the CTR scheme should be self funding, that is central government funding should cover the cost of the scheme, as essentially it was a new burden following the abolition of Council Tax Benefit (CTB). The purpose of **Recommendation 7** is to enable Cabinet to approve revisions to the local CTR Scheme, effective from 1 April 2018, for public consultation. The proposed changes are to enable the scheme rules to be kept aligned with the Housing Benefit regime. Appendix G provides further supporting information.
6. Gift funding has been offered by developers which if accepted by Cabinet will be utilised to fund dedicated staff to support this pre-application and application work. **Recommendation 8** seeks authority from Cabinet to approve the acceptance of these sums in relation to Planning Performance Agreements.
7. In the absence of a Cabinet meeting, the Leader of the Council is authorised in the Council's Constitution to take such decisions where deemed urgent, which will be reported to a subsequent Cabinet meeting for ratification. Details of the decisions taken by the Leader, with relevant Cabinet Members are set out in Appendix H, with **Recommendation 9** seeking ratification.

Alternative options considered

8. There are no other options proposed for consideration.

FURTHER INFORMATION

General Fund Revenue Budget

9. An underspend of £3,949k is reported on normal operating activities at outturn. This position incorporates a £3,563k net underspend across Directorate Operating Budgets and an underspend of £1,018k across Corporate Operating Budgets, offset by contingency pressures of £1,018k, primarily relating to Looked After Children placement expenditure and a smaller pressure on unfunded Deprivation of Liberty Safeguards (DoLS) assessments. No exceptional items have been reported during the financial year.
10. The headline underspend of £3,949k represents an improvement of £1,521k on the reported position reported at Month 11, arising from the release of £927k uncommitted General Contingency and Unallocated Priority Growth which had previously been anticipated and £594k favourable movements across Directorate and Corporate Operating Budgets.
11. The Council's General Fund revenue budget contained £13,309k savings, which have been successfully delivered and classified as banked at outturn. No savings from the 2016/17 programme will be carried forward into the 2017/18 monitoring report.

Table 1: General Fund Overview

Original Budget £'000	Budget Changes £'000	Service	Month 12		Variance (As at Month 12) £'000	Variance (As at Month 11) £'000	Movement from Month 11 £'000
			Revised Budget £'000	Outturn £'000			
179,081	(13)	Directorate Operating Budgets	179,068	175,505	(3,563)	(3,227)	(336)
1,841	2,282	Corporate Operating Budgets	4,123	3,065	(1,058)	(800)	(258)
18,453	(1,881)	Development & Risk Contingency	16,572	17,590	1,018	1,599	(581)
1,134	(388)	Priority Growth	746	400	(346)	0	(346)
200,509	0	Sub-total Normal Activities	200,509	196,560	(3,949)	(2,428)	(1,521)
200,509	0	Total Net Expenditure	200,509	196,560	(3,949)	(2,428)	(1,521)
(196,293)	0	Budget Requirement	(196,293)	(196,293)	0	0	0
4,216	0	Net Total	4,216	267	(3,949)	(2,428)	(1,521)
(39,005)	0	Balances b/fwd	(39,005)	(39,005)			
(34,789)	0	Balances c/fwd 31 March 2017	(34,789)	(38,738)			

12. At 31 March 2016 General Fund Balances totalled £39,005k, with a planned drawdown of £4,216k included in the 2016/17 budget. The £3,949k underspend reported at outturn results in a net £267k drawdown from General Balances and a closing balance of £38,738k. The Council's current MTFE 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 (£3,563k underspend, £336k improvement)

13. An overview of the final 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.

14. 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. During 2016/17 the Council applied £2,363k Capital Receipts towards the costs of service transformation, alongside £1,940k from Earmarked Reserves. Expenditure in support of Service Transformation was £383k lower than anticipated at Month 11, primarily due to the timing of expenditure from March to April 2017.

Table 2: Directorate Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 12		Variance (As at Month 12) £'000	Variance (As at Month 11) £'000	Movement from Month 11 £'000	
			Revised Budget £'000	Outturn £'000				
10,762	(253)	Admin.	Expenditure	10,509	10,322	(187)	(139)	(48)
(1,288)	(83)		Income	(1,371)	(1,308)	63	70	(7)
9,474	(336)		Sub-Total	9,138	9,014	(124)	(69)	(55)
15,768	85	Finance	Expenditure	15,853	15,586	(267)	(265)	(2)
(2,475)	(321)		Income	(2,796)	(2,974)	(178)	(119)	(59)
13,293	(236)		Sub-Total	13,057	12,612	(445)	(384)	(61)
109,096	4,447	Residents Services	Expenditure	113,543	111,439	(2,104)	(2,054)	(50)
(56,005)	(2,996)		Income	(59,001)	(58,540)	461	595	(134)
53,091	1,451		Sub-Total	54,542	52,899	(1,643)	(1,459)	(184)
141,576	244	Social Care	Expenditure	141,820	142,922	1,102	1,153	(51)
(38,353)	(1,136)		Income	(39,489)	(41,942)	(2,453)	(2,468)	15
103,223	(892)		Sub-Total	102,331	100,980	(1,351)	(1,315)	(36)
179,081	(13)	Total Directorate Operating Budgets		179,068	175,505	(3,563)	(3,227)	(336)

15. At outturn, a £124k underspend is reported on Administration operating budgets, which represents a favourable movement of £55k on projections at Month 11 arising from amendments to grant payments and reduced non-staffing expenditure. An underspend of £445k is reported on Finance Directorate budgets, representing an improvement of £61k as a result of reductions in provisions for doubtful debt within the Revenues & Benefits service.
16. An underspend of £1,643k is reported on Residents Services budgets at outturn, with £2,378k underspends on staffing budgets arising from vacant posts and capitalisation of transformation resource being off-set by £735k pressures on non-staffing and income budgets. The favourable movement of £184k from Month 11 is mainly related to the capitalisation of further project expenditure within Development & Assets and a number of smaller 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.
17. An improvement of £36k is reported on Social Care budgets, reflecting a number of minor movements across the directorate. Overall the group is reporting a £1,351k underspend, inclusive of net staffing underspends of £1,396k from posts being held vacant and capitalisation of transformation workforce costs. Within this reported position, there remains a risk around supplier inflation on care placements which will remain under review over the coming months.

Corporate Operating Budgets (£1,058k underspend, £258k improvement)

18. An underspend of £971k is reported on Interest and Investment Income, representing an improvement of £171k on the previously anticipated outturn to reflect a lower share of investment income being attributable to the HRA and additional investment income being released from pooled funds in year. The underlying variance reflects the impact of proactive treasury management on external debt costs, with on-going benefits reflected in the 2017/18 budget. The improvement of £87k on Levies and Other Corporate Budgets primarily relates to the share of central support services properly attributable to other funds being higher than previously anticipated.

Table 3: Corporate Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 12		Variance (As at Month 12) £'000	Variance (As at Month 11) £'000	Movement from Month 11 £'000	
			Revised Budget £'000	Outturn £'000				
0	0	Interest and Investment Income	Salaries	0	0	0	0	
5,386	1,043		Non-Sal Exp	6,429	5,516	(913)	(113)	
(405)	(404)		Income	(809)	(867)	(58)	0	
4,981	639		Sub-Total	5,620	4,649	(971)	(171)	
431	5	Levies and Other Corporate Budgets	Salaries	436	436	0	0	
9,379	2,163		Non-Sal Exp	11,542	11,539	(3)	(3)	
(12,390)	(525)		Income	(12,915)	(12,999)	(84)	(84)	
(2,580)	1,643		Sub-Total	(937)	(1,024)	(87)	(87)	
0	0	Housing Benefit Subsidy	Salaries	0	0	0	0	
142,055	4,286		Non-Sal Exp	146,341	146,341	0	0	
(142,615)	(4,286)		Income	(146,901)	(146,901)	0	0	
(560)	0		Sub-Total	(560)	(560)	0	0	
1,841	2,282	Total Corporate Operating Budgets		4,123	3,065	(1,058)	(800)	(258)

Development & Risk Contingency (£1,018k overspend, £581k improvement)

19. 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 4: Development & Risk Contingency

Original Budget £'000	Budget Changes £'000	Service	Month 12		Variance (As at Month 12) £'000	Variance (As at Month 11) £'000	Movement from Month 11 £'000	
			Revised Budget £'000	Outturn £'000				
341	0	Fin.	341	291	(50)	(50)	0	
2,025	0	Residents Services	Impact of welfare reform on homelessness		0	0	0	
2,728	0		Waste Disposal Levy		(300)	(300)	0	
200	0		High Speed 2 Challenge Fund		0	0	0	
200	0		Heathrow Expansion Challenge Fund		0	0	0	
2,212	0	Social Care	Asylum Service		(529)	(385)	(144)	
3,734	0		Demographic Growth - Looked After Children		2,456	2,451	5	
277	0		Social Worker Agency		0	0	0	
1,699	0		Demographic Growth - Transitional Children		133	133	0	
432	0		Demographic Growth - Adults		0	0	0	
393	0		Winterbourne View		(315)	(315)	0	
0	0		Deprivation of Liberty Safeguards		623	565	58	
1,331	0		Care Act New Burdens Funding		0	0	0	
1,881	(1,881)	Corp. Items	Increased National Insurance Contributions		0	0	0	
1,000	0		General Contingency		(1,000)	(500)	(500)	
18,453	(1,881)	Total Development & Risk Contingency		16,572	17,590	1,018	1,599	(581)

20. Material movements on specific contingency items from Month 11 are limited to a reduced call on the Asylum contingency and an increase in the cost of Deprivation of Liberty Safeguards. In addition to the £81k net reduction in the cost of specific contingency items, £500k General Contingency earmarked to respond to emerging issues was not required at outturn and therefore further improves the position at outturn.
21. The outturn position on Development and Risk Contingency remains broadly consistent with projections reported during 2016/17, which formed the basis for the 2017/18 Development and Risk Contingency approved by Cabinet and Council in February 2017.

Priority Growth

22. 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, increasing total growth monies available for the year to £1,954k.
23. £143k has previously been released from Priority Growth to meet costs associated with traveller incursions within the Borough and finance a new Members Enquiries Support Officer. This report includes a recommendation to release a further £245k to manage further costs arising from managing traveller incursions within the borough, with reported positions assuming this is approved. The remaining uncommitted balance of £346k contributes towards the Council-wide underspend reported above. Release of £287k from HIP monies

has been approved to support new initiatives from the £1,220k available resources, leaving £933k to be earmarked and carried forward to support future projects.

Table 5: Priority Growth

Original Budget	Budget Changes	Priority Growth	Month 12		
			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	287	(533)
734	(388)	Unallocated Priority Growth	346	0	(346)
1,134	432	Total Priority Growth	1,566	287	(1,279)

Schools Budget, Parking Revenue Account and Collection Fund

24. The final outturn on the Schools Budget shows a pressure of £1,136k to be recouped from 2017/18 and 2018/19 Dedicated Schools Grants, with other funds indicating favourable positions at year end and therefore not adversely impacting on the General Fund in 2017/18.
25. The final drawdown from Dedicated Schools Grant balances for the Schools Budget has increased by £773k from the position reported at Month 12 to £1,551k at outturn, exceeding available reserves by £1,136k. 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 and 2018/19 Dedicated Schools Grants will be topsliced to return the Schools Budget to a breakeven position.
26. A £233k surplus is reported on the Parking Revenue Account at Outturn, representing a favourable movement of £179k from Month 11 forecasts mainly arising from reduced expenditure.
27. Surpluses of £2,504k on Council Tax revenues and £1,592k on Business Rates income are reported at outturn on the Collection fund, representing an improvement of £1,596k on Month 11 forecasts. This movement consists of a £2,004k improvement on Council Tax income following a review of provisions for doubtful debt and a £408k adverse movement on Business Rates income as an anticipated reduction in empty properties failed to materialise prior to 31 March. The 2017/18 General Fund revenue budget includes drawdown of £2,500k from retained Collection Fund surpluses, leaving £1,596k available for release in 2018/19.

Housing Revenue Account

28. The Housing Revenue Account (HRA) delivered an in-year overall surplus of £11,882k which is a £2,620k improvement on the budgeted surplus of £9,262k. This represents a £931k reduction on the position reported at Month 11 as a result of £218k net costs and income in respect of the recent Triscott House judgement, £410k additional depreciation charges and £285k of smaller movements including an uplift in the share of support costs attributable to the HRA. As a result, HRA General Balances are total £45,826k at 31 March 2017, with a significant element of this sum earmarked to support investment in new housing stock.
29. There have been 99 Right to Buy sales of council dwellings as at the end of March 2017, a reduction of 1 from the projection at Month 11. Sufficient expenditure was incurred on the acquisition of new properties during 2016/17 to avoid repayment of Right to Buy Receipts to

DCLG, with the approved 2017/18 capital programme developed to similarly avoid any repayment of retained receipts.

