

# COUNCIL BUDGET - 2017/18 MONTH 6

## REVENUE AND CAPITAL BUDGET MONITORING

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

### HEADLINE INFORMATION

<b>Purpose of report</b>	<p>This report provides the Council's forecast financial position and performance against the 2017/18 revenue budget and Capital Programme.</p> <p>A net in-year underspend of £899k is projected against 2017/18 General Fund revenue budgets as of September 2017 (Month 6) representing an improvement of £156k from the position previously reported to Cabinet.</p> <p>The latest positions on other funds and the Capital Programme are detailed within the body of this report.</p>
<b>Putting our Residents First</b>	<p>This report contributes to the Council's objective of: <i>Strong Financial Management</i></p> <p>Achieving Value for Money is an important element of the Council's Medium Term Financial Plan.</p>
<b>Financial Cost</b>	N/A
<b>Relevant Policy Overview Committee</b>	Corporate Services and Partnerships
<b>Ward(s) affected</b>	All

### RECOMMENDATIONS

That Cabinet:

1. Note the forecast budget position as at September 2017 (Month 6).
2. Note the Treasury Management update as at September 2017 at Appendix E.
3. Continue the delegated authority up until the December 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 19 October 2017 and 16 November 2017 Cabinet meetings, detailed at Appendix F.

4. Approve the release of the following sums from Development and Risk Contingency to Directorate Operating Budgets:
  - a. Waste Disposal Levy and Associated Contracts - £2,728k
  - b. Demographic Growth - Looked after Children - £5,038k
  - c. Demographic Growth - Transitional Children - £1,699k
  - d. Demographic Growth - Adults - £432k
  - e. Deprivation of Liberty Safeguards - £759k
5. Approve a virement of £5,195k in 2017/18 from the HRA capital major projects programme to the HRA capital works to stock programme to fund remedial works arising from the decision to expedite fire risk assessments and major adaptations.
6. Approve virements totalling £1,851k from unallocated capital programme budgets to the Highways Structural Works programme for additional investment in the Borough's roads and footways.
7. Approve a virement of £32k from the General Fund capital contingency budget to the Property Works Programme to support refurbishment works at Merchiston House, Uxbridge.
8. Award Harlington Hospice £10k from the voluntary sector core grants budget to review and continue the work of the former Yiewsley community cancer centre to March 2018.
9. Approve the purchase of mini-bus for 1381 Squadron Air Cadets to be financed from the Youth Fund Earmarked Reserve.
10. Approve the uprating of inspection fees at Heathrow Airport for Products of Animal Origin (3 categories up to 5,000kg), alongside the introduction of new fees, amendments to structures of existing fees and operational changes with effect from 27 November 2017 as detailed in Appendix G.
11. Agree to a virement of £250k from unallocated capital programme budgets to fund initial costs relating to the relocation of the Hillingdon Outdoor Activity Centre from its current site near Harvil Road to a new site at Denham Quarry, noting that this will be funded externally.

## 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 Month 6 against budgets approved by Council on 23 February 2017. An update on the Council's Treasury Management activities is signposted in **Recommendation 2**.
2. **Recommendation 3** is intended to enable continued delegation of approval for appointment of consultancy and agency appointments over £50k to the Chief Executive, with final sign-off from the Leader of the Council. In addition, Appendix F reports back on use of this delegated authority previously granted by Cabinet.
3. In advance of the December Budget Report, it is proposed to release those elements of Development and Risk Contingency relating to prior year growth into base budgets. There is currently £19,216k budgets held within Development and Risk Contingency, with £10,656k of this sum directly attributable to growth which is no longer contingent. **Recommendation 4** therefore seeks authority to release this £10,656k to appropriate service operating budgets.

4. The Council is continuing to review and bring forward actions arising from fire risk assessments (FRAs) across all housing blocks, with additional funding required to expedite these works, which were already programmed, into the current financial year. The remedial works relating to Phase 1 FRAs on medium and low-rise blocks requires funding of £3,695k, and £1,000k is required to fund renewal of upgraded fire doors and emergency lighting in high-rise blocks, with **Recommendation 5** ensuring budgets are re-aligned to meet this requirement. In addition, this recommendation vires £500k to the Major Adaptations budget in order to fund further works in 2017/18. The HRA Capital Budget for future years will be refreshed in full as part of the MTFF report going to Cabinet in December.
5. A further phase of works amounting to £3,359k has been approved for delivering improvements to 30 roads and 24 footways across the Borough. This is an increase of £2,083k above the existing approved Highways Structural Works capital budget, however there are identified under spends of £232k on previously completed Highways schemes which can be reallocated to the next phase of works. Therefore the required increase to the Highways budget is £1,851k. **Recommendation 6** provides funding for this to be vired from capital schemes with slippage within the main General Fund capital programme (currently forecasting a £7,721k slippage) and the General Fund Programme of works capital budget (currently forecasting a £3,472k slippage).
6. Works are planned to refurbish Merchiston House in Uxbridge to make it suitable for accommodating five cared for young people and release 15 Mulberry Parade, where the people are currently housed, for disposal as it is no longer fit for purpose. The tendered works will cost £214k and will be funded from the remaining unallocated Property Works Programme budget of £182k with a further £32k required from the £1,500k General Fund capital contingency budget. **Recommendation 7** seeks approval to release these funds from contingency.
7. **Recommendation 8** seeks authority to award Harlington Hospice £10k from the existing Voluntary Sector Core Grants budget to review and continue the work of the former Yiewsley Community Cancer Centre over the remainder of this financial year. **Recommendation 9** seeks authority to apply funds from Youth Fund Earmarked Reserve to purchase and donate a mini-bus to 1381 Squadron Air Cadets.
8. As part of the broader BID Review of the Council's Imported Food Service, Fees and Charges have been reviewed and benchmarked against those in place at other airports with a number of revisions proposed. The majority of Fees and Charges relating to the Imported Food Service were last refreshed during 2012/13, with **Recommendation 10** intended to ensure that the Council continues to recover costs associated with providing this service.
9. The Leader of the Council recently negotiated that the responsibility for the relocation of the Hillingdon Outdoor Activity Centre be transferred to the Council from the government sponsored HS2 Ltd and that £26,500k be provided to enable the project to be funded. **Recommendation 11** seeks authority to vire £250k from capital schemes with slippage as set out in paragraph 5 to enable initial work on this transfer to commence during the current financial year. The broader financial implications of this transfer and the addition of the £26,500k capital project will be captured through the MTFF process and reflected in the Council's budgets from 2018/19.

#### **Alternative options considered**

10. There are no other options proposed for consideration.

## SUMMARY

### REVENUE

11. An underspend of £899k is projected against General Fund revenue budgets at Month 6, with underspends against both Directorate and Corporate Operating Budgets being off-set by a pressure on Development and Risk Contingency of £149k. For all material pressures identified across the General Fund, a range of initiatives are in place to contain them both in-year and in future years.
12. In March 2017 the Government announced supplementary funding to the Improved Better Care Fund, frontloading resources previously anticipated to be available from 2018/19 and 2019/20 in order to support local authorities in stabilising the Social Care provider market. The Council's 2017/18 Budget included provision within inflation allocations of £4,903k for this very purpose, which was originally to be funded from a planned £5,000k drawdown from General Reserves. As funding of £4,054k is now available in year, the planned drawdown from reserves can therefore be reduced to £946k by this exceptional item.
13. Assuming the balance of General Contingency and Unallocated Priority Growth monies are released in-year, the £946k planned drawdown from General Balances is utilised and the anticipated surplus is realised, General Fund Balances are expected to total £38,691k at 31 March 2018.
14. The 2017/18 revenue budget contains savings of £15,508k. £8,931k of savings are banked in full at Month 6 and £5,263k on track for delivery, with the remaining £1,314k reported as 'amber' primarily due to being at an early stage of delivery and are expected to be ultimately banked in full. £299k of savings have been promoted from 'amber' to on-track since Month 5, demonstrating continuing progress in the delivery of the 2017/18 savings programme.
15. With the exception of the Collection Fund, there are no material variances on other funds affecting the General Fund position. A surplus of £2,602k is reported within the Collection Fund which principally relates to a favourable position on Council Tax, which is predominantly driven by the 2016/17 outturn surplus and would be available to support the General Fund budget in 2018/19.
16. An in-year deficit of £1,308k is projected against the Schools Budget at Month 6, arising primarily from the growing cost of funding placements for High Needs children. This increases the cumulative deficit to £2,444k, which is expected to be funded from the 2018/19 Dedicated Schools Grant and therefore not impact upon the General Fund position.

### CAPITAL

17. The projected underspend against the General Fund Capital Programme for 2017/18 has increased to £23,523k due largely to slippage on project expenditure. The forecast outturn variance over the life of the 2017/18 to 2021/22 programme is an underspend of £419k. General Fund Capital Receipts of £14,500k are forecast for 2017/18, with a shortfall of £3,153k in total forecast receipts to 2021/22.
18. Prudential Borrowing required to support the 2017/18 to 2021/22 capital programme is forecast to be within budget by £9,043k. This is as a result of cost underspends of £419k and increases in grants and contributions of £11,777k, due mainly to the confirmed Basic Needs grant allocation for 2019/20 being substantially higher than original budget estimates. However this is partly offset by a forecast shortfall of £3,153k in capital receipts.

## FURTHER INFORMATION

### General Fund Revenue Budget

19. At Month 6, an underspend of £899k is reported across normal operating activities, as a result of underspends against Directorate and Corporate Operating Budgets of £643k and £405k, respectively being off-set by a £149k pressure reported across Development & Risk Contingency items.
20. The overall underspend across normal operating activities incorporates a number of pressures and risk areas which continue to be closely monitored and are discussed in detail within the appendices to this report. The more material variances are highlighted in the summary of Directorate positions below.
21. The Improved Better Care Fund grant item is being treated as an Exceptional Item as the announcement of the increase in funding was made in March 2017, after the budget was set. This funding represents an increase in Social Care funding of £4,054k for 2017/18 to be used to stabilise the Adult Social Care placements market.
22. The Council's General Fund revenue budget contains £15,508k savings, with £14,194k either banked or on track for delivery at Month 6, an improvement of £299k from the previously reported position. The projected underspend on operating budgets reflects the status of these savings, which are ultimately expected to be banked in full with alternative measures in place to mitigate the financial impact of any slippage in implementation schedules.

**Table 1: General Fund Overview**

Original Budget £'000	Budget Changes £'000	Service	Month 6		Variance (As at Month 6) £'000	Variance (As at Month 5) £'000	Movement from Month 5 £'000
			Revised Budget £'000	Forecast Outturn £'000			
194,079	3,396	Directorate Operating Budgets	197,475	196,832	(643)	(460)	(183)
1,495	482	Corporate Operating Budgets	1,977	1,572	(405)	(405)	0
19,216	0	Development & Risk Contingency	19,216	19,365	149	122	27
454	0	Priority Growth	454	454	0	0	0
5,451	(3,878)	Unallocated Budget Items	1,573	1,573	0	0	0
<b>220,695</b>	<b>0</b>	<b>Sub-total Normal Activities</b>	<b>220,695</b>	<b>219,796</b>	<b>(899)</b>	<b>(743)</b>	<b>(156)</b>
0	(4,054)	Exceptional Items IBCF Allocation (announced March 2017)	(4,054)	(4,054)	0	0	0
<b>220,695</b>	<b>(4,054)</b>	<b>Total Net Expenditure</b>	<b>216,641</b>	<b>215,742</b>	<b>(899)</b>	<b>(743)</b>	<b>(156)</b>
(215,695)	0	Budget Requirement	(215,695)	(215,695)	0	0	0
<b>5,000</b>	<b>(4,054)</b>	<b>Net Total</b>	<b>946</b>	<b>47</b>	<b>(899)</b>	<b>(743)</b>	<b>(156)</b>
(38,738)	0	Balances b/fwd	(38,738)	(38,738)			
<b>(33,738)</b>	<b>0</b>	<b>Balances c/fwd 31 March 2018</b>	<b>(37,792)</b>	<b>(38,691)</b>			

23. General Fund Balances are expected to fall marginally to £38,691k as a result of the forecast position detailed above, from a closing 2016/17 balance of £38,738k. The Council's current MTFE assumes that unallocated balances will remain between £15,000k and £32,000k to manage emergent risks, with any sums above that level earmarked for use to smooth the impact of government funding cuts.

### Directorate Operating Budgets (£643k underspend, £183k improvement)

24. Table 2 provides an overview of the forecast outturn on Directorate Operating Budgets as at Month 5. Further detail for each directorate is contained within Appendix A to this report.
25. The Council is currently permitted to finance the costs associated with service transformation from Capital Receipts, with both one-off implementation costs and the support for service transformation, including the BID team, being funded from this resource. Current projections include an estimate of £4,205k for such costs, which will remain under review over the remainder of the year and have been excluded from reported monitoring positions. It is anticipated that these costs will be financed from a combination of Capital Receipts and Earmarked Reserves.

**Table 2: Directorate Operating Budgets**

Original Budget	Budget Changes	Service	Month 6		Variance (As at Month 6)	Variance (As at Month 5)	Movement from Month 5	
			Revised Budget	Forecast Outturn				
£'000	£'000		£'000	£'000	£'000	£'000	£'000	
7,141	267	Chief Executive's Office	Expenditure	7,408	7,429	21	9	12
(1,103)	32		Income	(1,071)	(1,096)	(25)	(10)	(15)
<b>6,038</b>	<b>299</b>		<b>Sub-Total</b>	<b>6,337</b>	<b>6,333</b>	<b>(4)</b>	<b>(1)</b>	<b>(3)</b>
16,640	903	Finance	Expenditure	17,543	17,490	(53)	(17)	(36)
(3,517)	81		Income	(3,436)	(3,649)	(213)	(198)	(15)
<b>13,123</b>	<b>984</b>		<b>Sub-Total</b>	<b>14,107</b>	<b>13,841</b>	<b>(266)</b>	<b>(215)</b>	<b>(51)</b>
109,841	2,825	Residents Services	Expenditure	112,666	113,500	834	550	284
(36,991)	(4,443)		Income	(41,434)	(42,545)	(1,111)	(777)	(334)
<b>72,850</b>	<b>(1,618)</b>		<b>Sub-Total</b>	<b>71,232</b>	<b>70,955</b>	<b>(277)</b>	<b>(227)</b>	<b>(50)</b>
129,618	5,543	Social Care	Expenditure	135,161	13,474	(414)	(385)	(29)
(27,550)	(1,812)		Income	(29,362)	(29,044)	318	368	(50)
<b>102,068</b>	<b>3,731</b>		<b>Sub-Total</b>	<b>105,799</b>	<b>105,703</b>	<b>(96)</b>	<b>(17)</b>	<b>(79)</b>
<b>194,079</b>	<b>3,396</b>	<b>Total Directorate Operating Budgets</b>		<b>197,475</b>	<b>196,832</b>	<b>(643)</b>	<b>(460)</b>	<b>(183)</b>

26. The Chief Executive's Office is reporting an improvement of £3k from Month 5, resulting in a projected £4k underspend. The Finance Directorate is projecting an underspend of £266k, an improvement relating to minor improvements across all service areas from the reported Month 5 position. The overall underspend across the Directorate relates to staffing underspends arising from the early implementation of 2018/19 savings proposals, with additional performance based grant funding supporting additional investment in agency staff within Revenues and Benefits.
27. The Residents Services position has improved by £50k from Month 5, with a number of movements across the group, including additional Planning Performance Agreement income being applied to support additional planning resource. Within the headline £277k underspend, a combination of staffing underspends totalling £1,235k and an improved outlook for income from on-street parking services are sufficient to contain expenditure pressures across ICT

and Fleet Management, alongside income shortfalls reported on off-street parking, imported food sampling and cemeteries.

28. A favourable movement of £79k is reported across Social Care budgets, due to a number of minor improvements across most service areas as the Directorate continues to review the funding of historical cases and non staffing costs. At Month 6, an overall underspend of £96k is reported with difficulties in recruitment of qualified Educational Psychologists resulting in reduced income from the Schools budget and compensatory underspends on workforce costs. Across the Directorate, staffing projections in relation to Council funded roles remain marginally lower than budget.

### Progress on Savings

29. The Council's 2017/18 General Fund revenue budget contains £15,508k savings, with all prior year savings delivered in full during 2016/17. £14,194k savings are reported as banked or on track for delivery at Month 6, with the remaining £1,314k savings being classed as Amber. Items reported as Amber are at an early stage of delivery, and no items are being reported as having serious risks of non-delivery.

**Table 3: Savings Tracker**

2017/18 General Fund Savings Programme	CE's Office & Finance	Residents Services	Social Care	Cross Cutting	Total Savings	
	£'000	£'000	£'000	£'000	£'000	%
B Banked	(1,009)	(3,583)	(4,141)	(198)	<b>(8,931)</b>	<b>57.7%</b>
G On track for delivery	(68)	(1,928)	(2,588)	(679)	<b>(5,263)</b>	<b>33.8%</b>
A Potential significant savings shortfall or a significant or risky project which is at an early stage;	0	(692)	(385)	(237)	<b>(1,314)</b>	<b>8.5%</b>
R Serious problems in the delivery of the saving	0	0	0	0	<b>0</b>	<b>0.0%</b>
<b>Total 2017/18 Savings</b>	<b>(1,077)</b>	<b>(6,203)</b>	<b>(7,114)</b>	<b>(1,114)</b>	<b>(15,508)</b>	<b>100.0%</b>

## Corporate Operating Budgets (£405k underspend, nil movement)

30. Corporately managed expenditure includes revenue costs of the Council's Capital Programme, the net impact of Housing Benefit Subsidy arrangements on the Council, externally set levies and income arising from the provision of support services to other funds and ring-fenced budgets.
31. There is no movement reported from the Month 5 position. The £400k underspend relates to a £360k reduction in provision for debt repayment and external interest costs to reflect slippage in capital expenditure from 2016/17 and a £40k improvement in the outlook for investment income. The £5k underspend across Levies and Other Corporate Budgets is due to the New Homes Bonus Refund Grant being sufficient to off-set an exceptional increase in the levy for the West London Coroner's Service.

**Table 4: Corporate Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service	Month 6		Variance (As at Month 6) £'000	Variance (As at Month 5) £'000	Movement from Month 5 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
0	0	Interest and Investment Income	Salaries	0	0	0	0	
5,259	0		Non-Sal Exp	5,259	4,899	(360)	(360)	
(104)	0		Income	(104)	(145)	(41)	(40)	
<b>5,155</b>	<b>0</b>		<b>Sub-Total</b>	<b>5,155</b>	<b>4,754</b>	<b>(401)</b>	<b>(400)</b>	
450	0	Levies and Other Corporate Budgets	Salaries	450	450	0	0	
11,237	28		Non-Sal Exp	11,265	11,366	101	99	
(14,788)	454		Income	(14,334)	(14,440)	(106)	(105)	
<b>(3,101)</b>	<b>482</b>		<b>Sub-Total</b>	<b>(2,619)</b>	<b>(2,624)</b>	<b>(5)</b>	<b>(6)</b>	
0	0	Housing Benefit Subsidy	Salaries	0	0	0	0	
144,372	(1,269)		Non-Sal Exp	143,103	144,372	1,269	1,269	
(144,931)	1,269		Income	(143,662)	(144,930)	(1,268)	(1,268)	
<b>(559)</b>	<b>0</b>		<b>Sub-Total</b>	<b>(559)</b>	<b>(558)</b>	<b>1</b>	<b>1</b>	
<b>1,495</b>	<b>482</b>	<b>Total Corporate Operating Budgets</b>		<b>1,977</b>	<b>1,572</b>	<b>(405)</b>	<b>(405)</b>	<b>0</b>

## Development & Risk Contingency (£149k overspend, £27k adverse movement)

32. The Council set aside £19,216k to manage volatile and uncertain elements of budgets within the Development & Risk Contingency, which included £18,466k in relation to specific risk items and £750k as General Contingency to manage unforeseen issues. As expected with such potentially volatile areas of activity, these will continue to be closely monitored over the coming year.

**Table 5: Development & Risk Contingency**

Original Budget	Budget Changes	Service		Month 6		Variance (As at Month 6)	Variance (As at Month 5)	Movement from Month 5
				Revised Budget	Forecast Outturn			
				£'000	£'000			
291	0	Fin.	Uninsured claims	291	291	0	0	0
1,736	0	Residents Services	Impact of Welfare Reform on Homelessness	1,736	1,736	0	0	0
3,522	0		Waste Disposal Levy & Associated Contracts	3,522	3,213	(309)	(309)	0
100	0		High Speed 2 Challenge Fund	100	100	0	0	0
200	0		Heathrow Expansion Challenge Fund	200	200	0	0	0
1,648	0	Social Care	Asylum Service	1,648	1,970	322	222	100
5,298	0		Demographic Growth - Looked After Children	5,298	6,292	994	848	146
277	0		Social Worker Agency Contingency	277	277	0	0	0
184	0		SEN transport - Contingency	184	184	0	0	0
2,910	0		Demographic Growth - Transitional Children	2,910	2,772	(138)	0	(138)
785	0		Demographic Growth - Adults	785	414	(371)	(371)	0
197	0		Winterbourne View	197	50	(147)	(147)	0
759	0		Deprivation of Liberty Safeguards	759	733	(26)	55	(81)
559	0	Corp. Items	Apprenticeship Levy	559	383	(176)	(176)	0
750	0		General Contingency	750	750	0	0	0
<b>19,216</b>	<b>0</b>	<b>Total Development &amp; Risk Contingency</b>		<b>19,216</b>	<b>19,365</b>	<b>149</b>	<b>122</b>	<b>27</b>

33. The requirement from the contingency provision of £1,736k is for homelessness continues to be projected in full, no change from the reported Month 5 position. There were households in Bed and Breakfast accommodation at the end of September which is a slight increase from the previous month, however this number is expected to be managed down to budgeted levels over the remainder of the financial year. In addition to the full contingency provision, it remains forecast that Earmarked Reserve drawdowns will be required to secure appropriate and sustainable private sector accommodation.
34. The contingency requirement for waste disposal continues to be forecast at £309k less than budget due to the Council receiving a one-off disbursement from the West London Waste Alliance in respect of excess reserves. The wider position on waste disposal costs remains consistent with budget assumptions.
35. An adverse movement of £100k is projected against the Asylum Contingency requirement from Month 5 forecasts. This is as a result of a reduction in income following confirmation from the Home Office that a number of supported individuals will no longer be eligible for funding.
36. Due to an increase in the number of Residential Placements, an adverse movement of £183k is reported against Looked After Children. The overall pressure of £848k continues to reflect the more complex needs of Children with Disabilities and the higher cost of securing adoptions outside of the Borough.

37. The contingency requirement for Transitional Children has been reviewed following the start of the new academic year, and projections reduced by £138k to reflect a number of clients remaining in educational settings for longer than previously anticipated.
38. An improvement of £81k is projected against Deprivation of Liberty Safeguards following clarification of the impact of IR35 regulations on the payroll taxes of the Council's supplier, where projections had previously assumed an adverse financial impact. This movement is one-off in nature and is not expected to impact materially on the future cost of DoLS assessments.
39. As in previous years, the Council retains a General Contingency to meet the costs of exceptional or emerging pressures which had not been specifically provided for at the time of budget setting. To date there have been no calls on this £750k provision, which will be available to further supplement General Balances at outturn if requirements are not identified during 2017/18.

### Priority Growth

40. The 2017/18 General Fund revenue budget approved by Council in February 2017 set aside £254k of unallocated Priority Growth, in addition to £200k of base budget available to support HIP Initiatives. The 2017/18 HIP budget is supplemented by £954k brought forward balances, to provide £1,154k resources for HIP Initiatives. £128k of projects have been approved for funding from HIP resources, leaving £1,026k available for future release. Although the corporate monitoring position assumes all budgeted growth will be spent or committed during the current financial year, no priority growth has been allocated to services as at Month 6.