Future Revenue Implications of Capital Programme

30. Appendix D outlines the outturn on the 2016/17 Capital Programme, with a headline in-year underspend of £25,266k reflecting £15,978k slippage from anticipated expenditure profiles and a net £9,288k underspend on capital expenditure. Taking account of a £1,947k pressure on Capital Receipts due to lower numbers of Right to Buy sales and a £1,009k increase in grant income, this in-year underspend equates to a £8,350k reduction in the Council's projected borrowing requirement as a result of 2016/17 activity.
31. The £8,350k reduction in Prudential Borrowing required to finance the Capital Programme equates to a saving of in excess of £400k per annum on the debt repayment and servicing. This on-going benefit will be captured in future refreshes of the Council's Medium Term Financial Forecast.

Appendix A – Detailed Group Forecasts (General Fund)

ADMINISTRATION (£124k underspend, £55k improvement)

32. The Administration group is reporting a £124k underspend at outturn, representing a £55k improvement from the position reported at Month 11. This movement primarily relates to reduced grant payments within Policy & Partnerships and an improved outlook on non-staffing expenditure within Human Resources.

Table 6: Administration Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 12		Variance (As at Month 12) £'000	Variance (As at Month 11) £'000	Movement from Month 11 £'000	
			Revised Budget £'000	Outturn £'000				
1,490	23	Democr. Services	Salaries	1,513	1,500	(13)	(16)	3
1,645	254		Non-Sal Exp	1,899	1,905	6	6	0
(629)	(259)		Income	(888)	(852)	36	33	3
2,506	18		Sub-Total	2,524	2,553	29	23	6
2,307	(259)	Human Resources	Salaries	2,048	2,014	(34)	(27)	(7)
534	(71)		Non-Sal Exp	463	407	(56)	(14)	(42)
(248)	61		Income	(187)	(193)	(6)	(20)	14
2,593	(269)		Sub-Total	2,324	2,228	(96)	(61)	(35)
1,979	(109)	Legal Services	Salaries	1,870	1,837	(33)	(34)	1
87	(90)		Non-Sal Exp	(3)	(23)	(20)	(21)	1
(341)	115		Income	(226)	(160)	66	69	(3)
1,725	(84)		Sub-Total	1,641	1,654	13	14	(1)
579	0	Policy & Partnerships	Salaries	579	540	(39)	(37)	(2)
2,141	(1)		Non-Sal Exp	2,140	2,142	2	4	(2)
(70)	0		Income	(70)	(103)	(33)	(12)	(21)
2,650	(1)		Sub-Total	2,649	2,579	(70)	(45)	(25)
6,355	(345)	Admin. Directorate	Salaries	6,010	5,891	(119)	(114)	(5)
4,407	92		Non-Sal Exp	4,499	4,431	(68)	(25)	(43)
(1,288)	(83)		Income	(1,371)	(1,308)	63	70	(7)
9,474	(336)		Total	9,138	9,014	(124)	(69)	(55)

FINANCE (£445k underspend, £61k improvement)

33. The Finance directorate is reporting an outturn underspend of £445k, representing a £61k improvement on the month 11 position. The overall position is primarily due to underspends arising from posts being held vacant across the group, with the improvement from Month 11 relating to reduced provisions for doubtful debt being held in Revenues & benefits following a review of accounting methodology.

Table 7: Finance Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 12		Variance (As at Month 12) £'000	Variance (As at Month 11) £'000	Movement from Month 11 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
519	418	Business Assurance	Salaries	937	894	(43)	(40)	(3)
30	25		Non-Sal Exp	55	106	51	47	4
(10)	(91)		Income	(101)	(114)	(13)	(7)	(6)
539	352		Sub-Total	891	886	(5)	0	(5)
1,555	117	Procurement	Salaries	1,672	1,743	71	71	0
92	60		Non-Sal Exp	152	197	45	33	12
0	(177)		Income	(177)	(184)	(7)	(9)	2
1,647	0		Sub-Total	1,647	1,756	109	95	14
3,321	251	Operation. Finance	Salaries	3,572	3,324	(248)	(245)	(3)
611	(515)		Non-Sal Exp	96	101	5	3	2
(158)	(176)		Income	(334)	(409)	(75)	(73)	(2)
3,774	(440)		Sub-Total	3,334	3,016	(318)	(315)	(3)
4,101	(29)	Revenues & Benefits	Salaries	4,072	4,074	2	3	(1)
1,634	(308)		Non-Sal Exp	1,326	1,332	6	8	(2)
(2,023)	156		Income	(1,867)	(1,931)	(64)	(11)	(53)
3,712	(181)		Sub-Total	3,531	3,475	(56)	0	(56)
1,348	33	Strategic Finance	Salaries	1,381	1,283	(98)	(101)	3
2,557	33		Non-Sal Exp	2,590	2,532	(58)	(44)	(14)
(284)	(33)		Income	(317)	(336)	(19)	(19)	0
3,621	33		Sub-Total	3,654	3,479	(175)	(164)	(11)
10,844	790	Finance Directorate	Salaries	11,634	11,318	(316)	(312)	(4)
4,924	(705)		Non-Sal Exp	4,219	4,268	49	47	2
(2,475)	(321)		Income	(2,796)	(2,974)	(178)	(119)	(59)
13,293	(236)		Total	13,057	12,612	(445)	(384)	(61)

34. As previously anticipated, a £50k underspend is reported on the Insurance Contingency, reflecting lower levels of outstanding claims than previously experienced.

Table 8: Development and Risk Contingency

Original Budget £'000	Budget Changes £'000	Development & Risk Contingency	Month 12		Variance (As at Month 12) £'000	Variance (As at Month 11) £'000	Movement from Month 11 £'000
			Revised Budget £'000	Forecast Outturn £'000			
341	0	Uninsured Claims	341	291	(50)	(50)	0
341	0	Current Commitments	341	291	(50)	(50)	0

RESIDENTS SERVICES (£1,643k underspend, £184k improvement)

35. Residents Services reported an underspend of £1,643k at outturn, excluding pressure areas provided for in contingency.

Table 9: Residents Services Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 12		Variance (As at Month 12) £'000	Variance (As at Month 11) £'000	Movement from Month 11 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
15,008	(732)	Deputy Director Residents Services	Salaries	14,276	13,873	(403)	(379)	(24)
15,752	1,562		Non-Sal Exp	17,314	18,233	919	848	71
(7,981)	(1,776)		Income	(9,757)	(9,108)	649	575	74
22,779	(946)		Sub-Total	21,833	22,998	1,165	1,044	121
4,951	108	Development and Assets	Salaries	5,059	4,948	(111)	(100)	(11)
11,174	1,055		Non-Sal Exp	12,229	11,932	(297)	(60)	(237)
(5,072)	(641)		Income	(5,713)	(5,700)	13	98	(85)
11,053	522		Sub-Total	11,575	11,180	(395)	(62)	(333)
487	45	Estates and Tenancy Management	Salaries	532	430	(102)	(91)	(11)
1,154	772		Non-Sal Exp	1,926	1,762	(164)	(260)	96
(3,279)	(16)		Income	(3,295)	(3,370)	(75)	(85)	10
(1,638)	801		Sub-Total	(837)	(1,178)	(341)	(436)	95
1,730	13	Planning, Transportation and Community Projects	Salaries	1,743	1,511	(232)	(239)	7
1,534	(32)		Non-Sal Exp	1,502	1,454	(48)	11	(59)
(10,706)	(40)		Income	(10,746)	(10,846)	(100)	(94)	(6)
(7,442)	(59)		Sub-Total	(7,501)	(7,881)	(380)	(322)	(58)
1,774	330	Planning and Enforcement	Salaries	2,104	2,041	(63)	(64)	1
854	220		Non-Sal Exp	1,074	1,075	1	0	1
(2,782)	(600)		Income	(3,382)	(3,781)	(399)	(372)	(27)
(154)	(50)		Sub-Total	(204)	(665)	(461)	(436)	(25)
11,739	(190)	Green Spaces, Sport & Culture	Salaries	11,549	11,505	(44)	80	(124)
7,567	(59)		Non-Sal Exp	7,508	7,504	(4)	(15)	11
(9,916)	(780)		Income	(10,696)	(11,066)	(370)	(286)	(84)
9,390	(1,029)		Sub-Total	8,361	7,943	(418)	(221)	(197)
7,994	(3,344)	Digital Strategy & Communications	Salaries	4,650	4,753	103	(52)	155
5,714	(348)		Non-Sal Exp	5,366	5,460	94	(76)	170
(3,058)	2,510		Income	(548)	(392)	156	148	8
10,650	(1,182)		Sub-Total	9,468	9,821	353	20	333
6,027	2,862	Business and Technical Support	Salaries	8,889	7,747	(1,142)	(1,141)	(1)
1,051	453		Non-Sal Exp	1,504	1,637	133	155	(22)
(4,197)	(464)		Income	(4,661)	(4,168)	493	515	(22)
2,881	2,851		Sub-Total	5,732	5,216	(516)	(471)	(45)
4,131	661	Policy and Standards - Education, Housing and Public Health	Salaries	4,792	4,408	(384)	(384)	0
10,455	1,071		Non-Sal Exp	11,526	11,166	(360)	(287)	(73)
(9,014)	(1,189)		Income	(10,203)	(10,109)	94	96	(2)
5,572	543		Sub-Total	6,115	5,465	(650)	(575)	(75)
53,841	(247)	Residents Services	Salaries	53,594	51,216	(2,378)	(2,370)	(8)
55,255	4,694		Non-Sal Exp	59,949	60,223	274	316	(42)
(56,005)	(2,996)		Income	(59,001)	(58,540)	461	595	(134)
53,091	1,451		Total	54,542	52,899	(1,643)	(1,459)	(184)

36. The overall variance is a result of staffing underspends across the group and favourable income projections in planning, offset by pressures in ICT, fleet management and increased recycling costs via the dry recycling contract. In addition, there are sustained income shortfalls at Cedars and Grainges car parks and increasing pressure against Imported Food sampling income targets.
37. The Council's 2016/17 contingency budget contained provision for areas of expenditure or income within Residents Services for which there was a greater degree of uncertainty. At outturn, the required contingency call was £300k below the budgeted provision (no change). The position against these contingency items is shown below.

Table 10: Development and Risk Contingency

Original Budget	Budget Changes	Development & Risk Contingency	Month 12		Variance (As at Month 12)	Variance (As at Month 11)	Movement from Month 11
			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
5,153	0	Current Commitments	5,153	4,853	(300)	(300)	0

38. The financial year 2016/17 has seen continuing pressures on the Housing Needs budget, requiring full drawdown of the £2,025k contingency. The service have continued to see the numbers of temporary accommodation requirements consistently above the original MTFF forecast, Table 12 below shows a net increase in the final quarter of 2016/17.

Table 11: Housing Needs performance data

	2016/17		
	January	February	March
Homeless Threat, Priority Need & Eligible	120	103	114
Presenting As Homeless	43	51	58
Duty Accepted	25	30	32
Households in Temporary Accommodation	635	652	660
Households in B&B	246	258	268

39. Within this increase, a higher proportion continues to be in high cost Bed & Breakfast (B&B) placements given the challenges in housing supply. Key variables in terms of keeping B&B type accommodation to a minimum are the prevention rate on approaches for housing and the supply of properties.
40. 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.
41. A one-off disbursement of reserves in 2017/18 following year-end accounts finalisation by WLWA is expected. Boroughs have been advised that a reserves position will be communicated in the summer.

Deputy Director Residents Services (£1,165k overspend, £121k adverse)

42. Throughout the majority of 2016/17, there was a sustained pressure in Imported Food sampling income - at outturn this represented a pressure of £604k. The pressures result from regular legislative changes and seasonal variations. Part of the pressure experienced during the year was a result of a reduction in Kenyan imports and the removal of Kenyan beans from high risk list, such that no inspections are required.
43. There was a £71k adverse movement in non-staffing costs at outturn. The main drivers of the increase were pressures in the fleet service, in respect of vehicle maintenance contracts, vehicle damage and vehicle contract hire. The service is currently under review from an external consultant, which covers vehicle utilisation levels and further efficiency options.
44. Further to prior notification of additional costs in respect of the dry recycling contract, the council has now successfully retendered the contract, with the new agreement in place from the middle of June 2017. The contract is expected to deliver efficiencies to the council owing to the improved capacity capabilities of the new contractor.

Development and Assets (£395k underspend, £333k improvement)

45. There was a net favourable movement of £333k at outturn. The largest component of the movement relates to corporate construction costs (£150k) where the capitalisation of CCT fees was finalised at year end.
46. The remaining areas included a £70k favourable movement relating to utilisation of final Carbon reduction commitment (CRC) allowances and works in facilities management that were taken to capital (£98k), thus reducing the revenue position.