**Table 6: Priority Growth**

Original Budget	Budget Changes	Priority Growth	Month 6		
			Revised Budget	Approved Allocations	Unallocated Balance
£'000	£'000		£'000	£'000	£'000
200	0	HIP Initiatives Budgets	200	0	(200)
0	954	B/fwd Funds	954	128	(826)
254	0	Unallocated Priority Growth	254	0	(254)
<b>454</b>	<b>954</b>	<b>Total Priority Growth</b>	<b>1,408</b>	<b>128</b>	<b>(1,280)</b>

### Schools Budget

41. An in-year overspend of £1,308k is projected against the Dedicated Schools Grant in 2017/18, bringing the brought forward deficit on the centrally retained reserve to £2,444k. This position reflects pressures of £1,808k mainly due to a significant increase in the cost of placements as the service moves all children onto Education & Health Care Plans (EHCPs) being off-set by £500k contingency provision held back to manage such emerging pressures. Any residual deficit on the retained reserve remaining at the time of budget setting in February 2018 will be funded through a topslice on the 2018/19 Dedicated Schools Grant and therefore not impact directly upon the General Fund position.

### Collection Fund

42. An adverse movement of £11k is projected against the Collection Fund, which results in a surplus of £2,602k for 2017/18. This surplus is made up of a £2,671k surplus against Council Tax off-set by a forecast deficit of £69k against Business Rates. The position on Council Tax includes £2,004k from the release of historic provisions for doubtful debt following the adoption of an improved accounting methodology from 2016/17, alongside an in-year surplus of £667k primarily attributable to strong collection performance. The in-year surplus on Business Rates activity is not sufficient to off-set the £408k pressure against the brought forward £2,000k surplus from an increase in Empty Property Relief awarded during 2016/17, which results in an overall £69k deficit on Business Rates.
43. The combined surplus of £2,602k is expected to be available for release to the General Fund in 2018/19 and will be reflected in future iterations of the Council's Medium Term Financial Forecast.

### **Housing Revenue Account**

44. The Housing Revenue Account (HRA) is currently forecasting an underspend of £832k against the budgeted deficit of £11,664k, an improvement of £128k from Month 5 and results in a projected closing HRA General Balance of £34,994k. This is above the £12,000k minimum level of HRA balances threshold, with sums over and above this minimum level earmarked for investment in new or existing stock.
45. 34 properties have been sold under Right to Buy as at the end of Month 6, with a further 51 completions anticipated during 2017/18. Sufficient expenditure on the acquisition of new properties was incurred to fully utilise the initial tranche of retained receipts and therefore avoid any repayment of receipts and penalty interest to DCLG during Quarter 1 and Quarter 2.

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

46. Appendix D to this report outlines the forecast outturn on the 2017/18 to 2021/22 Capital Programme, with a £419k underspend projected over the five year programme. Prudential Borrowing required to support the Council's Capital Programme is projected to be £9,043k lower than the £102,775k revised budget, primarily as a result of a £11,777k favourable variance on Government Grants being off-set by a £3,153k shortfall in Capital Receipt forecasts over the medium term. This favourable variance on borrowing would ultimately result in a reduction in future revenue costs of approximately £490k per annum.
47. 2017/18 capital expenditure is projected to be £23,104k lower than the £79,186k budget, indicating that the Council will be able to defer new borrowing into later years and therefore deliver savings against capital financing budgets in 2018/19. Slippage in delivery of capital receipts will reduce any such saving; with current forecasts showing that £14,500k of the planned £23,927k will be secured during 2017/18.

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

### CHIEF EXECUTIVE'S OFFICE (£4k underspend, £3k improvement)

49. The overall position for the Chief Executive's Office at Month 6 is an underspend of £4k, an improvement of £3k on Month 5. This includes covering a Managed Vacancy Factor (MVF) saving of £153k achieved through vacant posts, non-salary underspends and the over achievement of income across the Group.

**Table 7: Chief Executive's Office Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service	Month 6		Variance (As at Month 6) £'000	Variance (As at Month 5) £'000	Movement from Month 5 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
1,466	9	Democratic Services	Salaries	1,475	1,478	3	5	(2)
1,669	26		Non-Sal Exp	1,695	1,712	17	14	3
(596)	(58)		Income	(654)	(641)	13	8	5
<b>2,539</b>	<b>(23)</b>		<b>Sub-Total</b>	<b>2,516</b>	<b>2,549</b>	<b>33</b>	<b>27</b>	<b>6</b>
2,001	(101)	Human Resources	Salaries	1,900	1,922	22	27	(5)
89	264		Non-Sal Exp	353	315	(38)	(36)	(2)
(247)	90		Income	(157)	(175)	(18)	(18)	0
<b>1,843</b>	<b>253</b>		<b>Sub-Total</b>	<b>2,096</b>	<b>2,062</b>	<b>(34)</b>	<b>(27)</b>	<b>(7)</b>
1,833	69	Legal Services	Salaries	1,902	1,928	26	8	18
83	0		Non-Sal Exp	83	74	(9)	(9)	0
(260)	0		Income	(260)	(280)	(20)	0	(20)
<b>1,656</b>	<b>69</b>		<b>Sub-Total</b>	<b>1,725</b>	<b>1,722</b>	<b>(3)</b>	<b>(1)</b>	<b>(2)</b>
5,300	(23)	Chief Executive's Office Directorate	Salaries	5,277	5,328	51	40	11
1,841	290		Non-Sal Exp	2,131	2,101	(30)	(31)	1
(1,103)	32		Income	(1,071)	(1,096)	(25)	(10)	(15)
<b>6,038</b>	<b>299</b>		<b>Total</b>	<b>6,337</b>	<b>6,333</b>	<b>(4)</b>	<b>(1)</b>	<b>(3)</b>

### Democratic Services (£33k overspend, £6k adverse movement)

50. An adverse movement in Democratic Services primarily reflects lower than anticipated income in relation to Citizenship Ceremony volumes, which has seen a reduction in demand of 21% when compared with 2016/17 levels. Following Brexit, there has been an increase in EU nationals applying for British Citizenship nationally, although total granted applications (EU and Non-EU Nationals) has seen a reduction of 13% over the same period. Income pressures will continue to be monitored closely.

### Human Resources (£34k underspend, £7k improvement)

51. Human Resources is reporting an underspend of £34k at Month 6, an improvement of £7k on the month due in the main to refreshed staffing assumptions. A bottom line forecast pressure on salaries however reflects a fully staffed establishment, with a MVF of £52k being partly mitigated by maternity leave posts within the service. A favourable non-salaries position relates to learning and development expenditure, with ongoing underspends being picked up as part of a Zero Based Review exercise delivering MTF savings in 2018/19.

## **Legal Services (£3k underspend, £2k improvement)**

52. At Month 6, Legal Services is reporting an underspend of £3k, representing a small improvement of £2k on the month due to mitigating salaries and income adjustments. Staffing assumptions now include locum costs for a Principal Planning Lawyer covering a
53. maternity leaver, whilst income is now forecast to overachieve budgeted levels by £20k due to increased planning legal income and leasehold extension fees.
54. For 2017/18, the full £221k savings presented by the Chief Executive's Office have been banked. A further cross-cutting MTFF proposal of £559k for the Council's contribution to the Apprenticeship Levy is being managed within HR, and at Month 6 £198k has been banked with the remaining £361k marked as on track for delivery.

## FINANCE (£266k underspend, £51k improvement)

55. The Finance Group is reporting an underspend of £266k at Month 6, an improvement of £51k on the position at Month 5, and includes covering a Managed Vacancy Factor of £376k.

**Table 8: Finance Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service	Month 6		Variance (As at Month 6) £'000	Variance (As at Month 5) £'000	Movement from Month 5 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
942	869	Business Assurance	Salaries	1,811	1,773	(38)	(13)	(25)
1,404	42		Non-Sal Exp	1,446	1,455	9	9	0
(659)	(58)		Income	(717)	(696)	21	1	20
<b>1,687</b>	<b>853</b>		<b>Sub-Total</b>	<b>2,540</b>	<b>2,532</b>	<b>(8)</b>	<b>(3)</b>	<b>(5)</b>
1,608	0	Procurement	Salaries	1,608	1,582	(26)	(19)	(7)
75	0		Non-Sal Exp	75	92	17	17	0
(31)	0		Income	(31)	(35)	(4)	0	(4)
<b>1,652</b>	<b>0</b>		<b>Sub-Total</b>	<b>1,652</b>	<b>1,639</b>	<b>(13)</b>	<b>(2)</b>	<b>(11)</b>
3,127	527	Corporate Finance	Salaries	3,654	3,522	(132)	(137)	5
(7)	2,030		Non-Sal Exp	2,023	2,022	(1)	1	(2)
(127)	(46)		Income	(173)	(176)	(3)	13	(16)
<b>2,993</b>	<b>2,511</b>		<b>Sub-Total</b>	<b>5,504</b>	<b>5,368</b>	<b>(136)</b>	<b>(123)</b>	<b>(13)</b>
4,382	(30)	Revenues & Benefits	Salaries	4,352	4,532	180	174	6
1,841	0		Non-Sal Exp	1,841	1,808	(33)	(31)	(2)
(2,360)	150		Income	(2,210)	(2,436)	(226)	(201)	(25)
<b>3,863</b>	<b>120</b>		<b>Sub-Total</b>	<b>3,983</b>	<b>3,904</b>	<b>(79)</b>	<b>(58)</b>	<b>(21)</b>
1,034	(531)	Pensions, Treasury & Statutory Accounting	Salaries	503	472	(31)	(19)	(12)
2,234	(2,004)		Non-Sal Exp	230	232	2	1	1
(340)	35		Income	(305)	(306)	(1)	(11)	10
<b>2,928</b>	<b>(2,500)</b>		<b>Sub-Total</b>	<b>428</b>	<b>398</b>	<b>(30)</b>	<b>(29)</b>	<b>(1)</b>
11,093	835	Finance Directorate	Salaries	11,928	11,881	(47)	(14)	(33)
5,547	68		Non-Sal Exp	5,615	5,609	(6)	(3)	(3)
(3,517)	81		Income	(3,436)	(3,649)	(213)	(198)	(15)
<b>13,123</b>	<b>984</b>		<b>Total</b>	<b>14,107</b>	<b>13,841</b>	<b>(266)</b>	<b>(215)</b>	<b>(51)</b>

## Business Assurance (£8k underspend, £5k improvement)

56. Business Assurance is projecting an underspend at Month 6 of £8k, an improvement of £5k on the month. Within the improvement a shortfall on Health and Safety income of £20k is projected, representing a reduced level of fee earning course take up. Staffing assumptions have been refreshed following the transfer of Counter Fraud into the service from Month 5 and include a vacancy and maternity leave posts being covered by existing staffing resource.

## Procurement (£13k underspend, £11k improvement)

57. The service is reporting an underspend of £13k as at Month 6, an improvement of £11k on the month primarily due to unplanned rebate income for pcard expenditure alongside revised staffing forecasts. Part year vacancies and maternity leave within the service are offsetting

pressures against non-salary expenditure, due to recruitment expenditure incurred filling remaining posts as part of the new structure.

### Corporate Finance (£136k underspend, £13k improvement)

58. Corporate Finance is reporting an underspend of £136k as at Month 6, due to staffing underspends resulting from part year vacancies being managed within existing resources, and implementation of the Finance BID review phase 1. The improved position reflects increased income estimates against S46 Receivership Fees within the Social Care Finance team.

### Revenues & Benefits (£79k underspend, £21k improvement)

59. A £21k improvement on the month, primarily due to additional government support for Universal Credit is reported within Revenues and Benefits. Staffing pressures reflect the cost of agency staff employed on a performance based scheme which aims to cut down fraud and reduce errors in Housing Benefit claims, funded directly from grant monies.

### Pensions, Treasury & Statutory Accounting (£30k underspend, £1k improvement)

60. The service is reporting an underspend of £30k, a £1k improvement on the position at Month 5 due to revised staffing assumptions. The mitigating adjustment across income and expenditure subjective headings relates to the movement of a previously unbudgeted Pensions Apprentice recharged to the Pension Fund.
61. At Month 6, £788k (92%) of the £856k savings proposed as part of the MTF 2017/18 are classed as banked, with the remaining £68k classed as on track. Proposals are underway and good progress is being made against the targets.

**Table 9: Finance Development & Risk Contingency**

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

62. At Month 6, no movement is reported on the requirement to call upon the Uninsured Claims contingency budget as insurance payments and assumptions remain constant. The contingency budget, along with the base budget of £359k, is expected to fully cover the cost of General Fund claim payments below insurance excess levels in 2017/18. Any payment amounts greater than the budget available will be managed from the Insurance reserve during 2017/18.

## RESIDENTS SERVICES (£277k underspend, £50k favourable movement)

63. Residents Services directorate is showing a projected outturn underspend of £277k at Month 6, excluding pressure areas that have identified contingency provisions.

**Table 10: Residents Services Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service	Month 6		Variance (As at Month 6) £'000	Variance (As at Month 5) £'000	Movement from Month 5 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
15,219	(241)	Infrastructure, Waste and ICT	Salaries	14,978	14,824	(154)	(172)	18
31,833	85		Non-Sal	31,918	32,308	390	360	30
(9,790)	(2)		Exp	(9,792)	(10,043)	(251)	(262)	11
<b>37,262</b>	<b>(158)</b>		<b>Income</b>	<b>37,104</b>	<b>37,089</b>	<b>(15)</b>	<b>(74)</b>	<b>59</b>
16,922	(134)	Housing, Environment, Education, Health & Wellbeing	Salaries	16,788	16,563	(225)	(243)	18
23,024	471		Non-Sal	23,495	24,480	985	953	32
(16,874)	96		Exp	(16,778)	(17,657)	(879)	(753)	(126)
<b>23,072</b>	<b>433</b>		<b>Income</b>	<b>23,505</b>	<b>23,386</b>	<b>(119)</b>	<b>(43)</b>	<b>(76)</b>
7,430	(515)	Planning, Transportatio n & Regeneration	Salaries	6,915	6,960	45	(161)	206
1,901	166		Non-Sal	2,067	2,487	420	369	51
(6,397)	(155)		Exp	(6,552)	(6,901)	(349)	(87)	(262)
<b>2,934</b>	<b>(504)</b>		<b>Income</b>	<b>2,430</b>	<b>2,546</b>	<b>116</b>	<b>121</b>	<b>(5)</b>
1,777	0	HR, Performance & Improvement	Salaries	1,777	1,515	(262)	(246)	(16)
160	0		Non-Sal	160	168	8	8	0
(270)	0		Exp	(270)	(18)	252	252	0
<b>1,667</b>	<b>0</b>		<b>Income</b>	<b>1,667</b>	<b>1,665</b>	<b>(2)</b>	<b>14</b>	<b>(16)</b>
10,766	848	Administrativ e, Technical & Business Services	Salaries	11,614	10,975	(639)	(541)	(98)
809	2,145		Non-Sal	2,954	3,220	266	223	43
(3,660)	(4,382)		Exp	(8,042)	(7,926)	116	73	43
<b>7,915</b>	<b>(1,389)</b>		<b>Income</b>	<b>6,526</b>	<b>6,269</b>	<b>(257)</b>	<b>(245)</b>	<b>(12)</b>
52,114	(42)	Residents Services Directorate	Salaries	52,072	50,837	(1,235)	(1,363)	128
57,727	2,867		Non-Sal	60,594	62,663	2,069	1,913	156
(36,991)	(4,443)		Exp	(41,434)	(42,545)	(1,111)	(777)	(334)
<b>72,850</b>	<b>(1,618)</b>		<b>Income</b>	<b>71,232</b>	<b>70,955</b>	<b>(277)</b>	<b>(227)</b>	<b>(50)</b>

64. The overall variance is a result of staffing underspends across the directorate, with these favourable variances offset in part by pressures in ICT and fleet management, as well as parking income shortfalls at Cedars and Grainges car parks and in Imported Food sampling.

65. The Council's 2017/18 contingency budget contains provision for areas of expenditure or income within Residents Services for which there is a greater degree of uncertainty. The position against these contingency items is shown in Table 2 below.

66. At Month 6 projected calls on contingency are £309k below the budgeted provision (no change). The table below shows the breakdown for each contingency item.

**Table 11: Development and Risk Contingency**

Original Budget	Budget Changes	Development & Risk Contingency	Month 6		Variance (As at Month 6)	Variance (As at Month 5)	Movement from Month 5
			Revised Budget	Forecast Outturn			
£'000	£'000		£'000	£'000	£'000	£'000	£'000
1,736	0	Impact of Welfare Reform on Homelessness	1,736	1,736	0	0	0
3,522	0	Waste Disposal Levy & Associated Contracts	3,522	3,213	(309)	(300)	(9)
100	0	High Speed 2 Challenge Fund	100	100	0	0	0
200	0	Heathrow Expansion Challenge Fund	200	200	0	0	0
<b>5,558</b>	<b>0</b>	<b>Current Commitments</b>	<b>5,558</b>	<b>5,249</b>	<b>(309)</b>	<b>(300)</b>	<b>(9)</b>

67. The Month 6 data in Table 12 below shows a reduction from the previously reported B&B figures earlier in the financial year, following the impact of increased prevention work. The reducing number of Households in higher cost Bed & Breakfast accommodation is in line with MTFE assumptions made by officers in modelling Supply and Demand, with the fluctuation in demand managed with existing budgets.

**Table 12: Housing Needs performance data**

	2017		
	July	August	September
Homeless Threat, Priority Need & Eligible	116	95	102
Presenting As Homeless	40	52	38
Duty Accepted	24	27	21
<b>Households in Temporary Accommodation</b>	612	613	619
<b>Households in B&amp;B</b>	224	224	229

68. As in previous years, a contingency has been set aside in 2017/18 to resource the need for Temporary Accommodation in the Borough. The call on contingency relating to homelessness remains as per prior projections of £1,736k, which is as per the budgeted provision.
69. The Council will continue to closely monitor this risk, given the potential seasonal fluctuations which could materialise in the remainder of the financial year. It is expected that there will also be a requirement to draw on the Housing Incentives earmarked reserve given the costs of securing private sector accommodation, with any drawdown being subject to the usual approvals.
70. A contingency of £3,522k has been set aside to fund estimated increases in waste tonnages via the levy. A one-off disbursement from WLWA in respect of excess reserves has now been received by the council in the sum of £308,602.

#### **Infrastructure, Waste and ICT (£15k underspend, £59k adverse movement)**

71. The overall forecast encompasses a significant quantum of management actions, mainly within ICT, Waste and Fleet services, which will be closely monitored during the financial year. At month 6, the service is reporting a net adverse movement of £59k from the month 5 position.

72. The adverse movement is attributable to the following service areas: ICT (£27k) relating to additional recruitment advertising expenditure incurred to implement the new structure; Capital and Planned works (£16k) reflecting ineligible capital fees and Property and Estates (£14k) in respect of revised full year surveyors' fees.
73. The ICT service is progressing implementation of the recent BID review, with an associated MTF savings target. The recently appointed Head of ICT is progressing a review of all non-staffing spend.
74. Whilst the initial service assessments of contract & licensing spend commitments are significantly above budget, the work required to take out demand/rationalise systems is ongoing. As part of this exercise the service is concluding its review of all contract and licensing spend alongside retendering a number of contracts and specific system reviews, which should give scope to mitigate pressures as improvements are implemented.
75. The reported position for fleet management reflects that the ongoing pressures from the last financial year are expected to be addressed via external review of the service. The main drivers of the pressure are vehicle maintenance contracts, vehicle damage and vehicle contract hire.

**Housing, Environment, Education, Health & Wellbeing (£119k underspend, £76k favourable movement)**

76. The overall forecast contains a number of management actions which will be monitored closely throughout the financial year.
77. At Month 6 the service is reporting an underspend projection of £119k, £76k favourable movement. Green Spaces & Culture is reporting favourable movement in the following service areas: Sport and Activity (£29k), Grounds Maintenance (Equipment hire, £12k and fuel costs £17k). Movement in income and non-staffing forecasts from month 5 relate in the main to the reduced forecast drawdown on Housing Incentives earmarked reserves.
78. There are also smaller favourable net movements this month for DFGs (£5k) and Community Safety (£8k) following revised staffing projections.

**Planning, Transportation & Regeneration (£116k overspend, £5k favourable)**

79. At month 6 there is a projected overspend of £116k (£5k favourable) across the service area, with the main pressure relating to income in Imported Food sampling continuing the trend from previous years.
80. The small favourable movement is derived from full drawdown of two Earmarked reserves, Flood management (£3k) and Hillingdon Local plan (£2k).
81. Increased gift funding projections account for the majority of the increased income forecast, with all of this funding fully committed against future staffing expenditure in the planning service.

**Performance & Improvement (£2k overspend, £16k favourable movement)**

82. There is a favourable movement of £16k relating to revised staffing projections for the Performance & Improvement team, as a result of recruitment to a new vacancy.

**Administrative, Technical & Business Services (£257k underspend, £12k favourable movement)**

83. The service is reporting a £257k underspend at Month 6, representing a £12k favourable movement from the Month 5 position.
84. The net favourable movement is a result of staffing underspends across the service, with the movement of £98k favourable primarily owing to delays in recruitment to Business Support and Technical Administration roles. In addition there are vacant posts across parking administration, the contact centre and licensing contributing to the overall staffing underspend.
85. Parking services continue to forecast pressures relating to income shortfalls at Uxbridge car parks with the latest forecast at £496k (£60k adverse) plus further non-staffing pressures relating to repairs and maintenance costs. These are netted down by wider parking income streams including the PRA.

## SOCIAL CARE (£96k underspend, £79k improvement)

86. Social Care is projecting an underspend of £96k as at Month 6, an improvement of £79k on the Month 5 position, due to a number of minor improvements across most service areas as the Directorate continues to review the funding of historical cases and non staffing costs. The underspend relates predominantly to staffing costs, where there are a number of vacant posts not covered by agency assignments. However, there are still underlying pressures that are being managed across the service, which include the cost of Agency Social Workers in Children's Services, the cost of external legal counsel providing support for Children's Services and reduced income from the Dedicated Schools Grant for the Educational Psychology Service.