Estates and Tenancy Management (£341k underspend, £95k adverse)

47. At outturn the service reported a net adverse movement of £9k. This was a result of empty building cost pressures for utilities and maintenance.
48. The overall position for Residents Services has enabled an increase in the provision relating to property disposals of £86k.

Planning, Transportation and Community Projects (£380k underspend, £58k improvement)

49. The outturn underspend in staffing costs resulted from delays in recruitment across the service and the impact of vacant posts within the matching of external grant to budgeted expenditure.
50. There was a net improvement of £58k at outturn, relating primarily to delays in external survey costs around CIL administration and charging.

Planning and Development (£461k underspend, £25k improvement)

51. There was an overall outturn favourable movement of £25k, primarily as a result of an improvement in the final Development Control income position.
52. A number of posts continue to be funded from gift funding income, with the balance of additional resources in the Earmarked reserve required to allow for timing differences of the gift funding received.

Green Spaces & Culture (£418k underspend, £197k improvement)

53. There was an outturn underspend on salaries across the group of £44k (£124k favourable). The movement reflects delays to recruitment across the directorate, as new structures continue to be actively recruited to.
54. There was an improvement in income across the group at outturn (£84k favourable) with the most notable attributable to the Music service for better than forecast Equipment Sales, Equipment Hire and Tuition Fees.

Digital Strategy & Communications (£353k overspend, £333k adverse movement)

55. There was a net adverse movement of £333k at outturn, reflecting delays to the implementation of the new structure, pressures in contract & licences across the service and remaining legacy pressures following on from the discontinuation of the HGfL service.

Business and Technical Support (£516k underspend, £45k improvement)

56. The off-street parking income at the Cedars and Grainges multi-storey car parks experienced pressure relating to the loss of season ticket income and spot parking income throughout the financial year. Despite some uplift in income at smaller car parks throughout the Borough, at outturn the service had a net pressure of £517k.
57. There was an outturn underspend of £1,142k on staffing budgets across the service. The majority of the underspend resided within Technical Administration and Business Support, as a result of the vacant posts that were held open during the restructuring process for this service.

Policy and Standards - Education, Housing and Public Health (£650k underspend, £75k improvement)

58. There was an outturn underspend of £650k, with the key variances represented by staffing underspends across each service, including vacant posts within Community Safety and the Performance & Intelligence team in addition to staffing reviews across all service areas. Interim resources deployed to smooth the transition to new structure(s) were funded via capital receipts, as previously reported.

SOCIAL CARE (£1,351k underspend, £36k improvement)

59. Social Care ended the year with an underspend of £1,351k, an improvement of £36k from Month 11. The year end position relates to an underspend on staffing of £1,396k due to a number of vacancies held across the service, excluding Children's Social Care, which overspend by £1,149k due to the use of agency staff and an overachievement of £2,468k in income, which was due primarily to an increase in contributions received from external organisations including the CCG. This was netted down by an overspend of £2,498k on non-staffing costs, which related to pressures on staff recruitment, Section 17 temporary accommodation and the cost of providing transport services for children with a Special Educational Need (SEN) or Education, Health and Care Plan (EHCP).

Table 12: Social Care Operating Budgets

Original Budget £'000	Budget Changes £'000	Service		Month 12		Variance (As at Month 12) £'000	Variance (As at Month 11) £'000	Movement from Month 11 £'000
				Revised Budget £'000	Forecast Outturn £'000			
1,826	(250)	Safeguarding Children	Salaries	1,576	1,613	37	52	(15)
1,612	(1,352)		Non-Sal Exp	260	318	58	87	(29)
(165)	1		Income	(164)	(239)	(75)	(64)	(11)
3,273	(1,601)		Sub-Total	1,672	1,692	20	75	(55)
4,678	(126)	Early Intervention Services	Salaries	4,552	4,177	(375)	(376)	1
3,406	(497)		Non-Sal Exp	2,909	2,817	(92)	(87)	(5)
(1,712)	318		Income	(1,394)	(1,343)	51	47	4
6,372	(305)		Sub-Total	6,067	5,651	(416)	(416)	0
11,888	(298)	Children's Social Care	Salaries	11,590	12,739	1,149	1,153	(4)
9,996	3,115		Non-Sal Exp	13,111	13,898	787	838	(51)
(6,899)	(769)		Income	(7,668)	(8,366)	(698)	(755)	57
14,985	2,048		Sub-Total	17,033	18,271	1,238	1,236	2
8,669	(1,629)	All-Age Disabilities	Salaries	7,040	6,543	(497)	(513)	16
44,634	(39,554)		Non-Sal Exp	5,080	5,198	118	88	30
(9,536)	5,831		Income	(3,705)	(3,233)	472	472	0
43,767	(35,352)		Sub-Total	8,415	8,508	93	47	46
4,460	2,723	Social Work	Salaries	7,183	6,714	(469)	(454)	(15)
28,082	7,660		Non-Sal Exp	35,742	36,767	1,025	1,009	16
(8,570)	(1,459)		Income	(10,029)	(11,247)	(1,218)	(1,205)	(13)
23,972	8,924		Sub-Total	32,896	32,234	(662)	(650)	(12)
8,873	527	Early Intervention & Prevention	Salaries	9,400	8,839	(561)	(544)	(17)
3,067	153		Non-Sal Exp	3,220	3,280	60	64	(4)
(10,897)	139		Income	(10,758)	(10,715)	43	40	3
1,043	819		Sub-Total	1,862	1,404	(458)	(440)	(18)
2,574	(938)	Safeguarding, Quality & Partnerships	Salaries	1,636	1,145	(491)	(504)	13
6,531	31,702		Non-Sal Exp	38,233	38,980	747	744	3
(541)	(4,832)		Income	(5,373)	(6,372)	(999)	(972)	(27)
8,564	25,932		Sub-Total	34,496	33,753	(743)	(732)	(11)
631	345	Directorate & Support Services	Salaries	976	787	(189)	(187)	(2)
649	(1,337)		Non-Sal Exp	(688)	(893)	(205)	(217)	12
(33)	(365)		Income	(398)	(427)	(29)	(31)	2
1,247	(1,357)		Sub-Total	(110)	(533)	(423)	(435)	12
43,599	354	Social Care Directorate Total	Salaries	43,953	42,557	(1,396)	(1,373)	(23)
97,977	(110)		Non-Sal Exp	97,867	100,365	2,498	2,526	(28)
(38,353)	(1,136)		Income	(39,489)	(41,942)	(2,453)	(2,468)	15
103,223	(892)		Total	102,331	100,980	(1,351)	(1,315)	(36)

Social Care Development And Risk Contingency (£2,368k overspend, £81k improvement)

60. 2. The Council's 2016/17 Development and Risk Contingency included a provision for areas of expenditure within Social Care for which there was a greater degree of uncertainty and related to in year demographic changes, including Asylum seekers and SEN Transport. Table 13 sets out the final outturn position against the Development and Risk Contingency, which is reporting an overspend of £2,368k, an improvement of £81k on the Month 11 projections, due primarily to an improvement in the cost of the Asylum Service.

Table 13: Social Care Development & Risk Contingency

Original Budget	Budget Changes	Development & Risk Contingency	Month 12		Variance (As at Month 12)	Variance (As at Month 11)	Movement from Month 11
			Revised Budget	Forecast Outturn			
£'000	£'000		£'000	£'000	£'000	£'000	£'000
2,212	0	Asylum Service	2,212	1,683	(529)	(385)	(144)
3,734	0	Demographic Growth - Looked After Children	3,734	6,190	2,456	2,451	5
277	0	Social Worker Agency	277	277	0	0	0
1,699	0	Demographic Growth - Transitional Children	1,699	1,832	133	133	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	623	623	565	58
1,331	0	Care Act New Burdens Funding	1,331	1,331	0	0	0
10,078	0	Current Commitments	10,078	12,446	2,368	2,449	(81)

Asylum Service (£529k underspend, £144k improvement)

61. This service drew down £1,683k from the contingency, £529k below the budget, and an improvement of £144k on the month 11 projections, due to a continued reduction in the cost of support provided to Unaccompanied Asylum Seeking Children (UASC), reflecting the review of financial processes.
62. The £529k underspend reflects the benefits achieved following a major review of the support provided to UASC, which ensured that individual UASC were 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 ensured that was a consistent approach to the financial support provided.

Demographic Growth - Looked After Children (£2,456k overspend, £5k adverse movement)

63. The service drew down £6,190k from the Contingency, £2,456k above budget, and a slight adverse movement of £5k on the Month 11 projections. The main reason for the overspend related to the distribution of placements across In-house and Independent Fostering Agencies (IFA), where the service had some challenges in recruiting suitable foster carers, which continues to be a national challenge. Additionally, the number of IFA placements increased, due to a planned step down of a number of high cost placements.

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

64. The recruitment of Social Workers remained very competitive throughout 2016/17, and as a consequence the permanency rate stood at approximately 77.5%, which required the full draw down of the contingency.

Demographic Growth - Transitional Children (£133k overspend, no change)

65. The service drew down £1,832k from the contingency, £133k above the budget no change on the Month 11 position. The overspend reported related primarily to two placements transitioning into the Adults service earlier than expected.

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

66. The service drew down £432k from the contingency for Adult Demographic changes, no change from the Month 11 projections, reflecting the continued growth in adult placements.

Winterbourne View (£315k underspend, nil movement)

67. The service only needed to drawdown £78k of the contingency in respect of the Winterbourne View transfer cases, which resulted in an underspend of £315k, no change from Month 11.
68. However, although the current assumption is that 6 clients will be funded by dowry payments (with an additional 1 still in query), recent discussions at the Transforming Care Partnership (TCP) meetings are indicating that there may not be sufficient funding to cover this from NHS England. This could result in a significant financial risk as the Winterbourne contingency for 2017/18 has been reduced based on the receipt of dowry funding.

Deprivation of Liberty Safeguards (DoLS) (£623k overspend, £58k adverse movement)

69. The final outturn position required a drawdown of £623k from the contingency relating to DoLS, an adverse movement of £58k from the Month 11 position. The movement this month was due to late payment of DoLS assessments. It should be noted that central government has provided no new specific grant funding to cover this pressure, which was anticipated when the budget was set.

DIRECTORATE OPERATING BUDGETS

CHILDREN'S SERVICES (£842k overspend, £41k improvement)

Safeguarding Children (£20k overspend, £55k improvement)

70. The service ended the year with an overspend of £20k, an improvement of £55k on the Month 11 projections, due to a further reduction in non-staffing budgets, as the Head of Service continued to approve essential expenditure items. The overspend predominantly related to staffing costs, where the service had a number of vacant posts, which were being covered by agency staff.

Children's Early Intervention & Prevention Services (£416k underspend, no change)

71. The service ended the year with an underspend of £416k, no change on the Month 11 projections. The underspend reported related to staffing costs, which underspent by £376k across the whole service and in particular within the local authority run Children Centre budgets and the Targeted Support Programme, where these services had a number of

vacant posts. This reflected the management action that was taken over the last few months, to ensure that the Social Care Directorate budget operated within its allocated base budget.

Children's Social Care (£1,238k overspend, £2k adverse movement)

72. The service ended the year with an overspend of £1,238k, a slight adverse movement of £2k from Month 11. This related to an overspend of £1,149k on staffing costs, due to the service using a number of agency staff to cover a number of vacancies, reflecting the very competitive social worker recruitment market. The overspend also included the impact of the continuation of the Skylakes managed service, which continued for longer than originally expected, ending at the beginning of June 2016. The one-off cost of the Skylakes managed service was met by drawing down £216k from earmarked reserve.
73. Additionally, the service had an overspend of £787k on non-staffing costs, relating primarily to the cost of staff recruitment (an additional cost of £269k), where the service used 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 £269k) and ad-hoc crisis support (an additional cost of £129k). These costs were met by drawing down £883k from the earmarked reserves.

ADULT SOCIAL CARE (£2,193k underspend, £3k adverse movement)

All Age Disabilities (AAD) (£93k underspend, £46k adverse movement)

74. The service ended the year with an underspend of £93k, an adverse movement of £46k on the Month 11 projections, due to an increase in staffing.
75. The salaries budget for AAD underspent by £497k, a slight adverse movement of £16k on the month 11 projections and was due to vacancies being held during the year and management action being taken to manage the overall budget of the directorate.
76. The non-staffing budget overspent by £118k, an adverse movement of £30k from the Month 11 projections and was due to higher SEN Transport costs than previously forecast.
77. The income budget overspent by £472k. This underachievement of income was in respect of transport recharges and the budget for 2017/18 has been realigned.