**Table 13: Social Care Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service	Month 6		Variance (As at Month 6) £'000	Variance (As at Month 5) £'000	Movement from Month 5 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
13,299	275	Children's Services	Salaries	13,574	13,712	138	51	87
12,635	10		Non-Sal	12,645	12,575	(70)	(5)	(65)
(7,804)	(23)		Exp	(7,827)	(7,812)	15	0	15
<b>18,130</b>	<b>262</b>		<b>Income</b>	<b>18,392</b>	<b>18,475</b>	<b>83</b>	<b>46</b>	<b>37</b>
7,784	455	Early Intervention, Prevention & SEND	Salaries	8,239	8,020	(219)	(216)	(3)
6,257	42		Non-Sal	6,299	6,298	(1)	20	(21)
(2,370)	(51)		Exp	(2,421)	(2,018)	403	394	9
<b>11,671</b>	<b>446</b>		<b>Income</b>	<b>12,117</b>	<b>12,300</b>	<b>183</b>	<b>198</b>	<b>(15)</b>
4,597	(96)	Older People & Physical Disabilities Service	Salaries	4,501	4,494	(7)	(8)	1
34,209	2,973		Non-Sal	37,182	37,221	39	(8)	47
(11,146)	(750)		Exp	(11,896)	(11,974)	(78)	(1)	(77)
<b>27,660</b>	<b>2,127</b>		<b>Income</b>	<b>29,787</b>	<b>29,741</b>	<b>(46)</b>	<b>(17)</b>	<b>(29)</b>
11,537	(459)	Adult Social Care - Provider & Commissioned Care	Salaries	11,078	10,747	(331)	(280)	(51)
5,874	339		Non-Sal	6,213	6,208	(5)	54	(59)
(590)	1		Exp	(589)	(552)	37	(7)	44
<b>16,821</b>	<b>(119)</b>		<b>Income</b>	<b>16,702</b>	<b>16,403</b>	<b>(299)</b>	<b>(233)</b>	<b>(66)</b>
4,341	(603)	Learning Disability and Mental Health Service	Salaries	3,738	3,757	19	0	19
29,435	1,585		Non-Sal	31,020	31,024	4	(15)	19
(5,264)	(989)		Exp	(6,253)	(6,298)	(45)	(4)	(41)
<b>28,512</b>	<b>(7)</b>		<b>Income</b>	<b>28,505</b>	<b>28,483</b>	<b>(22)</b>	<b>(19)</b>	<b>(3)</b>
320	175	Directorate & Support Services	Salaries	495	514	19	22	(3)
(670)	847		Non-Sal	177	177	0	0	0
(376)	0		Exp	(376)	(390)	(14)	(14)	0
<b>(726)</b>	<b>1,022</b>		<b>Income</b>	<b>296</b>	<b>301</b>	<b>5</b>	<b>8</b>	<b>(3)</b>
41,878	(253)	<b>Social Care Directorate Total</b>	Salaries	41,625	41,244	(381)	(431)	50
87,740	5,796		Non-Sal	93,536	93,503	(33)	46	(79)
(27,550)	(1,812)		Exp	(29,362)	(29,044)	318	368	(50)
<b>102,068</b>	<b>3,731</b>		<b>Income</b>	<b>105,799</b>	<b>105,703</b>	<b>(96)</b>	<b>(17)</b>	<b>(79)</b>

**SOCIAL CARE DEVELOPMENT AND RISK CONTINGENCY (£634k overspend, £27k adverse movement)**

87. The Council's 2017/18 Development and Risk Contingency includes provision for areas of expenditure within Social Care for which there is a greater degree of uncertainty. In part, this is caused by in year demographic changes, including Asylum seekers and SEN Transport. Table 14 sets out the forecast spend against the Development and Risk Contingency, which is projecting an overspend of £634k, an adverse movement of £27k on the Month 5 position. There has been an adverse movement in the Asylum Service, where the grant income position has dropped further, following confirmation from the Home Office on eligible cases and the Children's Placements budget, where a number of Residential placements have been made since Month 5. These are netted down by an improved position in Transitional Children placement costs, where children are remaining in the care of Children's services rather than moving across into Adult placements and a reduced forecast against Deprivation of Liberty cases.

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

Original Budget	Budget Changes	Development & Risk Contingency	Month 6		Variance (As at Month 6)	Variance (As at Month 5)	Movement from Month 5
			Revised Budget	Forecast Outturn			
£'000	£'000		£'000	£'000	£'000	£'000	£'000
1,648	0	Asylum Service	1,648	1,970	322	222	100
5,298	0	Demographic Growth - Looked After Children	5,298	6,292	994	848	146
277	0	Social Worker Agency Contingency	277	277	0	0	0
184	0	SEN transport - Contingency	184	184	0	0	0
2,910	0	Demographic Growth - Transitional Children	2,910	2,772	(138)	0	(138)
785	0	Demographic Growth - Adults	785	414	(371)	(371)	0
197	0	Winterbourne View	197	50	(147)	(147)	0
759	0	Deprivation of Liberty Safeguards	759	733	(26)	55	(81)
<b>12,058</b>	<b>0</b>	<b>Current Commitments</b>	<b>12,058</b>	<b>12,692</b>	<b>634</b>	<b>607</b>	<b>27</b>

**Asylum Service (£322k overspend, £100k adverse movement)**

88. This service is projecting a drawdown of £1,970k from the contingency, an overspend of £322k as at Month 6 and an adverse movement of £100k from the Month 5 position. The adverse movement relates to a reduction in the forecast income following the receipt of confirmation from the Home Office of those UASC that they have accepted are eligible relating to claims dating back to April 2017. This pressure reflects the impact of a drop in grant income as there are a high proportion of UASC who will turn 18 this year, where the grant funding is less than that provided for under 18's. Additionally, with the introduction of the National Transfer Agreement in 2016, the number of under 18 UASC is not anticipated to grow.

89. There are expected to be future changes to the funding regime as in August 2017, the Council received correspondence from the Home Office indicating they would be undertaking a review of the grant funding that they provide to support UASC for 2018/19.
90. The service continues to review the support provided to UASC to ensure that this position can be maintained by the end of the financial year with a number of management actions in progress. These are currently focused on a review of accommodation and allowances costs. At this stage it is too early to confirm the benefit in this financial year given there will be some lead-in time associated with the mitigating actions.

**Demographic Growth - Looked After Children (£994k overspend, £146k adverse movement)**

91. The service is projecting a drawdown of £6,292k from the Contingency, £994k above the budget and an adverse movement of £146k on the Month 5 position, due to an anticipated increase in the cost of supporting children in Residential Placements. The main reason for the overspend relates to the cost of placements and support provided for Children with Disabilities and the cost of adoption, where the Service is having to place children outside of the Borough. Both of these areas are being reviewed by the service.
92. The underlying position on the Placements budget continues to show an improvement on the 2016/17 position, especially with regards to the number of children placed in Residential placements, where the numbers have dropped, from a high of 36 at the beginning of 2016/17 to 20 as at the end of September 2017. Based on an annualised cost, this translates into a cost reduction and avoidance of £1,512k, reducing from £5,563k to £4,051k. However this position can fluctuate given the wide potential variation in Children's placements costs.

**Social Worker Agency (Children's) (Nil variance, no change)**

93. This contingency provides funding to cover the additional cost of using agency staff whilst the service undertakes recruitment activity. For the 2017/18 financial year it was assumed that the service will operate at a level of 90% of posts filled by permanent staff and 10% filled by agency staff. However, the recruitment of Social Workers continues to be very competitive, and as a consequence the permanency rate is currently forecast at approximately 80% for this financial year. Therefore, the full drawdown of this contingency will be required. It is worth noting that the recruitment activity has already achieved through the first six months of 2017/18 the equivalent of the total permanent recruitment activity achieved in 2016/17, although it is apparent that this is starting to slow down.

**Demographic Growth - SEN Transport (Nil variance, no change)**

94. The service is projecting the full draw down of £184k from the SEN Transport contingency, reflecting the continued growth in the Special Educational Need children population. The main increase in this service is seen at the start of the new school year, where in September 2017 there was a net growth 57 clients. Although the majority of these new clients have been put on existing routes, several new routes have had to be added with additional passenger assistant costs. With some further, though less significant growth expected between now and the financial year end, there is an expectation that the full contingency will be required.

**Demographic Growth - Transitional Children (£138k underspend, £138k improvement)**

95. The service is projecting a reduced drawdown of £2,772k from the Transitional Children contingency. The improvement is as a result of transition clients entering the service at lower than anticipated costs as they are remaining in education settings for longer periods. This

factor partly explains some of the pressure noted in Children's placements relating to Children with Disabilities. The anticipation is that these clients will require higher cost care packages in the future once they leave education and where possible this has been reflected in the MTFE forecasts. This will continue to be monitored closely during the year and the forecast revised to reflect actual placements as the year progresses.

#### **Demographic Growth - Adults Placements (£371k underspend, no change)**

96. The service is projecting to drawdown £414k from the Adults Placements contingency, £371k less than the budget. This underspend of £371k is primarily due to ongoing process improvements for Placements, including timely assessment and recognition of external funding streams, combined with reduced demand for Physical Disability client placements. The demographic forecasting tool is regularly refreshed and expenditure areas are kept under close review.

#### **Winterbourne View (£147k underspend, no change)**

97. The service is projecting a drawdown of £50k from the Winterbourne View contingency, £147k below the budget. The current assumption is that these clients will be funded by dowry payments, however, discussions at the Transforming Care Partnership (TCP) meetings are indicating that there may not be sufficient funding to cover this from NHS England. Officers are taking the stance that this is not an issue for the Council, as it should be a matter for the CCG to resolve with NHS England.

#### **Deprivation of Liberty Safeguards (DoLS) (£26k underspend, £81k improvement)**

98. The service is projecting a drawdown of £733k from the Contingency, £26k below budget and an improvement of £81k on the Month 5 position. Resolution to a backlog of queries due to IR35 disputes has resulted in an improved position for the year. The number of DoLS referrals received to the end of September 2017 was 722, a weekly average of 27.7.

### **DIRECTORATE OPERATING BUDGETS**

#### **Children's Services (£83k overspend, £37k adverse movement)**

99. The service is reporting an overspend of £83k as at Month 6, an adverse movement of £37k from the Month 5 position, due to an increase in the staffing costs where permanent staff recruitment is still a significant challenge, resulting in an increase in the projected use of agency staff. Offsetting this increase is a reduction of £75k against the Legal pressure previously reported. Within this position there is still a significant legal cost pressure relating to a number of complex cases and the cost of staff recruitment from overseas, which is being managed through prior-year provisions that are no longer required.

#### **Early Intervention, Prevention & SEND (£183k overspend, £15k improvement)**

100. The service is reporting an overspend of £183k as at Month 6, an improvement of £15k on the Month 5 position, due to a reduction on non staffing costs across the service. The overspend is due to a projected shortfall of £386k in income from the Dedicated Schools Grant for the Educational Psychology Service, where the service has ongoing difficulties in recruiting Educational Psychologists and is therefore, currently unable to provide a non-statutory function for schools. Whilst this is netted down by a significant underspend of £326k on their staffing costs, there is also an overspend of £110k across the service, where the service is still anticipating that the staffing structure will be fully staffed by the end of the year. This position will be kept under review.

### **Older People and Physical Disabilities (£46k underspend, £29k improvement)**

101. The service is reporting an underspend of £46k as at Month 6, an improvement of £29k on the Month 5 position, due to additional income towards placement expenditure being secured from health partners.
102. It should be noted that there are inflationary increases still being negotiated with providers and the monitoring position assumes that the inflation provision included in the budget for this year will cover these increases.

### **Adult Social Care - Provider and Commissioned Care (£299k underspend, £66k improvement)**

103. The service is reporting an underspend of £299k as at Month 6, an improvement of £66k on the Month 5 position. The staffing budget is forecast to underspend by £331k, due to recruitment difficulties within the Reablement Team and posts that were vacant for part of the year in the Positive Behaviour Support Team. The transport budget is now forecast to breakeven at year end. This is a major improvement from the Outturn pressure of £1m in 2016/17 and has been delivered due to the investment in a major service review, which has introduced new and improved ways of working.

### **Learning Disability and Mental Health (£22k underspend, £3k improvement)**

104. The service is forecasting an underspend of £22k as at Month 6, an improvement of £3k on the Month 5 position, due to the ongoing review of historical placement costs and ensuring that these are being funded correctly by the appropriate organisation or directly by the client.

### **Directorate & Support (£5k overspend, £3k improvement)**

105. The Directorate budget is forecasting a marginal pressure of £5k as at Month 6, an improvement of £3k from the Month 5 position.

## Appendix B – Other Funds

### SCHOOLS BUDGET

#### Dedicated Schools Grant (£1,308k overspend, £254k adverse)

106. The Dedicated Schools Grant (DSG) is projecting an in-year overspend of £1,308k as at month 6, an adverse movement of £254k on the Month 5 projections. This adverse movement is due to a further increase in the projected cost of High Needs placements and an increase in the growth diseconomies funding relating to one of the new basic need academies. When the £1,136k deficit brought forward from 2016/17 is taken into account the deficit to carry forward to 2018/19 will increase to £2,444k.

**Table 15: DSG Income and Expenditure 2017/18**

Original Budget	Budget Changes	Funding Block	Month 6		Variance (+ adv / - fav)		
			Revised Budget	Forecast Outturn	Variance (As at Month 6)	Variance (As at Month 5)	Change from Month 5
£'000	£'000		£'000	£'000	£'000	£'000	£'000
(148,436)	2,966	<b>Dedicated Schools Grant Income</b>	(145,470)	(145,470)	0	0	0
112,811	(2,766)	<b>Delegated to Schools</b>	110,045	110,045	0	0	0
3,971	(342)	<b>Early Years</b>	3,630	3,507	(123)	(143)	20
3,889	0	<b>Centrally Retained</b>	3,889	4,167	278	196	82
27,265	142	<b>High Needs</b>	27,406	29,059	1,653	1,501	152
<b>(500)</b>	<b>0</b>	<b>Total Funding Blocks</b>	<b>(500)</b>	<b>1,308</b>	<b>1,808</b>	<b>1,554</b>	<b>254</b>
<b>500</b>	<b>0</b>	<b>Retained Balance</b>	<b>500</b>	<b>0</b>	<b>(500)</b>	<b>(500)</b>	<b>0</b>
<b>(0)</b>	<b>0</b>	<b>Total Schools Budget</b>	<b>0</b>	<b>1,308</b>	<b>1,308</b>	<b>1,054</b>	<b>254</b>
0	0	Balance Brought Forward 1 April 2017	1,136	1,136			
<b>0</b>	<b>0</b>	<b>Balance Carried Forward 31 March 2018</b>	<b>1,136</b>	<b>2,444</b>			

#### Dedicated Schools Grant Income (nil variance, no change)

107. There have been no further adjustments to the DSG income for 2017/18 following the reductions in month 4 relating to the actual numbers of 2 year olds and 3 and 4 year olds which accessed the free entitlement in 2016/17. The resulting reduction in early years funding should be reflected in a reduction in early years expenditure. There will be further adjustments in the coming months to reflect the two school conversions to academy status which took place on the 1 September 2017.

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

108. The budget has been realigned following the adjustment to the high needs recoupment figure to take account of changes to planned place numbers from September 2017 in academy schools and further education colleges.

#### Early Years (£123k underspend, £20k adverse movement)

109. The Early Years funding block is projecting an underspend of £123k as at month 6, an adverse movement of £20k on the month 5 projections. The adverse movement relates to a realignment of the projected fee income at one of the Early Years Centres following a decrease in the actual number of children accessing the provision.

110. The Early Years Psychology team still projecting a £46k underspend where uncertainty continues regarding the delivery model and the capacity of the team to deliver service to the Early Years sector. The current projection is based on the amount of educational psychology time that was allocated to Early Years in 2016/17, though this may actually be lower given the current capacity of the team.
111. There is a £54k underspend across the Early Years Advisory and Family Information Services, where there are currently vacancies that are yet to be recruited to. The expectation is that these posts will be recruited to in the coming months.

#### **Centrally Retained (£278k overspend, £82k adverse)**

112. The Centrally Retained funding block is projecting an overspend of £278k as at month 6. The £82k increase to the projected overspend relates to the Growth Contingency fund where the projected diseconomies funding requirement for one of the basic need academies has increased due to lower pupil numbers. The local authority is working closely with the school to monitor the position and try to identify ways to reduce the cost and subsequent impact on the growth contingency fund. There is an expectation that the growth contingency requirement will reduce over the coming few years as the new schools and expansions work their way through the primary year groups.

#### **High Needs (£1,653k overspend, £152k adverse)**

113. The High Needs funding block is projecting an overspend of £1,653k as at Month 6, an adverse movement of £152k on the Month 5 projections, due to a continuing increase in the cost of SEN placements as the service moves all children onto Education & Health Care plans (EHCPs) and an increase in the number of young people accessing the pupil referral unit.
114. There is a continuing budget pressure linked to the transfer of pupils in special schools from statements to Education & Health Care plans (EHCPs). As pupils are transferred to an EHCP they move onto the new banded funding model often resulting in a higher resource requirement.
115. The month 6 forecast includes additional projected expenditure to cover the cost of an increase in pupils attending the pupil referral unit. The unit currently has a planned place number of seventy, however recent pupil numbers have been in excess of this following an increase in exclusions across the borough. This has resulted in an additional funding pressure on the High Needs block as there is a requirement for the DSG to fund any numbers over and above the agreed planned places.
116. It is now assumed that the anticipated savings target within the budget for Independent and non-maintained school SEN placements will not be achieved. The saving was dependant on a number of pupils leaving at the end of the summer term 2017 and new placements not being made. However, a number of placements have been made from September 2017, (the majority of these have been placed in local independent/non-maintained provision) resulting in the achievement of the planned saving being unlikely.
117. The increase in the number and cost of post-16 students with special educational needs is also continuing with the expectation that expenditure is going to rise further when the financial impact of the new cohort in September 2017 is fully known.

118. There is a projected overspend relating to the cost of young people being temporarily educated in independent hospital settings. The local authority has very little control over these placements as they often occur with short notice following emergency intervention.
119. The above budget pressures are off-set by a projected underspend in the DSG contribution to the non-statutory work of the Educational Psychology team. Currently recruiting and retaining Educational Psychologists is proving very difficult (there is a national shortage of qualified Educational Psychologists) making it a significant challenge to deliver anything other than statutory work.

### **School Academy Conversions**

120. The Academies Act 2010, allows schools to convert to academy status and by doing so will receive funding directly from the Education Funding Agency (EFA). Schools can convert at any point in the year, once they have converted, a number of adjustments are required to realign the DSG income budget and the amount delegated to maintained schools.
121. There are two maintained primary schools which converted on 1 September 2017. The local authority is not aware of any other schools planning to convert in the current financial year.

### **Maintained School Balances & Budgets**

122. 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 LA officers to ensure that everything possible is being done to address the situation.
123. 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. However, the implementation of the National Funding Formula from April 2018 indicates that additional resources will be made available in 2018/19, and would provide at least an increase of 0.5%.
124. Of the 54 schools currently maintained by the local authority, two (one primary and one secondary) have been unable to set a balanced budget and will be requesting that the authority license a deficit. The expectation is that these schools work on a deficit recovery plan to demonstrate how they will achieve a balanced budget within at least the next three years.
125. A significant number of schools have submitted budgets with an in-year deficit, resulting in an anticipated budgeted reduction in school revenue balances of £6.1m for 2017/18. This is a concern as the use of balances is one-off and continued in-year deficits are unsustainable in the medium term. The Schools Finance team is working closely with schools to ensure that any financial concerns are addressed as early as possible.

## COLLECTION FUND (£2,602k surplus, £11k adverse movement)

126. The collection of local taxes is managed through the Council's Collection Fund in order to avoid short-term volatility in income impacting on provision of services. Sums quoted relate to the Council's own share of income and disregard monies collected on behalf of the Greater London Authority and Central Government. The projected surplus will be available to support the Council's General Fund budget in 2018/19. A headline surplus of £2,352k is projected on the Council's share of Collection Fund activity for 2017/18 at Month 6, with a £2,546k surplus on Council Tax and £194k pressure on the retained share of Business Rates. This represents an adverse movement of £261k from the reported Month 5 position.

**Table 16: Collection Fund**

Original Budget £'000	Budget Changes £'000	Service	Month 6		Variance (As at Month 6) £'000	Variance (As at Month 5) £'000	Movement from Month 5 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
(119,465)	0	Council Tax	Gross Income	(119,465)	(120,308)	(843)	(760)	(83)
11,266	0		Council Tax Support	11,266	11,442	176	175	1
(500)	0		B/fwd Surplus	(500)	(2,504)	(2,004)	(2,004)	0
<b>(108,699)</b>	<b>0</b>		<b>Sub-Total</b>	<b>(108,699)</b>	<b>(111,370)</b>	<b>(2,671)</b>	<b>(2,589)</b>	<b>(82)</b>
(105,520)	0	Business Rates	Gross Income	(105,520)	(105,774)	(503)	(719)	216
(1,578)	0		Section 31 Grants	(1,578)	(1,928)	(101)	(71)	(30)
51,412	0		Less: Tariff	51,412	51,412	0	0	0
5,445	0		Less: Levy	5,445	5,710	265	358	(93)
(2,000)	0		B/fwd Deficit	(2,000)	(1,592)	408	408	0
<b>(52,241)</b>	<b>0</b>	<b>Sub-Total</b>	<b>(52,241)</b>	<b>(52,172)</b>	<b>69</b>	<b>(24)</b>	<b>93</b>	
<b>(160,940)</b>	<b>0</b>	<b>Total Collection Fund</b>		<b>(160,940)</b>	<b>(163,542)</b>	<b>(2,602)</b>	<b>(2,613)</b>	<b>11</b>

127. An improvement of £83k is reported on Council Tax collection for 2017/18, representing continued strong collection performance. A £176k pressure is reported on the Council Tax Support Scheme, a minor movement of £1k from Month 5. This is consistent with the assumption that current uptake to the scheme will continue to the end of the Financial Year. The £2,004k brought forward surplus on Council Tax relates primarily to the release of historic provisions following the adoption of an improved methodology in accounting for doubtful debts, which brings the total projected surplus available for release in 2018/19 to £2,671k.

128. An adverse movement of £93k is reported across Business Rates from Month 5, mainly as a result of the continued reduction in Gross Rates as reported last month. The in-year surplus on Business Rates activity is not sufficient to off-set the £408k pressure against the brought forward £2,000k surplus from an increase in Empty Property Relief awarded during 2016/17, which results in an overall £69k deficit on Business Rates.

## Appendix C – HOUSING REVENUE ACCOUNT

130. The Housing Revenue Account (HRA) is currently forecasting an in-year overall deficit of £10,832k, which is £832k more favourable than the budgeted position. Therefore the 2017/18 closing HRA General Balance is forecasted to be £34,994k, this is above the £12,000k minimum level of HRA balances threshold, with sums over and above the minimum level earmarked for investment in new or existing stock. The table below presents key variances by service area:

**Table 17: Housing Revenue Account**

Service	Month 6		Variance (+ adv / - fav)		
	Revised Budget	Forecast Outturn	Variance (As at Month 6)	Variance (As at Month 5)	Movement from Month 5
	£'000	£'000	£'000	£'000	£'000
Rent Income	(55,064)	(55,577)	(513)	(513)	0
Other Income	(5,494)	(5,494)	0	0	0
<b>Net Income</b>	<b>(60,558)</b>	<b>(61,071)</b>	<b>(513)</b>	<b>(513)</b>	<b>0</b>
Housing Management	12,214	12,471	257	243	14
Tenant Services	4,973	4,594	(379)	(301)	(78)
Repairs	5,033	4,953	(80)	(16)	(64)
Planned Maintenance	4,906	4,686	(220)	(220)	0
Capital Programme Funding	28,237	28,237	0	0	0
Interest & Investment Income	15,121	15,224	103	103	0
Development & Risk Contingency	1,738	1,738	0	0	0
<b>Operating Costs</b>	<b>72,222</b>	<b>71,903</b>	<b>(319)</b>	<b>(191)</b>	<b>(128)</b>
<b>(Surplus) / Deficit</b>	<b>11,664</b>	<b>10,832</b>	<b>(832)</b>	<b>(704)</b>	<b>(128)</b>
General Balance 01/04/2017	(45,826)	(45,826)	0	0	0
<b>General Balance 31/03/2018</b>	<b>(34,162)</b>	<b>(34,994)</b>	<b>(832)</b>	<b>(704)</b>	<b>(128)</b>

### Income

131. A favourable variance of £513k is forecast on rental income and no variance is reported on other income, representing no change from the Month 5 position.

132. The number of RTB applications received in the first six months of 2017/18 was 93 compared to 143 in the first six months of 2016/17, a reduction of 35%. There have been 34 RTB completions in the first six months of 2017/18 compared to 51 in the first six months of 2016/17, a reduction of 33%. The Month 6 forecast assumes RTB sales of 85, this reflects officers' expectation of a reduction in the numbers of completed RTB sales given current market conditions.

## Expenditure

133. The Housing management service is forecast to overspend by £257k, an adverse movement of £14k on Month 5, due to minor running costs.
134. Tenant services is forecast to underspend by £379k, a favourable movement of £78k on Month 5, due to revised forecasts on salaries.
135. The overall repairs budget is forecast to underspend by £80k, a favourable movement of £64k on Month 5, due to revised forecasts on staffing related costs.
136. The Planned Maintenance budget is forecast to underspend by £220k, the interest and investment income is forecast to be overspent by £103k, whilst no variance is reported for the capital programme funding and the development and risk contingency. This represents no change from the Month 5 position.