Social Work (£662k underspend, £12k improvement)

78. The service ended the year with an underspend of £662k, a slight improvement of £12k from the Month 11 projections.
79. The staffing budget underspent by £469k, due to a number of posts being held vacant as part of the wider management action taken across the department.
80. The non-staffing budget overspent by £1,025k a slight adverse movement of £16k from the Month 11 position. This pressure was offset by offset by additional income.
81. The income budget underspent by £1,218k a slight improvement of £13k from the Month 11 position, this underspend covers the pressure in non staffing.
82. It should be noted that the demand for residential and nursing beds across the Social Care sector remained high. Average unit costs increased during this financial year which in part was due to the high demand but also to the inflationary increases due to higher staff costs

across the sector. This will continue to be closely monitoring during 2017/18 as this will impact on the inflation drawn down from the contingency provision.

Adults Early Intervention & Prevention (£458k underspend, £18k improvement)

83. The service ended the year with an underspend of £458k, an improvement of £18k on the Month 11 projections, due to recruitment difficulties within the Reablement team. The underspend related primarily to staffing costs as vacancies were held open as part of the management action taken across the department.

Safeguarding Quality & Partnerships (£743k underspend, £11k improvement)

84. The service ended the year with an underspend of £743k, an improvement of £11k on the Month 11 projections, due to an improved position on the income budgets.
85. Staffing costs underspent by £491k, due to the service having a high level of staff vacancies throughout the year.
86. The non staffing budget overspent by £747k. The placements budget was overspent by £228k which was offset by additional income achieved. An increase of £284k was made against bad debt in respect of specific doubtful debts and £230k was provided for Ordinary Residents dispute cases.
87. The income budget is underspent by £999k. £140k of this additional income was from client contributions, £788k for additional Health recharges as more clients met Continuing Health Criteria during the year and £70k was from DSG recharges. The budget for 2017/18 has been adjusted as part of the Zero Based review exercise to reflect this additional income.

Directorate & Support (£423k underspend, £12k adverse movement)

88. The Directorate budget underspent by £423k, a slight adverse movement of £12k from the Month 11 position. £345k of this underspend related to expenditure on transformational work, which was capitalised, alongside other smaller variances.



Appendix B – OTHER FUNDS

SCHOOLS BUDGET

Dedicated Schools Grant (£1,551k overspend, £773k adverse)

90. The Dedicated Schools Grant (DSG) outturn position is a £1,551k overspend, an adverse movement of £773k on the month 11 projections.
91. The overspend predominantly relates 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). The following Table summarises the Total DSG income and expenditure for 2016/17.

Table 14: Schools Budget

Original Budget	Budget Changes	Funding Block	Outturn		Variance (+ adv / - fav)		
			Revised Budget	Forecast Outturn	Variance (As at Outturn)	Variance (As at Month 11)	Change from Month 11
£'000	£'000		£'000	£'000	£'000	£'000	£'000
(140,664)	112	Dedicated Schools Grant Income	(140,552)	(140,585)	(32)	77	(109)
105,361	451	Delegated to Schools	105,812	106,190	378	147	231
4,805	(112)	Early Years	4,693	4,737	43	(156)	199
3,740	(0)	Centrally Retained	3,740	4,001	261	(71)	332
26,758	(0)	High Needs	26,758	27,659	901	781	120
0	451	Total Schools Budget	451	2,002	1,551	778	773
0	0	Balance Brought Forward 1 April 2016	(866)	(866)			
0	0	Balance Carried Forward 31 March 2017	(415)	1,136			

Dedicated Schools Grant Income: £32k underspend, £109k improvement

92. The £32k underspend relates to the Early Years Pupil Premium where Early Years settings identified less children eligible for payment of early years pupil premium than Hillingdon was funded for. The funding allocation for 2016/17 was adjusted by the DfE; however there was still a small surplus and 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. The favourable movement from the month 11 position follows a realignment of the budget to reflect the actual Dedicated Schools Grant received following all adjustments.

Delegated to Schools, £378k overspend, £231k adverse

93. There are two reasons for the overspend on the funding delegated to schools. £155k of the overspend relates to Early Years where the actual numbers of three and four year olds accessing the free entitlement is in excess of the funding. Funding for additional Early Years children is not adjusted by the DfE until the following financial year and this therefore impacts on 2016/17.
94. The remaining overspend relates to the funding of additional planned places in Special Schools which are over their planned numbers, reflecting the growth we are seeing in the number of pupils with Special Educational Needs. The Local Authority is required to fund the £10k planned place funding for each pupil over and above the commissioned numbers. This is adjusted each term and has led to a significant overspend in this area in 2016/17.

Early Years: £43k overspend, £199k adverse

95. The three Early Years Centres focus on increasing occupancy levels continued throughout the year, however there was still a shortfall in income with the centres ending the year with a significant overspend of £430k. It is expected that the increased income levels will continue into next financial year resulting in a significantly improved position in 2017/18.
96. £200k of the Early Years overspend relates to a planned use of balances on two year old capacity grant budget where funding was agreed for a number of projects last financial year, but works did not actually begin until the current year. Schools Forum only agreed a small number of new commitments in 2016/17 and the budget for 2017/18 has been reduced to reflect this.
97. The Early Years Psychology budget under spent by £146k due to the delivery method not being finalised and expenditure being limited to a part-time educational psychologist who worked with Early Years providers. This budget has been reduced in 2017/18 to reflect the underspend in 2016/17.
98. The vulnerable children funding ended the year with a £278k underspend, despite the relevant teams continued work towards identifying relevant children to utilise the resource. The budget has been reduced in 2017/18 to reflect the underspend in the current year.
99. The Early Years Advisory team had a vacant post for part of the year resulting in a £37k underspend. This post is now being advertised and is expected to be filled early in the new financial year.
100. The remaining £130k underspend relates to two year old provision where numbers of the most vulnerable two year olds accessing the free entitlement were lower than projected.

Centrally Retained: £261k overspend, £332k adverse

101. The overspend relates to Growth Contingency funding where the budget has not included the required funding allocations for academy schools relating to the summer term. This funding is as a result of the way that academy schools' funding is allocated on an academic year basis.
102. The overspend is offset by underspends in the Schools Procurement, Admissions and Education Safeguarding teams along with less Local Leaders in Education funding allocated than had been originally budgeted.

High Needs: £901k overspend, £120k adverse

103. A continued increase in the high needs population, along with the gradual roll out of the new banded funding model has resulted in an overspend on the total top-up funding paid to in and out of borough special schools and SRPs. It is however worth noting that there is again a significant reduction in spend on Independent School placements, when compared with that incurred in 2015/16.
104. There has been a growth in the number and complexity of post-16 students attending college that are considered to have special educational needs leading to a £193k overspend. The Authority continues to negotiate with providers to determine resource requirements for these young people.
105. There has been a continuing pressure on the cost of 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). This resulted in a £279k overspend in 2016/17.

106. The number of Looked After Children being placed out of Borough has also contributed to the overspend on High Needs. The budget for 2017/18 has been increased to reflect this on-going pressure.
107. There has been a significant increase in the expenditure on those pupils educated in independent hospital settings leading to an overspend of £60k. There is little ability to control expenditure in this area, as young people are often placed in these establishments at short notice and the lengths of stay can vary.
108. There is a £48k overspend 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.
109. The above overspends are offset by a £238k underspend in the SEN contingency budgets as less expenditure has been incurred on additional therapies and one to one tuition 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.

School Academy Conversions

110. 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.
111. There are two maintained school, which are looking to convert as a sponsored academy in 2017/18, though there are no definitive timeframes yet on when the actual conversions will take place. We have also been made aware of a number of other schools which are considering academy conversion in 2017/18.

Maintained School Balances & Budgets

112. A review of balances at the end of the 2016/17 financial year identified three schools which ended the year in deficit. Any schools that fall into deficit are subject to more focused monthly monitoring by Council officers to ensure that everything possible is being done to address the situation.
113. Maintained schools ended the 2016/17 financial year with a cumulative closing surplus balance of £11.3m (revenue & capital). This was a £1.5m decrease from the previous year, though just under £1m of this was used to fund capital expenditure. Despite the relatively healthy total balance, there are a number of schools which have indicated they are beginning to experience financial difficulties due to funding being cash-limited and year on year increases in costs. The implementation of the National Funding Formula from April 2018 may put further pressure on school budgets as initial indications are that some Hillingdon schools will lose funding as a consequence of the changes.
114. The table below provides an update on the financial position of schools maintained by the Council (this excludes academy schools), based on school outturns for 2015/16 and 2016/17.

Table 15: Schools in Deficit

School Type	Total Number of Schools	Number of Schools In Deficit 2015/16	Value of Deficit £000	Number of Schools In Deficit 2016/17	Value of Deficit £000
Nursery	1	0	0	0	0
Primary	51	3	62	2	35
Secondary	2	1	761	1	1,549
Special	2	0	0	0	0
Total	56	4	823	2	1,583

PARKING REVENUE ACCOUNT: £233k in year surplus (£180k improvement)

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

Table 16: Parking Revenue Account

Original Budget £'000	Budget Changes £'000	Service	Month 11		Variance (+ adv / - fav)		
			Revised Budget £'000	Forecast Outturn £'000	Month 11 £'000	Month 10 £'000	Movement £'000
(4,079)	0	Income	(4,079)	(4,124)	(45)	(36)	(9)
4,079	0	Expenditure	4,079	3,891	(188)	(17)	(171)
0	0	(Surplus) / Deficit	0	(233)	(233)	(53)	(180)

116. At outturn, an in-year surplus of £233k was recorded for the 2016/17 financial year. There was a total income surplus of £45k (£9k favourable). The overall position reflects a recovery in PCN income late in the financial year (resulting from considerable success in clearing backlogs and the implementation of the School Keep Clear Scheme, plus additional income from parking bay suspensions and permits).

117. There was a favourable movement in PRA expenditure of £171k at outturn, reflecting further underspends on both staffing and contractual costs.

COLLECTION FUND (£4,096k surplus, £1,596k improvement from Month 11)

Collection Fund

118. 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. Release of the previously projected surplus of £2,500k was included in the Council's 2017/18 General Fund budget approved by Cabinet and Council in February 2017. Amongst a number of smaller movements, a review of the approach taken in accounting for doubtful debts as generated a further surplus of £1,596k which will be available to support the Council's 2018/19 revenue budget.

Table 17: Collection Fund

Original Budget £'000	Budget Changes £'000	Service	Month 12		Variance (As at Month 12) £'000	Variance (As at Month 11) £'000	Movement from Month 11 £'000	
			Revised Budget £'000	Outturn £'000				
(118,703)	0	Council Tax	Gross Income	(118,703)	(121,028)	(2,325)	(340)	(1,985)
12,118	0		Council Tax Support	12,118	11,699	(419)	(400)	(19)
(2,625)	0		B/fwd Surplus	(2,625)	(2,385)	240	240	0
(109,210)	0		Sub-Total	(109,210)	(111,714)	(2,504)	(500)	(2,004)
(112,408)	0	Business Rates	Gross Income	(112,408)	(112,557)	(149)	(1,127)	978
(2,278)	0		Section 31 Grants	(2,278)	(1,421)	857	140	717
60,790	0		Less: Tariff	60,790	60,790	0	0	0
5,340	0		Less: Levy	5,340	4,547	(793)	494	(1,287)
1,125	0		B/fwd Deficit	1,125	(382)	(1,507)	(1,507)	0
(47,431)	0	Sub-Total	(47,431)	(49,023)	(1,592)	(2,000)	408	
(156,641)	0	Total Collection Fund	(156,641)	(160,737)	(4,096)	(2,500)	(1,596)	

119. A surplus of £2,504k is reported on Council Tax revenues at outturn, representing an improvement of £2,004k on the Month 11 projection. This movement reflects a review of the methodology used in providing for doubtful debts, which had previously been based on more pessimistic assumptions around collection of arrears and no better reflect recent experience. As previously reported, the previously reported £500k surplus reflects a combination of strong taxbase growth, declining demand for the Council Tax Reduction Scheme and strong collection 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.

120. Higher than anticipated levels of empty property relief account for the £408k adverse movement on Business Rates revenues in 2016/17, with the £1,592k surplus reported at outturn reflecting a marginal £85k surplus on in-year activity and the £1,507k brought forward surplus from 2015/16 in respect of the significant backdated increases in rateable value at Heathrow Airport.