## HRA Capital

137. The HRA capital programme is set out in the table below. The 2017/18 original budget is £71,425k and the 2017/18 revised budget is £85,896k.

**Table 18: HRA Capital Expenditure**

Programme	2017/18 Original Budget	2017/18 Revised Budget	2017/18 Forecast	2017/18 Cost Variance Forecast V Revised Budget	2017/18 Project Re-Phasing	Total Project Budget 2017-2022	Total Project Forecast 2017-22	Total Project Variance 2017-22	Movement 2017-22
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Major Projects</b>									
New General Needs Housing Stock	21,418	22,645	17,234	0	(5,411)	32,618	32,618	0	0
New Build - Appropriation of Land	8,635	8,635	8,635	0	0	8,635	8,635	0	0
New Build - Shared Ownership	1,720	1,720	160	0	(1,560)	7,948	7,948	0	0
New Build - Supported Housing Provision	21,434	26,293	20,167	(1,768)	(4,358)	37,506	33,831	(3,675)	(3,675)
ICT	0	0	0	0	0	162	162	0	0
HRA General Capital Contingency	9,500	9,500	9,500	0	0	9,500	9,500	0	0
<b>Total Major Projects</b>	<b>62,707</b>	<b>68,793</b>	<b>55,696</b>	<b>(1,768)</b>	<b>(11,329)</b>	<b>96,369</b>	<b>92,694</b>	<b>(3,675)</b>	<b>(3,675)</b>
<b>Works to Stock</b>									
Works to stock programme	7,626	15,269	15,269	0	0	48,996	48,996	0	0
Major Adaptations to Property	1,092	1,834	1,834	0	0	6,720	6,720	0	0
<b>Total Works to Stock</b>	<b>8,718</b>	<b>17,103</b>	<b>17,103</b>	<b>0</b>	<b>0</b>	<b>55,716</b>	<b>55,716</b>	<b>0</b>	<b>0</b>
<b>Total HRA Capital</b>	<b>71,425</b>	<b>85,896</b>	<b>72,799</b>	<b>(1,768)</b>	<b>(11,329)</b>	<b>152,085</b>	<b>148,410</b>	<b>(3,675)</b>	<b>(3,675)</b>
<b>Movement on Month 5</b>	<b>0</b>	<b>0</b>	<b>(4,549)</b>	<b>0</b>	<b>(4,549)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Major Projects

138. The 2017/18 Major Projects programme revised budget is £68,793k and the forecast spend is £55,696k, with a forecast underspend of £1,768k and a re-phasing of £11,329k. It is proposed to utilise £5,195k of this rephasing to fund expediting fire risk assessment works and renewal of upgraded fire doors, which were already programmed, into the current

financial year and to fund further major adaptation in the current financial year as set out in recommendation 5 of the report.

### New General Needs Housing Stock

139. The 2017/18 General Needs Housing Stock budget is expected to be largely utilised. Of the £22,645k budget, £4,029k has been earmarked towards the purchase and repair of buy back properties. To date 9 buybacks have been approved with all but 1 acquisition having been completed.
140. There is a forecast re-phasing of £5,411k being reported across the General Needs programme, a £20k favourable movement on Month 5. The overall slippage is resulting from a number of approved developments not commencing construction to the expected project timescales.
141. Contractors have been appointed for all 3 elements of the housing programme. The building works with respect to the extensions and conversions are forecast to be complete by the end of December 2017. The new builds are expected to be delivered by September 2018.
142. Although approval has been obtained for the delivery of 19 units of General Needs Housing stock at Acol Crescent, a revised scheme is currently being reviewed leading to the project being rephased. A contractor is in the process of being appointed to demolish and secure the site prior to commencing development.
143. Lead Consultants and architects have been appointed for the three developments at Belmore allotments, Maple and Poplar Day Centre and Willow Tree. The employer's agents and appointed architects continue to work on finalising the design of the schemes.

### New Build - Appropriation of Land

144. New Build - Appropriation of Land, the £8,635k has been included for New Build appropriation of land for 2 sites at the former Belmore allotments and Maple / Poplar day centre.

### New Build - Shared Ownership

145. New Build Shared Ownership - the £1,720k set aside for the shared ownership budget is with respect to the developments currently being undertaken at the former Belmore Allotments and Maple / Poplar day centre. The schemes include the construction of 60 shared ownership units and the budget is to cover the costs of this element of the overall developments. The forecast spend is £160k, with a forecast re-phasing of £1,560k, an increased re-phasing of £42k compared to the Month 5 position. The schemes are being delivered concurrently with the General Needs units and as such are also behind schedule for the reasons noted in that section above.

### New Build - Supported Housing

146. The Supported Housing Programme comprises the build of 160 mixed client group units across three different sites. The development of 14 Supported Housing units at Acol Crescent has now been removed from the programme as there is no longer a requirement for the units. This has largely resulted in the forecast cost underspend of £3,675k being reported across the life of the programme, of which £1,768k is declared within the 2017/18 budget.

147. There has been an adverse re-phasing movement of £4,527k across the supported housing programme. The key areas relate to re-sequencing of non-critical path but large value items e.g. £1,500k for provisional sums (such as fixtures and fittings, substations, provision for utilities); £2,200k for groundworks, drainage, site works and external works; £700k for mechanical and electrical items; and other smaller items £127k.
148. Grassy Meadow and Parkview : The contractors continue to make progress on both sites. The topping out ceremony has taken place at Grassy Meadow and is due to take place shortly at Parkview.

#### HRA General Contingency

149. HRA General Contingency : A capital contingency of £9,500k is included within the HRA capital programme to ensure the Council retains sufficient flexibility to secure additional housing units where opportunities become available.

#### **Works to Stock**

150. The Works to Stock programme includes the delivery of safety works to sheltered housing schemes following fire risk assessments, which are in progress, a continuation of an on-going programme and the replacement of fire doors in all high-rise blocks. In addition further fire safety and improvement works at four high-rise blocks are now in progress. A nil variance is reported against the revised Works to Stock 2017/18 programme budget of £15,269k.
151. A 2017/18 virement of £,5195k from major projects general needs to works to stock is recommended in this report in order to progress remedial works of £3,695k identified following fire risk assessments on medium- and low-rise blocks (phase 1), £1,000k for replacement of fire doors and emergency lighting in high-rise blocks arising from fire risk assessments, and £500k for further major adaptations essential works. The major projects general needs budget will be replenished in future years from the works to stock budgets.
152. The major adaptations revised budget of £1,834k is forecast to be fully spent.

#### **HRA Capital Receipts**

153. There have been 34 Right to Buy sales of Council dwellings as at the end of September 2017 for a total gross sales value of £6m and a total of a further 51 sales are forecast to bring the yearly total to 85, totalling £13.5m in 2017/18.
154. The application of retained Right to Buy receipts is limited by the retention agreement to a maximum 30% of the cost of replacement housing. In the event that expenditure does not meet the criteria, funds would be payable to the DCLG.
155. During 2017/18, the £11,733k receipts generated in 2014/15 could potentially become repayable unless the following expenditure profile is achieved: Q1 £10,527k, Q2 £10,663k, Q3 £10,180k and Q4 £7,740k. Cumulative expenditure on 1 for 1 replacement from previous quarters above the minimum requirement can be carried forward. The cumulative spend requirement has been met for June 2017 and September 2017, which is Q1 and Q2 in 2017/18.

## Appendix D - GENERAL FUND CAPITAL PROGRAMME

156. As at Month 6 an under spend of £23,523k is reported on the £79,186k General Fund Capital Programme for 2017/18 due largely to slippage on project expenditure. The forecast outturn variance over the life of the 2017/18 to 2021/22 programme is an under spend of £419k.
157. General Fund Capital Receipts of £14,500k are forecast for 2017/18, with a shortfall of £3,153k in total forecast receipts to 2021/22.
158. Overall, Prudential Borrowing required to support the 2017/18 to 2021/22 capital programmes is forecast to be within budget by £9,043k. This is as a result of cost under spends of £419k and increases in grants and contributions of £11,777k due mainly to the confirmed Basic Needs grant allocation for 2019/20 being substantially higher than original budget estimates. However this is partly offset by a forecast shortfall of £3,153k in capital receipts.

### Capital Programme Overview

159. Table 19 below sets out the latest forecast outturn on General Fund capital projects, with project level detail contained in annexes A - D to this report. Forecasts for future years include capital projects and programmes of work approved by Cabinet and Council in February 2017.

**Table 19: General Fund Capital Programme Summary**

	Revised Budget 2017/18	Forecast 2017/18	Cost Variance Forecast vs Budget	Project Re-phasing	Total Project Budget 2017-2022	Total Project Forecast 2017-2022	Total Project Variance	Move-ment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Schools Programme	22,747	10,886	(100)	(11,761)	90,783	90,683	(100)	-
Self Financing Developments	300	150	-	(150)	27,619	27,619	-	-
Main Programme	26,396	18,658	(17)	(7,721)	86,088	86,071	(17)	-
Programme of Works	28,243	24,469	(302)	(3,472)	82,613	82,311	(302)	(50)
<b>Total Main Programme</b>	<b>77,686</b>	<b>54,163</b>	<b>(419)</b>	<b>(23,104)</b>	<b>287,103</b>	<b>286,684</b>	<b>(419)</b>	<b>(50)</b>
General Contingency	1,500	1,500	-	-	7,500	7,500	-	-
<b>Total Capital Programme</b>	<b>79,186</b>	<b>55,663</b>	<b>(419)</b>	<b>(23,104)</b>	<b>294,603</b>	<b>294,184</b>	<b>(419)</b>	<b>(50)</b>
<b>Movement</b>	<b>392</b>	<b>(1,289)</b>	<b>(50)</b>	<b>(1,631)</b>	<b>392</b>	<b>342</b>	<b>(50)</b>	

160. The revised budget has increased by £392k due to additional schools' contributions to the devolved formula capital programme.
161. The Schools Programme reports a re-phasing under spend in 2017/18 of £11,761k which is partly due to elements of the primary and secondary schools expansions programmes that are currently on hold. Construction works at two of the Primary Schools Phase 4 expansions sites have commenced for completion next year. Planned expansions at two Secondary school sites are in various stages of the planning approval process. An under spend of £100k is reported relating to unused contingency no longer required for the replacement of Northwood School.

162. The five year programme contains two major self financing developments which are in early stages. Design work has commenced on a large mixed tenure residential development at the former Belmore Allotments site with 30 units to be provided for private sale through the General Fund. A mixture of residential and leisure development is planned at Yiewsley.
163. The main programme reports a small cost under spend of £17k on completion of projects which commenced in the previous financial year. Slippage has increased to £7,721k on numerous projects and programmes that will not be completed by the end of this financial year. These include the New Theatre and Museum projects, Bessingby FC and Boxing Clubhouse refurbishment, Vehicle Replacement Programme and Youth Provision.
164. Programmes of Works are forecast to have cost under spends of £302k which relates mainly to Social Care equipment capitalisation and includes a further reduction of £50k on private sector renewal grants based on current activity levels. Slippage has increased to £3,472k on various existing programmes that will continue into next year, such as the Transport for London Local Implementation Plan and School Conditions, Corporate Technology and Innovation and Civic Centre programmes.
165. Recommendations 6 and 11 of this report set out proposals to utilise £2,101k of the slippage outlined in paragraphs 163 and 164 to fund additional investment in the Borough's roads and footways (£1,851k) and to fund initial costs relating to the relocation of the Hillingdon Outdoor Activity Centre from its current site near Harvil Road to a new site at Denham Quarry (£250k), pending the addition of this externally funded project to the capital programme as part of the MTFF report to Council.
166. There is an unallocated general contingency budget of £1,500k in 2017/18. A further £6,000k contingency funding over the period 2018-22 are forecast to be fully utilised as and when risk issues emerge.

### Capital Financing - General Fund

167. Table 20 below outlines the latest financing projections for the capital programme, with a favourable medium term variance of £9,043k reported on Prudential Borrowing, due mainly to an increase in grant funding over original budget estimates.