Appendix C – HOUSING REVENUE ACCOUNT

121. As at 31 March 2017 the Housing Revenue Account (HRA) General Balance is £45,826k and the Major Repairs Reserve (MRR) is £23,149k. In addition to these balances there is an HRA provision of £729k which is carried forward to 2017/18 to fund expenditure for the Triscott House dispute, which is awaiting final conclusion.
122. Overall the HRA shows an in-year surplus of £11,882k, a reduction of £913k from Month 11. An adverse movement is reported due to the inclusion of £218k costs and income due in respect of the recent Triscott judgement (first award), £410k additional depreciation charges and the remaining £285k principally arising from increased recharges from the General Fund and a reduced share of Investment Income. Underlying variances across core HRA services remain consistent with Month 11. The table below presents key variances by service area:

Table 18: Housing Revenue Account

Service	Month 12		Variance (+ adv / - fav)		
	Revised Budget	Outturn	Variance (As at Month12)	Variance (As at Month 11)	Movement from Month 11
	£'000	£'000	£'000	£'000	£'000
Rent Income	(56,215)	(56,470)	(255)	(297)	42
Other Income	(5,272)	(5,036)	236	246	(10)
Net Income	(61,487)	(61,506)	(19)	(51)	32
Housing Management	11,081	13,291	2,210	469	1,741
Tenant Services	5,225	4,209	(1,016)	(755)	(261)
Repairs	5,249	4,553	(696)	(544)	(152)
Planned Maintenance	4,616	1,808	(2,808)	(2,668)	(140)
Capital Programme Funding	9,249	9,675	426	0	426
Interest & Investment Income	15,067	15,208	141	16	125
Development & Risk Contingency	1,738	880	(858)	0	(858)
Operating Costs	52,225	49,624	(2,601)	(3,482)	881
(Surplus) / Deficit	(9,262)	(11,882)	(2,620)	(3,533)	913
General Balance 01/04/2016	(33,944)	(33,944)	0	0	0
General Balance 31/03/2017	(43,206)	(45,826)	(2,620)	(3,533)	913

Income

123. Rental income shows an adverse movement of £42k from Month 11 and reflects actual rental income from tenants being lower than the Month 11 forecast. Other income has improved by £10k from the Month 11 forecast.
124. The number of Right To Buy (RTB) applications received in 2016/17 was 279, whilst in 2015/16 it was 224. In 2016/17 the average RTB applications received per month was 23, whilst in 2015/16 it was 19. This represents an increase of circa 25%. The number of RTB completions in 2016/17 was 99, a reduction of 1 compared to the Month 11 forecast of 100. The RTB completions in 2015/16 totalled 130, with the reduction seen during 2016/17 indicative of on-going pressures in the housing market despite continued high levels of interest.

Expenditure

125. Housing Management increased by £1,741k compared to Month 11. This includes net costs of circa £1.2m for legal and consultancy work relating to the Triscott House dispute, and an increase in central support charges. Tenancy services improved by £261k compared to

Month 11 due to further underspends on gas and electricity £98k, and water rates administration and voids costs of £158k.

126. The repairs service improved by £152k compared to Month 11 due to void expenditure being lower than the forecast by £50k, additional income relating to funding of apprentices £26k and from rechargeable repairs to the General Fund £30k. Planned maintenance improved by £140k compared to Month 11 due to no spend on lifts £50k and an underspend on general works of £90k.
127. The Capital Programme Funding cost increased by £426k compared to Month 11 due to an increase in the depreciation charge of £410k, which transfers an extra £410k from the HRA to the Major Repairs Reserve (MRR), whilst the remaining £16k relates to a technical adjustment for a revenue contribution to capital. Interest and Investment Income increased by £125k compared to Month 11 due to the actual interest earned on HRA balances being lower than forecast.
128. The Development and Risk Contingency budget is underspent by £858k. This underspend helps to absorb, along with other HRA underspends outlined above, the 2016/17 Triscott House net costs of £1,200k included within the Housing Management service. In 2015/16 a HRA provision of £729k was set aside to fund expenditure for the Triscott House dispute. The £729k provision has not been used in 2016/17 to fund the £1,200k Triscott House costs, and is therefore carried forward to 2017/18. The Development and Risk Contingency budget underspend of £858k includes the provision for bad and doubtful debts, which is underspent by £155k, and the repairs and development contingency, which across both is underspent by £703k. This was held in-year against the Triscott costs noted above.
129. Development and Risk Contingency - Provision for Bad and Doubtful Debts. A total provision of £722k was made in 2016/17, resulting in an underspend of £155k. The actual level of provision was based on the profile of arrears at the end of the 2016/17 financial year. The level of general tenant/leasehold arrears provision increased by £420k. In addition a specific provision of £302k was included for leaseholders' debt. The balance of the provision as at 31st March 2017 is £2.4m which represents 71% of overall arrears, an increase of 6% compared to 2015/16.

HRA Capital Expenditure

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

Table 19 - HRA Capital Expenditure

2016/17 HRA Capital Expenditure Outturn					Analysis of 2016/17 Variance	
Programme	Revised Budget	Actuals	Variance	Movement from M11	Cost Variance	Rephasing into Future Years
	£'000	£'000	£'000	£'000	£'000	£'000
Major Projects						
New General Needs Housing Stock	20,806	19,579	(1,227)	(32)	0	(1,227)
New Build - Appropriation of Land	1,481	2,525	1,044	0	1,044	0
New Build - Supported Housing Provision	11,539	5,088	(6,451)	123	(1,592)	(4,859)
Total Major Projects	33,826	27,192	(6,634)	91	(548)	(6,086)
Works to Stock						
Works to stock programme	13,092	1,699	(11,393)	(291)	(4,661)	(6,732)
Major Adaptations to Property	1,610	868	(742)	(32)	0	(742)
Total Works to Stock	14,702	2,567	(12,135)	(323)	(4,661)	(7,474)
Total HRA Capital	48,528	29,759	(18,769)	(232)	(5,209)	(13,560)

MAJOR PROJECTS

131. The 2016/17 Major Projects programme has a favourable variance of £6,634k, of which £6,086k is re-phasing, whilst £548k represents cost underspends. The movement from Month 11 is a £91k reduction in re-phasing resulting largely from greater output on the Parkview Day Centre scheme.

New General Needs Housing Stock

132. There was an outturn phasing variance of £1,227k, an increased phasing variance of £32k compared to Month 11, on the New General Needs Housing Stock budget. This was largely as a result of the release of contingencies held for the repair of buyback properties.

133. The 2016/17 budget has been largely utilised towards the purchase and repair of buyback properties, of which 26 properties have been purchased, and the acquisition of Marlborough Crescent (formerly Berkeley Apartments).

134. 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 continues to be considered.

135. Cabinet in July 2016 approved an allocation of £2,520k from this budget to meet the costs associated with the construction of a housing programme comprising seven units of new build properties and five extensions or conversions at various sites. Contractors have now been appointed and are expected to be on site in the early part of 2017/18.

136. Consultants have been appointed to undertake initial feasibility towards the delivery of mixed tenure 156 new Council dwellings at Belmore Allotments, Maple & Poplar Day Centre and Willow Tree Depot. The HRA element of the scheme will include 66 units of general needs

social rented housing and 60 units for shared ownership. The appointment of architects for the schemes is currently undergoing the Council approval process.

New Build - Appropriation of Land

137. 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.
138. In addition, two further appropriations to the HRA were approved by Cabinet in March 2017. The site to the rear of 113-127 Moorfield Road, Cowley, is proposed to be re-developed to provide five three-bedroom houses as shared ownership housing. It is also proposed that vacant 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 appropriations have a combined estimated value of £1,044k leading to the overspend on the land appropriations budget.

New Build - Supported Housing

139. 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.
140. The overall 2016/17 under spend of £1,592k is due to the Chippendale Way scheme that is no longer proceeding, £1,192k, with a further £400k savings generated from a value engineering exercise undertaken on the Grassy Meadow and Parkview projects.
141. Initial site set-up and demolition works on both sites are complete. The contractor design works are ongoing with sub-contractors appointed for various items. At this early stage, both projects are progressing to the scheduled timetable, however due to contamination and utilities disconnection issues there is a re-phasing reduction of £123k to £4,859k when compared to Month 11.
142. The Supporting Housing Development at Acol Crescent is still undergoing the financial viability process and remains under review.

Works to Stock

143. The Works to Stock programme has a favourable variance of £11,393k, of which £6,732k is due to phasing. This is a reduction in the phasing variance of £2,264k compared to Month 11. The remainder of the £11,393k favourable variance is a cost underspend of £4,661k, this has increased by £2,555k compared to Month 11.
144. The reduced phasing variance of £2,264k was due mainly to the electrical upgrades budget no longer being identified for re-phasing following a re-assessment of likely demand for re-wiring, the proposed funding of remedial works to doors and other communal items from the 2017/18 Warm Safe and Dry budget, and the deferral of the 2016/17 kitchens and bathrooms programmes for sheltered housing.
145. The increase in the underspend of £2,555k was due mainly to the same reasons as the reduction in the phasing variance, as well as the releasing back of the unused contingency budget and a minor underspend on the replacement of domestic boilers. The remaining variances across all work-streams were due to the validation, procurement and consultation timetables required to deliver these works

146. Major Adaptations to property has an overall favourable variance of £742k for 2016/17, an increase of £32k in the variance compared to Month 11.

HRA Capital Financing

147. The HRA capital programme expenditure of £27,234k (excluding the appropriations of land £2,525k) was funded from £18,670k contributions from the Major Repairs Reserve and £8,564k Capital Receipts (£7,280k RTB receipts and £1,284k non RTB receipts). In addition there were appropriations of land which has increased the capital financing requirement by £2,525k.
148. The application of RTB receipts fully consumed the quarterly retained tranche of receipts that were required to be used by March 2017.
149. There were 99 RTB sales completed in 2016/17 for a sales value of £15,565k. From these receipts the provisional amount the Council is able to retain for investing in housing stock regeneration is £11,042k. These funds must be spent or committed within a deadline three years from each quarterly retained receipt.
150. The Major Repairs Reserve reduced by a net £8,995k from £32,144k as at 1st April 2016 to £23,149k as at 31st March 2017. The net reduction included using £18,670k to fund the HRA capital programme and an increase of £9,675k in Major Repairs Reserve funds (depreciation £9,610k and revenue contribution to capital £65k).



Appendix D - GENERAL FUND CAPITAL PROGRAMME

151. At outturn an under spend of £25,266k is reported on the £77,438k General Fund capital programme for 2016/17. A favourable movement of £2,878k is reported on cost variances, primarily as a result of releasing uncommitted budget where capacity already exists in 2017/18 budgets.

Capital Programme Overview

152. The table below sets out the outturn on General Fund capital projects, with project level detail contained in annexes A - C to this report. General Fund capital expenditure outturn totalled £52,172k against a revised budget of £77,438k resulting in an overall underspend of £25,266k in 2016/17.

Table 20: General Fund Capital Programme Summary

2016/17 General Fund Capital Programme Outturn					Analysis of 2016/17 Variance	
Directorate	2016/17 Budget £'000	2016/17 Actual £'000	2016/17 Variance £'000	Movement from Month 11 £'000	Cost Variance £'000	Re-Phasing Variance £'000
Schools Programme	32,202	26,971	(5,231)	4,714	(3,061)	(2,170)
Main Programme	16,580	10,269	(6,312)	341	(1,992)	(4,319)
Programme of Works	28,043	14,932	(13,111)	(1,549)	(3,622)	(9,489)
Total Main Programme	76,825	52,172	(24,653)	3,506	(8,675)	(15,978)
Development & Risk Contingency	613		(613)		(613)	-
Total Capital Programme	77,438	52,172	(25,266)	3,506	(9,288)	(15,978)
Movement from Month 11	1,424	4,931	3,506		(2,878)	6,385

153. The total under spend of £25,266k consists of £9,288k net cost under spend variances and £15,978k net slippage proposed to be re-phased into future financial years. The increase in expenditure of £4,931k from the Month 11 forecast is due mainly to payment made in March to the Education Funding Agency as part of the Council's contribution towards the replacement of Abbotsfield School. The revised budget increase of £1,424k largely relates to year end adjustments to capitalise equipment expenditure

154. The favourable movement of £2,878k in cost under spends from Month 11 is largely due to a combination of uncommitted budgets in the capital programme as at financial year end or schemes which are able to be financed from the 2017/18 approved budget allocation and hence do not require re-phasing. This is also reflected in the £6,385k reduction in total re-phasing required, which also takes into account timing of expenditure prior to financial year end on Abbotsfield School and Battle of Britain Heritage Pride projects.

155. The general contingency budget had £613k remaining funds which were not required in the year. As there is a 2017/18 contingency budget allocation of £1,500k it is not proposed that these funds are re-phased.

Capital Financing - General Fund

156. The table below outlines the outturn financing of the capital programme, with the total under spend of £25,266k comprised of £23,747k on Council resourced schemes and £1,519k on schemes funded from grants and contributions.

Table 21: Capital Financing

	Revised Budget 2016/17 £'000	Outturn 2016/17 £'000	Variance £'000	Financing Cost Variance £'000	Financing Re-Phasing Variance £'000
Council Resource Requirement	56,707	32,960	(23,747)	(10,297)	(13,447)
Financed By					
Capital Receipts	6,918	5,731	(1,187)	(1,947)	760
CIL	3,580	3,679	99	0	99
Prudential Borrowing	46,209	23,550	(22,659)	(8,350)	(14,306)
Total Council Resources	56,707	32,960	(23,747)	(10,297)	(13,447)
Grants & Contributions	20,731	19,212	(1,519)	1,009	(2,531)
Total Programme	77,438	52,172	(25,266)	(9,288)	(15,978)

157. Capital receipts applied in year to finance capital expenditure totalled £5,731k and this consisted of £3,206k in General Fund Share of Right to Buy receipts and £2,525k appropriations of sites to the Housing Revenue Account for residential development. In addition there was also £2,363k capital receipts generated which were utilised to finance costs of transformation. The adverse income variance of £1,947k is mainly due to lower General Fund Share of Right to Buy receipts as sales were lower than original budget estimates. The phasing variance of £760k reflects timing of receipts on several sites that were delivered ahead of previous budget profiling.
158. Community Infrastructure Levy receipts for the year totalled £3,679k from various developments and the variance of £99k on the revised budget is reported as a favourable phasing movement as the timing and scale of future receipts is not certain. CIL receipts have been fully utilised to support financing of infrastructure related capital expenditure in 2016/17.
159. Grants and Contributions report a favourable income variance of £1,009k over the revised budget which is mainly due to Basic Needs, Capital Maintenance and Disabled Facilities Grant awards for 2016/17 being higher than estimates used for setting the original budget. Net grants and contributions totalling £2,531k require re-phasing and this mainly relates to the Transport for London programme.
160. Prudential borrowing has been reduced by £8,350k due mainly to expenditure under spends on various Council resourced schemes and programmes. An amount of £14,306k requires to be re-phased to fund slippage on the existing capital programme, adjusted for phasing movements on other capital financing sources such as capital receipts and CIL.

Annex A - Schools Programme

Prior Years Cost	Project	2016/17 Revised Budget	2016/17 Outturn	2016/17 Variance	Cost Variance	Project Re-phasing to future years	2016/17 Project Financed by:		
							Council Resources	Government Grants	Other Cont'ns
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Schools Programme								
136,118	Primary Schools Expansions	2,662	848	(1,814)	(1,107)	(707)	790	0	58
265	New Primary Schools Expansions	807	521	(286)	0	(286)	521	0	0
198	Secondary Schools Expansions	1,202	284	(918)	0	(918)	284	0	0
17,405	Secondary Schools New Build	27,421	25,316	(2,105)	(1,959)	(146)	18,648	4,733	1,935
184	Hearing Impaired Resource Base (Vyners)	10	2	(8)	5	(13)	2	0	0
0	Additional Temporary Classrooms	100	0	(100)	0	(100)	0	0	0
154,171	Total Schools Programme	32,202	26,971	(5,231)	(3,061)	(2,170)	20,245	4,733	1,993

Annex B - Main Programme

Prior Year Cost	Project	2016/17 Revised Budget £'000	2016/17 Actual £'000	2016/17 Variance £'000	2016/17 Cost Variance £'000	Proposed Re-phasing £'000	2016/17 Project Financed by:		
							Council Resources £000	Government Grants £000	Other Cont'ns £000
	Community, Commerce and Regeneration								
0	CCTV Enforcement (SKC's)	2,657	1,702	(955)	(915)	(40)	1,292	410	0
79	Gateway Hillingdon	1,747	481	(1,266)	0	(1,266)	481	0	0
1,470	Hayes Town Centre Improvements	3,045	2,552	(493)	0	(493)	0	2,548	4
136	Inspiring Shopfronts	200	90	(110)	0	(110)	85	0	5
12	Uxbridge Cemetery Gatehouse	25	3	(22)	0	(22)	3	0	0
0	Uxbridge Change of Heart	150	100	(50)	0	(50)	38	62	0
	Central Services, Culture and Heritage								
38	Bowls Club Refurbishments	730	375	(355)	0	(355)	375	0	0
156	Harlington/Pinkwell Bowls & Pavillion	162	139	(23)	(23)	0	83	0	56
0	Haste Hill Golf Club	280	214	(66)	0	(66)	214	0	0
32,198	Hillingdon Sports & Leisure Centre	50	6	(44)	0	(44)	6	0	0
0	Mobile Library	117	0	(117)	0	(117)	0	0	0
	Finance, Property and Business Services								
31	Battle of Britain Heritage Pride Project	1,750	2,251	501	0	501	2,251	0	0
0	Battle of Britain Underground Bunker	100	29	(71)	0	(71)	29	0	0
0	Bessingby FC Boxing Clubhouse	150	0	(150)	0	(150)	0	0	0
0	New Museum	100	0	(100)	0	(100)	0	0	0
0	New Theatre	50	0	(50)	0	(50)	0	0	0
0	Yiewsley Site Development	50	0	(50)	0	(50)	0	0	0
0	231 Swakeleys Road Land Purchase	25	0	(25)	(25)	0	0	0	0
	Planning, Transportation and Recycling								
0	Car Park Resurfacing	250	57	(193)	0	(193)	57	0	0
1,720	Cedars & Grainges Car Park	932	560	(372)	0	(372)	560	0	0
1,284	Harlington Road Depot Refurbishment	227	59	(168)	(54)	(114)	59	0	0
5,620	Purchase of Vehicles	682	142	(540)	(540)	0	142	0	0
0	RAGC Car Park	50	0	(50)	0	(50)	0	0	0
0	Street Lighting - Invest to Save	300	287	(13)	0	(13)	287	0	0
	Social Services, Housing, Health and Wellbeing								
0	1 & 2 Merrimans Housing Project	420	0	(420)	0	(420)	0	0	0
47	Dementia Centre	47	0	(47)	(47)	0	0	0	0
	Cross Cabinet Member Portfolios								
0	Environmental Recreational Initiatives	600	233	(367)	(173)	(194)	228	0	5
20,050	Projects Completing in 2016/17	1,684	989	(695)	(215)	(481)	939	0	50
62,841	Total Main Programme	16,580	10,269	(6,311)	(1,992)	(4,320)	7,129	3,020	120

Annex C - Programme of Works

Prior Years Cost	Project	2016/17 Revised Budget	2016/17 Outturn	2016/17 Variance	Cost Variance	Project Re-phasing to future years	2016/17 Project Financed by:		
							Council Resources	Government Grants	Other Cont'ns
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Programme of Works								
N/A	Leaders Initiative	526	182	(344)	(108)	(236)	182	0	0
N/A	Community, Commerce and Regeneration								
N/A	Chrysalis Programme	1,275	763	(512)	0	(512)	761	0	2
N/A	Playground Replacement Programme	250	0	(250)	(250)	0	0	0	0
N/A	Education and Children Services								
N/A	Formula Devolved Capital to Schools	1,520	1,171	(349)	0	(349)	0	382	789
N/A	Urgent Building Condition Works	3,850	1,807	(2,043)	0	(2,043)	602	790	415
N/A	Finance, Property and Business Services								
N/A	Civic Centre Works Programme	1,969	281	(1,688)	(1,078)	(610)	281	0	0
N/A	ICT Single Development Plan	824	483	(341)	0	(341)	483	0	0
N/A	Property Works Programme	480	171	(309)	(51)	(258)	171	0	0
N/A	Planning, Transportation and Recycling								
N/A	Highways Localities Programme	206	0	(206)	0	(206)	0	0	0
N/A	Highways Structural Works	4,032	3,357	(676)	0	(676)	3,241	114	0
N/A	Pavement Priority Growth	2,000	0	(2,000)	(364)	(1,636)	0	0	0
N/A	Road Safety	203	38	(165)	(165)	0	9	29	0
N/A	Street Lighting	191	11	(180)	(180)	0	11	0	0
N/A	Transport for London	5,752	2,886	(2,866)	(352)	(2,514)	0	2,857	29
N/A	Social Services, Housing, Health and Wellbeing								
N/A	Disabled Facilities Grant	2,300	1,947	(353)	(353)	0	(386)	2,220	113
N/A	Adaptations for Adopted Children	200	0	(200)	(183)	(17)	0	0	0
N/A	Private Sector Renewal Grant	450	34	(416)	(416)	0	0	0	36
N/A	Landlord Property Renovation Grant	148	25	(123)	(123)	0	25	0	0
N/A	Cross Cabinet Member Portfolios								
N/A	Section 106 Projects	485	394	(91)	0	(91)	0	0	394
N/A	Equipment Capitalisation	1,382	1,382	0	0	0	206	1,176	0
	Total Programme of Works	28,043	14,932	(13,111)	(3,622)	(9,488)	5,586	7,568	1,778

Appendix E – Treasury Management Report as at 31 March 2017

Summary

161. This report summaries the Council's treasury management activities during 2016/17 and presents details of capital financing, borrowing, debt management and investment transactions alongside an outturn position.
162. During the year the Council utilised internal balances and no new borrowing was taken to fund capital expenditure. Over the year the Council's loan portfolio had an average rate of 3.37%. At year end, the portfolio totalled £267.4m (GF £75.3m, HRA £192.1m), with £47.3m having been repaid during the year, £40m prematurely repaid and £7.28m of debt that matured naturally. Interest paid over the year totalled £9.3m (GF £2.7m, HRA £6.6m) and the £40m premature redemption saved the Council interest costs of £140k in 2016/17 and an estimated £960k over the remaining life of the loans.
163. Investment income returns for the year on internally managed cash yielded 0.57% (0.57% 2015/16), resulting in total investment income for 2016/17 of £917k.

The Borrowing Requirement and Debt Management

Table 22: Outstanding Debt

	Balance on 31/3/2016 £m	New Borrowing £m	Debt Maturing £m	Debt Prematurely Repaid £m	Balance on 31/3/2017 £m	Average Rate %
CFR	389.1				403.9	
GF Loans						
PWLB Fixed Rate	58.10	-	2.28	-	55.82	3.48
Market Fixed Rate	15.00	-	-	-	15.00	4.28
PWLB Variable Rate	6.00	-	1.50	-	4.50	0.43
Total GF Loans	79.10	0.00	3.78	0.00	75.32	
HRA Loans						
PWLB Fixed Rate	162.57	-	3.50	-	159.07	3.18
Market Fixed Rate	33.00	-	-	-	33.00	4.03
PWLB Variable Rate	40.00	-	-	40.00	0.00	0.00
Total HRA Loans	235.57	0.00	3.50	40.00	192.07	
Total Loans	314.67	0.00	7.28	40.00	267.39	3.37
Other Long Term Liabilities	1.95				1.66	
Total External Debt	316.62				269.05	

164. The Council's underlying need to borrow is measured by the Capital Financing Requirement (CFR) which, as at 31/3/2017, was £403.9m (31/3/2016 £389.1m). The Council's borrowing requirement, the difference between the CFR and total physical borrowing, was £136.5m. This amount represents the level of internal borrowing, primarily supported by the Council's own reserves.
165. At 31 March 2017, the Council held £219.4m of PWLB debt (£60.3m General Fund and £159.1m HRA) containing a broad range of loan types including both Maturity and EIP loans with fixed and variable rates and with varying maturities. With interest rates remaining low the

strategy of holding a proportion of variable rate debt proved successful as a hedge against the fixed element.

166. In addition, the Council has £48m of market loans (£15m General Fund and £33m HRA). Prior to 2016/17 all market loans were classified as Lender's Options Borrower's Option loans (LOBOs). However, on 22 June 2016, Barclays Bank PLC waived their right to change the applicable interest rate, changing the classification on their loans totalling £12m from LOBOs to fixed-rate loans. Out of the remaining £36m of LOBO loans, £9m were in their option state in 2016/17. During the year the lenders of these loans did not exercise any call options and therefore the loans remain outstanding on the same terms.
167. Over 2016/17, the Council's loan portfolio had an average rate 3.37% with the General Fund Loans average rate of 3.47% and HRA average rate of 3.33%. By using internal resources in lieu of borrowing, loan interest costs for the year totalled £9.3m, avoiding additional interest costs of approximately £4.5m that would have been incurred otherwise. In addition to £7.28m of naturally maturing debt, £40m of HRA PWLB variable rate loans were paid prematurely.
168. In January 2015 the Department of Communities and Local Government (CLG) confirmed that HM Treasury (HMT) would be taking the necessary steps to abolish the Public Works Loans Board (PWLB). HMT has confirmed however that its lending function will continue and local authorities will retain access to borrowing rates which offer good value for money. During 2016/17 no progress has been made on this matter. The Council intends to use the PWLB's replacement as a potential source of borrowing if required.

Investment Activity

169. The table below shows investment balances on 31st March 2017, although the weighted average balance of investments over the year was £153.4m.

Table 23: Investments

	Balance on 31/3/2016 £m	Balance on 31/03/2017 £m
Call Accounts	0.40	0.00
Notice Accounts	10.00	10.00
Money Market Funds	30.10	23.70
Pooled Funds	10.00	0.00
Short Term Investments	79.40	39.40
Long Term Investments	-	10.00
Investment Default (Principal only)	0.30	0.30
Total Investments	130.20	83.40
Average Rate % Received	0.57%	0.57%

170. Security of capital remained the Council's chief investment objective and this was maintained by following the Council's counterparty policy as set out in its Treasury Management Strategy Statement for 2016/17. Investments during the year included deposits with the Debt Management Office and Local Authorities, investments in AAA-rated Money Market Funds & Pooled Funds and deposits, both instant access and fixed term with UK Banks and Building Societies within the Councils Counterparty limits. Investments continued to be placed in overseas banks with several deposits being made in Australian and Singaporean banks. There was also a purchase of a Certificate of deposit with Nordea Bank (a Swedish Bank). All of which hold a minimum credit rating of A+ or higher.

171. **Credit Risk:** Counterparty credit quality was assessed and monitored with reference to credit ratings (Council's minimum long-term counterparty rating of BBB+ across all three rating agencies, Fitch, Standard & Poor's and Moody's). However reliance does not rest solely with these agencies and are supplemented by use of market/economic information, media updates and intelligence from the Council's Treasury Advisors. With the introduction of the Banking Reform Act in January 2015 the Council optimised its use of bail-in exempt instruments and institutions by utilising local authorities and banks where this legislation has not be adopted.
172. **Liquidity:** In keeping with CLG's Guidance on Investments, the Council maintained a sufficient level of liquidity through the use of Money Market Funds, targeted maturity deposits and the use of call accounts.
173. **Yield:** The Council sought to optimise returns commensurate with its objectives of security and liquidity. The UK Bank Base Rate was cut to 0.25% in August 2016 resulting in a further reduction in the already very low levels achievable on short-term money market rates. At the beginning of 16/17 short-term money was placed in fixed-term deposits when capacity allowed as these were paying higher rates of interest than those offered on most instant access accounts. Once capacity was exhausted instant access accounts were utilised. However, after the base rate cut this reversed and rates achievable on Money Market Funds became comparable to those offered on short-term deposits. With the added benefit of being liquid assets most short-term funds were placed in Money Market Funds. A small proportion of longer dated deposits were placed to enhance income in a low interest rate environment. The two approaches resulted in an average return on Investments of 0.57%
174. All investments made during the year complied with the Council's agreed Treasury Management Strategy, Prudential Indicators, Treasury Management Practices and prescribed limits. Maturing investments were repaid to the Council in full and in a timely manner.

Update on Investments with Icelandic Banks

175. At the start of the financial year there were unpaid investments with Icelandic bank Heritable of £0.3m and there were no dividends issued during 2016/17. An update circulated in March 2017 advised that a further extension had been approved until October 2017 to resolve outstanding administration issues.

Compliance with the Prudential Code and Prudential Indicators

176. The Local Government Act 2003 gave freedoms to local authorities to borrow subject to macro economic considerations, on condition that compliance with the Prudential Code is observed. The code developed a series of 'prudential indicators' (detailed below) that were designed to provide greater information to the council tax payer and the rent payer on the impact of any borrowing decisions taken.
177. The main objectives of the prudential code are to demonstrate affordability of the authority's capital expenditure plans and ensure prudent external borrowing levels, which are sustainable in the future. It also verifies that treasury management decisions are taken in accordance with best professional practice.
178. The Council can confirm that it did comply with its Prudential Indicators for 2016/17, set in February 2016 as part of the Council's Treasury Management Strategy Statement. The levels of debt were measured on an ongoing basis during the year for compliance with the Authorised Limit of £537m and the Operational Boundary of £507m, the former being somewhat higher to allow for fluctuations in cash-flow. The Council maintained its total

external borrowing and other long-term liabilities within both limits; at its peak this figure was £316.62m.

Table 24: Upper Limits for Interest Rate Exposure

Upper Limits for Interest Rate Exposure	Actual Level at 31/03/17 %	2016/17 Approved %
Upper Limit for Fixed Interest Rate Exposure on Debt	98	100
Upper Limit for Fixed Interest Rate Exposure on Investments	(12)	(75)
Upper Limit for Variable Interest Rate Exposure on Debt	2	50
Upper Limit for Variable Interest Rate Exposure on Investments	(88)	(100)

Table 25: Maturity Structure of Fixed Rate Borrowing

	Upper limit %	Lower limit %	Actual Borrowing as at 31/3/2017 (£m)	Percentage of total as at 31/3/2017
under 12 months	25	0	15.78	6.00%
12 months and within 24 months	25	0	15.78	6.00%
24 months and within 5 years	50	0	33.17	12.62%
5 years and within 10 years	100	0	32.50	12.36%
10 years and within 20 years	100	0	57.00	21.68%
20 years and within 30 years	100	0	32.07	12.20%
30 years and within 40 years	100	0	28.60	10.88%
40 years and within 50 years	100	0	39.00	14.84%
50 years and above	100	0	9.00	3.42%

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

179. For 2016/17 the Prudential Indicator which limits principal sums invested for periods longer than 364 days was set at £45m. During the year there were fixed term deposits with several local authorities totally £25m with a maturity of more than 364 days. Non-treasury related Prudential Indicators are included in Appendix 1.

Balanced Budget

180. The Council complied with the Balanced Budget requirement.

Training

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

Non-Treasury Prudential Indicators

Table 26: Estimated and Actual Capital Expenditure

Prudential Indicator	2016/17 Estimated £m	2016/17 Outturn £m
Capital Expenditure		
General Fund	101	54

HRA	52	27
Total	153	81

Table 27: Estimated and Actual Ratio of Financing Costs to Net Revenue Stream

Prudential Indicator	2016/17	2016/17
Ratio of Financing Costs to Net Revenue Stream	Estimated %	Outturn %
General Fund	3	2
HRA	25	25

Table 28: Capital Financing Requirement

Prudential Indicator	Estimated (£m)	Outturn (£m)
CFR	2016/17	2016/17
General Fund	261	204
HRA	214	200
Total	475	404

182. The reduction in CFR compared to the estimate is due to the cumulative effect from the 2015/16 and 2016/17 Capital programme and Revenue Contributions to repay debt. The Capital programme over the two year period used for the purpose of estimating the CFR has seen rephasing of a number of projects to be funded from borrowing in future and the Council paid additional voluntary contributions to speed up Debt repayment in 2015/16.

Table 29: Actual External Debt

Actual External Debt as at 31/03/2017	£m
Borrowing	267.39
Other Long-term Liabilities	1.66
Total	269.05

Table 30: Incremental Impact of Capital Investment Decisions

Incremental Impact of Capital Investment Decisions	2016/17 (£)
Increase in Band D Council tax	-44.72
Increase in average weekly housing rents	0.00

183. As an indicator of affordability, the Incremental Impact of Capital Decisions shows the notional impact of capital investment decisions on Council Tax and Housing Rent levels and represents the impact on these if the financing of the Capital Programme were to be funded from taxes and rents. The reduction in Band D Council Tax noted above reflects savings from and the reported underspend on Interest & Investment Income budgets in 2016/17. The fixed nature of the HRA business plan results in no incremental increase in housing rents.

HRA Limit on Indebtedness

184. Following settlement and the introduction of the self-financing regime, a borrowing cap of £303.3m has been imposed by HM Treasury on HRA indebtedness. Current HRA CFR at 31 March 2017 is £200m and actual borrowing is £192.1. This gives the HRA potential headroom borrowing of up to £111.2m to finance future capital.

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

185. 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 31: Consultancy and agency assignments

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
Administration and Finance						
Benefit Officer	21/04/2017	21/04/2017	21/07/2017	98	15	113
Residents Services						
Air Quality Officer	21/09/2015	15/05/2017	13/11/2017	39	20	59
Caretaker	16/11/2013	01/04/2017	30/06/2017	55	4	59
Caretaker	16/11/2013	01/04/2017	30/06/2017	55	4	59
Caretaker	24/08/2012	01/04/2017	30/06/2017	72	6	78
Caretaker	06/09/2012	01/04/2017	30/06/2017	77	4	81
Caretaker	24/08/2012	01/04/2017	30/06/2017	77	4	81
Caretaker	29/08/2012	01/04/2017	30/06/2017	78	4	82
Caretaker	22/09/2013	01/04/2017	30/06/2017	85	6	91
Casual Smoking Cessation Sessional Advisors	01/04/2013	18/04/2017	07/07/2017	111	5	116
Domestic Abuse Programme Lead	08/05/2017	01/05/2017	30/10/2017	0	62	62
Environmental Health Officer	22/02/2016	29/05/2017	09/07/2017	52	6	58
Financial Assessment Officer	20/04/2015	18/04/2017	14/07/2017	61	18	79
Highway Development Engineer	25/04/2016	05/06/2017	04/09/2017	74	18	92
Housing Lawyer	06/01/2014	29/05/2017	26/11/2017	149	33	182
Housing Options and Homeless Prevention Officers x8	24/02/2014	08/05/2017	03/07/2017	997	55	1,052
Major Applications (PPA) Planner	01/11/2015	05/06/2017	03/09/2017	109	22	131
Major Applications Team Leader	26/09/2016	29/03/2017	28/06/2017	47	23	70
Planning Enforcement Officer	06/10/2014	05/06/2017	01/09/2017	207	20	227
Principal Estates Surveyor	26/10/2015	22/05/2017	13/08/2017	131	24	155
Project Mgr, Secondary School Expansion	14/08/2016	10/04/2017	08/10/2017	46	45	91
Senior Development/Programme Manager - School Expansion Programme	03/04/2011	05/06/2017	03/12/2017	615	87	702
Snr Mgmnt Support for Dep Director, Asset Mgmnt	12/08/2013	24/04/2017	31/05/2017	328	10	338
Technical Manager M&E - Planned Works	24/10/2016	08/05/2017	04/08/2017	59	29	88

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
Technical Manager-Planned Works	10/10/2016	04/04/2017	30/06/2017	48	24	72
Urban Designer	01/11/2016	10/04/2017	09/10/2017	48	53	101
Project Engineer (Works)	28/11/2016	19/06/2017	17/09/2017	47	17	64
Social Care						
AMPH Social Worker	18/08/2015	01/05/2017	31/07/2017	114	11	125
Approved Mental Health Worker	01/03/2014	01/05/2017	30/04/2017	169	7	176
Approved Mental Health Worker	01/06/2015	01/05/2017	31/07/2017	139	13	152
Approved Mental Health Worker	12/09/2015	01/05/2017	31/07/2017	118	13	131
Approved Mental Health Worker	29/05/2016	01/05/2017	31/07/2017	59	13	72
Educational Psychologist	15/11/2015	01/05/2017	30/06/2017	149	16	165
Educational Psychologist	01/03/2016	01/05/2017	31/07/2017	148	28	176
Lead Approved Mental Health Practitioner	01/06/2012	01/05/2017	31/07/2017	226	11	237
Occupational Therapist	07/10/2013	01/05/2017	30/09/2017	219	11	230
Occupational Therapist	01/04/2015	01/05/2017	31/07/2017	141	11	152
Occupational Therapist	03/12/2015	01/05/2017	30/09/2017	92	11	103
Occupational Therapist	06/06/2016	01/05/2017	30/09/2017	64	11	75
Residential Care Worker	01/04/2012	01/05/2017	30/06/2017	137	4	141
Senior Educational Psychologist	01/06/2015	01/05/2017	30/09/2017	46	8	54
Special Needs Officer	05/01/2015	01/05/2017	31/07/2017	74	7	81
Team Manager	26/06/2016	01/05/2017	31/07/2017	52	11	63
Advanced Practitioner	19/12/2011	05/06/2017	30/09/2017	289	5	294
Case Progression Manager	07/04/2014	01/05/2017	30/09/2017	259	33	292
Child Protection Chair	01/07/2015	01/05/2017	30/09/2017	89	16	105
Child Protection Chair	20/07/2015	01/05/2017	30/09/2017	129	20	149
Child Sexual Exploitation (CSE) Co-ordinator	03/11/2014	05/06/2017	30/09/2017	140	6	146
Early Years Practitioner	24/02/2014	01/05/2017	30/09/2017	53	4	57
Early Years Practitioner	06/10/2014	01/05/2017	30/09/2017	65	6	71
Early Years Practitioner	29/10/2014	01/05/2017	30/09/2017	58	4	62
Early Years Practitioner	12/01/2015	01/05/2017	30/09/2017	59	6	65
Early Years Practitioner	02/03/2015	01/05/2017	30/09/2017	58	6	64
Early Years Practitioner	30/03/2015	01/05/2017	30/09/2017	68	5	73
Early Years Practitioner	01/05/2015	01/05/2017	30/09/2017	117	6	123
Independent Domestic Violence Advisor	12/01/2015	01/05/2017	30/09/2017	96	13	109
Interim Head of Service	01/02/2016	01/05/2017	30/09/2017	125	4	129
Local Children & Adult Safeguarding Board Training & Quality Assurance Officer	01/12/2015	01/05/2017	30/09/2017	88	20	108
LSAB Coordinator	24/11/2015	01/05/2017	30/09/2017	50	9	59
MASH Service Manager	13/01/2014	23/03/2017	30/09/2017	335	34	369

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
Placement Officer	18/03/2016	01/05/2017	30/09/2017	53	13	66
Practice Improvement Practitioner	08/05/2014	01/05/2017	30/09/2017	136	8	144
Receptionist/Administrative Assistant	01/09/2014	01/05/2017	30/09/2017	61	3	64
Senior Social Worker	30/04/2012	01/05/2017	30/09/2017	210	21	231
Senior Social Worker	05/10/2015	05/06/2017	30/09/2017	57	6	63
Social Worker	01/01/2013	01/05/2017	30/09/2017	243	10	253
Social Worker	01/01/2013	05/06/2017	30/06/2017	323	5	328
Social Worker	01/04/2013	01/05/2017	30/09/2017	51	6	57
Social Worker	07/11/2016	05/06/2017	30/09/2017	51	6	50
Social Worker	01/04/2013	05/06/2017	30/09/2017	64	6	70
Social Worker	01/04/2013	01/05/2017	30/09/2017	246	20	266
Social Worker	19/06/2014	01/05/2017	30/09/2017	147	19	166
Social Worker	11/08/2014	01/05/2017	30/09/2017	205	22	227
Social Worker	05/09/2014	01/05/2017	30/09/2017	200	19	219
Social Worker	27/10/2014	01/05/2017	30/09/2017	142	14	156
Social Worker	13/04/2015	01/05/2017	30/09/2017	144	14	158
Social Worker	04/05/2015	01/05/2017	30/09/2017	104	5	120
Social Worker	04/05/2015	05/06/2017	30/09/2017	115	6	121
Social Worker	01/08/2015	01/05/2017	30/09/2017	77	16	93
Social Worker	28/03/2016	01/05/2017	30/09/2017	70	9	79
Social Worker	06/06/2016	01/05/2017	30/09/2017	48	6	54
Social Worker	03/07/2016	01/05/2017	30/09/2017	47	12	59
Social Worker	04/07/2016	01/05/2017	30/09/2017	53	19	72
Social Worker	11/07/2016	05/06/2017	30/09/2017	60	4	64
Social Worker	21/08/2016	01/05/2017	30/09/2017	53	16	69
Social Worker	26/08/2016	05/06/2017	30/09/2017	52	5	57
Social Worker	01/09/2016	05/06/2017	30/09/2017	58	5	63
Social Worker	26/09/2016	05/06/2017	30/09/2017	49	5	54
Social Worker	27/10/2016	05/06/2017	30/09/2017	45	5	50
Social Worker	07/11/2016	05/06/2017	30/09/2017	44	9	53
Social Worker	13/11/2016	05/06/2017	31/05/2017	49	5	54
Team Manager	03/04/2016	01/05/2017	30/09/2017	89	22	111
Team Manager - MASH	28/09/2014	01/05/2017	30/09/2017	229	25	254

Appendix G – REVIEW OF LOCAL COUNCIL TAX REDUCTION SCHEME

SUMMARY

186. The purpose of this report is to enable Cabinet to approve revisions to the local Council Tax Reduction (CTR) Scheme, effective from 1 April 2018, for public consultation. The proposed changes are to enable the scheme rules to be kept aligned with the Housing benefit regime, to assist understanding by claimants and for ease of administration, rather than more fundamental changes to the scheme.

RECOMMENDATION

That Cabinet:

Approve the proposed amendments to the Council's local Council Tax Reduction Scheme effective from 1 April 2018, for public consultation, to align the scheme with recent changes to Housing Benefit regulations.

BACKGROUND

187. The localisation of Council Tax support was implemented in April 2013, giving the Council responsibility for setting up a local Council Tax Reduction (CTR) Scheme to provide financial support to pensioners and working age residents including vulnerable people in paying their council tax liability. The Council agreed that the CTR scheme should be self funding, that is central government funding should cover the cost of the scheme, as essentially it was a new burden following the abolition of Council Tax Benefit (CTB).

188. In creating a local scheme, the intention was to keep aligned with Housing benefit regulations as far as possible, both to help claimants to understand the two schemes and to simplify administration.

INFORMATION

Current Scheme Design

189. The rules for operation the Council's current CTR scheme are:

- The maximum amount of reduction a working age household can receive is 75% of the council tax liability;
- The maximum amount of reduction a vulnerable household can receive is to 90% of the council tax liability;
- Second Adult rebate is no longer payable;
- Back-dating is limited to 4 weeks; and
- The overall capital/savings of £16,000 limit will continue, although under £6,000 will be disregarded, and a weekly-assumed income of £1 will be taken for every £250 between £6,000 and £16,000.
- Removed family premium for new working age claimants
- Increased non-dependant charges for all categories where a charge is made
- Introduced two new non-dependant charges for those over 25 years of age in receipt of Income Support, Job Seekers Allowance (Income Based) and main phase Employment Support Allowance (Income Related)

190. Where the person liable for council tax (or their partner, if applicable) is entitled to the Disability Premium, or they receive a War Widows Pension, War Disablement Pension or

Armed Forces Compensation Payment they are not subject to the local percentage restriction of council tax liability. War Widows Pensions, War Disablement Pensions and Armed Forces Compensation Payments are also fully disregarded as income. The Government prescribed the rules for assessing Council Tax Reduction for pensioners to ensure pensioners entitled to a Council Tax Reduction would be no worse off than through CTB.

PROPOSED AMENDMENT TO HILLINGDON'S CTR SCHEME

191. The Hillingdon scheme, as explained in paragraph 5 above, was designed to mirror the old CTB scheme as far as possible to reduce complexity for claimants and limit the cost of administration. Changes to the scheme were implemented in 2016 to align with the introduction of Universal Credit and Housing Benefit (HB) changes. To maintain that alignment with Housing benefit further changes to CTR scheme rules are now proposed:

- Bereavement benefit disregard for working age claimants to mirror HB regulations;
- Two child limit for working age Claimants;
- Temporary absence abroad restrictions for working age claimants
- To award claims from the start of a B&B tenancy (providing the claimant is also occupying the property from that date) rather than from the date of the claim;
- To uprate the scheme annually in line with DWP (HB) uprating.

192. In the context of around £14m funding for the CTR scheme, these changes will not materially impact upon the overall level of support offered through the scheme. The changes will not impact upon current CTR awards and will only be applied to new awards after 1 April 2018. As mentioned previously, the changes are aimed at simplifying understanding by claimants, streamlining the administration of the scheme and maintaining alignment with HB regulations.

Appendix H - Decisions to be reported to Cabinet for ratification

Detailed below are interim decisions taken by the Leader of the Council (with relevant Cabinet Members) that would ordinarily be reserved to the Cabinet, where the Constitution requires they be reported to a subsequent Cabinet meeting for ratification. Since the last Cabinet meeting the following such decisions have been made:

Date of Decision	Decisions requiring Cabinet ratification	Supporting information	Cabinet Members																				
26/05/2017	<p>Results of Statutory Consultation for the Proposed Introduction of Parking Charges for Non-Hillingdon Residents at Ruislip Lido</p> <p>DECISION:</p> <ol style="list-style-type: none"> Approve the fees and charges to be introduced in the main car park at Ruislip Lido as set out below: Approve the introduction of parking charges for non-residents in the main car park at Ruislip Lido and to designate the Willow Lawn Car Park for the exclusive use of HillingdonFirst card holders only. <table border="1" data-bbox="459 810 1464 1305"> <thead> <tr> <th colspan="4">Proposed parking charges for the Ruislip Lido Main Car (opposite Waters Edge pub)</th> </tr> <tr> <th>Duration</th> <th>Operating times</th> <th>Standard charge</th> <th>HillingdonFirst cardholder tariff</th> </tr> </thead> <tbody> <tr> <td>January, February, November and December</td> <td>8am to 6pm</td> <td>£2.00</td> <td>Free of charge on displaying a ticket</td> </tr> <tr> <td>March, April, September and October</td> <td>8am to 8pm</td> <td>£3.50</td> <td>Free of charge on displaying a ticket</td> </tr> <tr> <td>May, June, July and August</td> <td>8am to 9pm</td> <td>£5.00</td> <td>Free of charge on displaying a ticket</td> </tr> </tbody> </table> <p><i>Blue Badge holders may park within the car park free of charge provided a valid Blue Badge is displayed.</i></p>	Proposed parking charges for the Ruislip Lido Main Car (opposite Waters Edge pub)				Duration	Operating times	Standard charge	HillingdonFirst cardholder tariff	January, February, November and December	8am to 6pm	£2.00	Free of charge on displaying a ticket	March, April, September and October	8am to 8pm	£3.50	Free of charge on displaying a ticket	May, June, July and August	8am to 9pm	£5.00	Free of charge on displaying a ticket	<p>The determination of any fees and charges is a decision that would ordinarily be reserved to the Cabinet to make.</p> <p>This decision was made following the outcome of the statutory consultation to introduce parking charges for non-residents in the main car park at Ruislip Lido and to designate the Willow Lawn Car Park for the exclusive use of HillingdonFirst card holders only.</p> <p>Special Urgency procedures were also invoked to ensure swift project delivery.</p>	<p>Leader of the Council and Cabinet Member for Planning, Transportation and Recycling</p>
Proposed parking charges for the Ruislip Lido Main Car (opposite Waters Edge pub)																							
Duration	Operating times	Standard charge	HillingdonFirst cardholder tariff																				
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Date of Decision	Decisions requiring Cabinet ratification	Supporting information	Cabinet Members																				

26/05/2017	<p>Award of Contract: Passenger Transport Transformation</p> <p>DECISION:</p> <ol style="list-style-type: none"> 1. To agree the appointment of EDGE Public Solutions to undertake an accelerated transformation under a direct award through the Government, CCS Consultancy One Framework, for a two year period at an estimated cost as set out in the report and; 2. To agree that the Deputy Chief Executive and Corporate Director of Residents Services, in consultation with the Leader of the Council and Cabinet Member for Finance, Property and Business Services, procure the passenger transport client ICT system at the relevant time. 	<p>The approval of any tender which exceeds £500k in value is ordinarily a decision reserved to the Cabinet to make.</p> <p>This decision will support the Council in delivering a major change programme to transform the Passenger Transport Service. This will improve the sustainability, efficiency and quality of service provision, in addition to offering increased value for money for residents.</p> <p>Special Urgency procedures were invoked in order to undertake the rapid transformation activity.</p>	<p>Leader of the Council and the Cabinet Members for Education & Children's Services and Community, Commerce and Regeneration</p>
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Date of Decision	Decisions requiring Cabinet ratification	Supporting information	Cabinet Members
05/06/2017	<p>Fees and Charges - Revisions to Current Fees 2017/18</p> <p>DECISION:</p> <ol style="list-style-type: none"> 1. To agree to the SLA agreement and the new charge of £300 per School/organisation for implementation of the Duke of Edinburgh award and; 2. To agree to revised Leisure fees & charges further to refreshed benchmarking. 	<p>A standard SLA has been agreed, which includes a proposed fee of £300 per school/organisation for the implementation of the scheme, principally to cover licence fees.</p> <p>Fees & charges for 2017/18 were approved by Council in February 2017. Leisure centre fees were not amended as it was agreed that the latest benchmarking data would be collected from neighbouring boroughs subsequent to approval of 2017/18 budgets. This benchmarking exercise has been completed and fees & charges have been updated accordingly. Special Urgency procedures were invoked in order to ensure the new fees & charges were effective as soon as possible.</p>	<p>Leader of the Council and the Cabinet Member for Finance, Property & Business Services</p>

Date of Decision	Decisions requiring Cabinet ratification	Supporting information	Cabinet Members
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26/05/2017	<p>Community Safety Grants</p> <p>DECISION:</p> <ol style="list-style-type: none"> 1. To agree the Community Safety grants to the Hillingdon Metropolitan Police Service; and the receipt of grants from the Mayor's office and the London Fire Brigade, for a variety of activities to strengthen community safety in the Borough. a) An annual grant for 2017/18 of £81,000 to the Metropolitan Police Service for a variety of activities including, twelve month leasing of semi-marked police cars, pro-active operations to tackle drug mis-use and support for responses to domestic abuse cases. b) Grant funding for up to 3 years to the Metropolitan Police Service; funding £538,500 in 2017/18 for additional Police Officers to undertake targeted police operations across the Borough. The grant funding from the Council is matched by the Mayor's Office. c) To receive grant funding from the Mayor's Office (London Crime Prevention Fund), totalling £490,468 in 2017/18 and £343,328 in 2018/19. d) To receive grant funding from the London Fire Brigade totalling £4,650 in 2017/18 to directly purchase and distribute fire retardant bedding / night clothes to older people and vulnerable people to reduce the risk of fire in their own homes (Community Fire Safety Investment Fund). 	For grants to the Metropolitan Police Service set out under items a) and b) above, the funding comes from the Community Safety budget as set out in the Council's Budget agreed in February 2017.	Leader of the Council
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