**Table 20: General Fund Capital Programme Financing Summary**

	Revised Budget 2017/18 £'000	Forecast 2017/18 £'000	Variance £'000	Total Financing Budget 2017-2022 £'000	Total Financing Forecast 2017-2022 £'000	Total Variance £'000	Movement £'000
Council Resource Requirement	59,046	36,805	(22,241)	213,069	200,873	(12,196)	(50)
Financed By:							
Capital Receipts	23,927	14,500	(9,427)	83,393	80,240	(3,153)	-
CIL	5,151	2,500	(2,651)	26,901	26,901	-	-
Prudential Borrowing	29,968	19,805	(10,163)	102,775	93,732	(9,043)	(50)
<b>Total Council Resources</b>	<b>59,046</b>	<b>36,805</b>	<b>(22,241)</b>	<b>213,069</b>	<b>200,873</b>	<b>(12,196)</b>	<b>(50)</b>
Grants & Contributions	20,140	18,858	(1,282)	81,534	93,311	11,777	-
<b>Total Programme</b>	<b>79,186</b>	<b>55,663</b>	<b>(23,523)</b>	<b>294,603</b>	<b>294,184</b>	<b>(419)</b>	<b>(50)</b>

168. The 2017/18 forecast is £9,427k below the revised budget due mainly to timing risk of completing several identified sales by the end of this financial year. The five year capital receipts forecast reports an under recovery of £3,153k which is due to a reduction in General Fund share of Right to Buy receipts. Forecast Right to Buy sales from 2017-2020 have been reduced by 95 from original budget estimates.
169. As at the end of September a total of £430k Community Infrastructure Levy (CIL) receipts (after administration fees) have been invoiced or received by the Council this financial year, a movement of £51k. The current year income forecast is an under recovery of £2,651k as there is increasing risk around the timing and level of receipts for existing planning applications. Budgeted eligible activity exceeds the CIL forecast with spend on Highways investment, community assets through the Chrysalis Programme and other major community infrastructure such as schools meeting the criteria for application of CIL monies.
170. Grants and contributions are £11,777k higher than the revised budget due mainly to the confirmed Basic Needs award for 2019/20 being £11,615k higher than the original budget estimate set before the announcement, although there remain £8,850k in assumed Basic Needs grant for the period 2020-22 that are not yet confirmed.
171. A favourable variance of £9,043k is reported on prudential borrowing due mainly to the increase in available grants and contributions noted above, partly offset by the forecast shortfall in capital receipts.

## ANNEX A - Schools Programme

Prior Year Cost	Project	2017/18 Revised Budget	2017/18 Forecast	2017/18 Cost Variance	Proposed Re-phasing	Total Project Budget 2017-2022	Total Project Forecast 2017-2022	Total Project Variance 2017-2022	Project Forecast Financed by:		
									Council Resources	Government Grants	Other Cont'ns
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	<b>Education and Children Services</b>										
136,966	Primary Schools Expansions	1,066	200	0	(866)	1,565	1,565	0	1,565	0	0
786	New Primary Schools Expansions	12,599	6,462	0	(6,137)	26,614	26,614	0	11,673	14,941	0
482	Secondary Schools Expansions	6,073	1,215	0	(4,858)	55,418	55,418	0	35,836	19,582	0
42,721	Secondary Schools New Build	2,997	2,997	(100)	100	3,574	3,474	(100)	1,097	2,377	0
187	Hearing Impaired Resource Base (Vyners)	12	12	0	0	12	12	0	12	0	0
0	Additional Temporary Classrooms	0	0	0	0	2,400	2,400	0	2,400	0	0
0	Schools SRP	0	0	0	0	1,200	1,200	0	1,200	0	0
<b>181,142</b>	<b>Total Schools Programme</b>	<b>22,747</b>	<b>10,886</b>	<b>(100)</b>	<b>(11,761)</b>	<b>90,783</b>	<b>90,683</b>	<b>(100)</b>	<b>53,783</b>	<b>36,900</b>	<b>0</b>

## ANNEX B - Self Financing Developments

Prior Year Cost	Project	2017/18 Revised Budget	2017/18 Forecast	2017/18 Cost Variance	Proposed Re-phasing	Total Project Budget 2017-2022	Total Project Forecast 2017-2022	Total Project Variance 2017-2022	Project Forecast Financed by:		
									Council Resources	Government Grants	Other Cont'ns
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	<b>Self Financing Developments</b>										
	<b>Finance, Property and Business Services</b>										
237	Yiewsley Site Development	300	150	0	(150)	23,014	23,014	0	23,014	0	0
0	Belmore Allotments Development	0	0	0	0	4,605	4,605	0	3,397	0	1,208
<b>237</b>	<b>Total Main Programme</b>	<b>300</b>	<b>150</b>	<b>0</b>	<b>(150)</b>	<b>27,619</b>	<b>27,619</b>	<b>0</b>	<b>26,411</b>	<b>0</b>	<b>1,208</b>

## ANNEX C - Main Programme

Prior Year Cost	Project	2017/18 Revised Budget £'000	2017/18 Forecast £'000	2017/18 Cost Variance £'000	Proposed Re-phasing £'000	Total Project Budget 2017-22 £000	Total Project Forecast 2017-22 £000	Total Project Variance 2017-22 £000	Project Forecast Financed by:		
									Council Resources £000	Government Grants £000	Other Cont'ns £000
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Community, Commerce and Regeneration</b>											
1,702	CCTV Enforcement (SKC's)	40	40	0	0	40	40	0	40	0	0
561	Gateway Hillingdon	2,377	2,377	0	0	2,590	2,590	0	2,590	0	0
4,897	Hayes Town Centre Improvements	1,770	1,770	0	0	4,372	4,372	0	342	2,504	1,526
224	Inspiring Shopfronts	397	397	0	0	471	471	0	447	0	24
15	Uxbridge Cemetery Gatehouse Chapel	672	50	0	(622)	985	985	0	985	0	0
100	Uxbridge Change of Heart	946	946	0	0	1,896	1,896	0	1,071	738	87
<b>Central Services, Culture and Heritage</b>											
883	Bowls Club Refurbishments	658	510	0	(148)	658	658	0	658	0	0
214	Haste Hill Golf Club	66	66	0	0	66	66	0	66	0	0
32,203	Hillingdon Sports & Leisure Centre	856	650	0	(206)	856	856	0	856	0	0
0	Ruislip Lido Railway Society Workshop	360	340	0	(20)	360	360	0	360	0	0
0	Mobile Library	117	117	0	0	117	117	0	117	0	0
<b>Finance, Property and Business Services</b>											
2,282	Battle of Britain Heritage Pride Project	3,405	3,405	0	0	3,705	3,705	0	3,705	0	0
29	Battle of Britain Underground Bunker	571	200	0	(371)	1,024	1,024	0	1,024	0	0
0	Bessingby FC and Boxing Clubhouse	1,300	180	0	(1,120)	1,370	1,370	0	1,370	0	0
0	Uniter Building Refurbishment	400	100	0	(300)	400	400	0	400	0	0
0	New Museum	1,280	100	0	(1,180)	5,632	5,632	0	4,882	0	750
0	New Theatre	1,000	100	0	(900)	44,000	44,000	0	42,950	0	1,050
0	Youth Provision	1,000	250	0	(750)	3,000	3,000	0	3,000	0	0
<b>Planning, Transportation and Recycling</b>											
57	Ruislip Lido Car Park Improvements	155	155	0	0	155	155	0	0	155	0
2,279	Cedars & Grainges Car Park	391	391	0	0	391	391	0	391	0	0
1,343	Harlington Road Depot Improvements	314	264	0	(50)	314	314	0	314	0	0
0	Purchase of Vehicles	1,390	600	0	(790)	3,390	3,390	0	3,390	0	0
0	RAGC Car Park	250	50	0	(200)	250	250	0	250	0	0
287	Street Lighting - Invest to Save	4,313	4,313	0	0	5,213	5,213	0	5,213	0	0
<b>Social Services, Housing, Health and Wellbeing</b>											
0	1 & 2 Merrimans Housing Project	620	50	0	(570)	620	620	0	620	0	0
47	Grassy Meadow Dementia Centre	0	0	0	0	2,465	2,465	0	2,465	0	0
<b>Cross Cabinet Member Portfolios</b>											
233	Environmental/ Recreational Initiatives	1,194	700	0	(494)	1,194	1,194	0	1,139	0	55
9,234	Projects Completing in 2017/18	554	537	(17)	0	554	537	(17)	537	0	0
<b>56,590</b>	<b>Total Main Programme</b>	<b>26,396</b>	<b>18,658</b>	<b>(17)</b>	<b>(7,721)</b>	<b>86,088</b>	<b>86,071</b>	<b>(17)</b>	<b>79,182</b>	<b>3,397</b>	<b>3,492</b>

## ANNEX D - Programme of Works

Prior Year Cost	Project	2017/18 Revised Budget	2017/18 Forecast	2017/18 Cost Variance	Forecast Re-phasing	Total Project Budget 2017-2022	Total Project Forecast 2017-2022	Total Project Variance 2017-2022	Project Forecast Financed by:		
									Council Resources	Government Grants	Other Cont'ns
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
N/A	Leaders Initiative	436	298	0	(138)	1,236	1,236	0	1,236	0	0
	<b>Community, Commerce and Regeneration</b>										
N/A	Chrysalis Programme	1,512	1,295	0	(217)	5,512	5,512	0	5,504	0	8
N/A	Playground Replacement Programme	250	125	0	(125)	1,000	1,000	0	1,000	0	0
	<b>Education and Children Services</b>										
N/A	Formula Devolved Capital to Schools	1,424	1,424	0	0	2,597	2,597	0	0	1,935	662
N/A	School Condition Building Programme	3,459	2,542	0	(917)	6,459	6,459	0	1,908	3,426	1,125
	<b>Finance, Property and Business Services</b>										
N/A	Civic Centre Works Programme	1,610	1,200	0	(410)	3,610	3,610	0	3,514	0	96
N/A	Corporate Technology and Innovation	1,221	1,000	0	(432)	5,077	5,077	0	5,077	0	0
N/A	Property Works Programme	738	738	0	0	2,658	2,658	0	2,658	0	0
N/A	<b>Planning, Transportation and Recycling</b>										
N/A	Highways Structural Works	5,518	5,518	0	0	9,518	9,518	0	9,518	0	0
N/A	Road Safety	150	150	0	0	750	750	0	750	0	0
N/A	Transport for London	7,923	6,492	(17)	(1,414)	24,702	24,685	(17)	0	24,305	380
	<b>Social Services, Housing, Health and Wellbeing</b>										
N/A	Disabled Facilities Grant	2,300	2,300	0	0	11,500	11,500	0	0	11,500	0
N/A	Adaptations for Adopted Children	17	17	0	0	17	17	0	17	0	0
N/A	PSRG / LPRG	225	100	(125)	0	1,125	1,000	(125)	1,000	0	0
N/A	Equipment Capitalisation - Adult Social Care	985	825	(160)	0	4,925	4,765	(160)	0	4,765	0
	<b>Cross Cabinet Member Portfolios</b>										
N/A	Section 106 Projects	112	82	0	(30)	112	112	0	0	0	112
N/A	Equipment Capitalisation - General	363	363	0	0	1,815	1,815	0	1,815	0	0
	<b>Total Programme of Works</b>	<b>28,243</b>	<b>24,469</b>	<b>(302)</b>	<b>(3,472)</b>	<b>82,613</b>	<b>82,311</b>	<b>(302)</b>	<b>33,997</b>	<b>45,931</b>	<b>0</b>
N/A	General Contingency	1,500	1,500	0	0	7,500	7,500	0	7,500	0	0
	<b>Total GF Capital Programme</b>	<b>79,186</b>	<b>55,663</b>	<b>(419)</b>	<b>(23,104)</b>	<b>294,603</b>	<b>294,184</b>	<b>(419)</b>	<b>200,873</b>	<b>86,228</b>	<b>7,083</b>

## Appendix E – Treasury Management Report as at 30 September 2017

**Table 21: Outstanding Deposits - Average Rate of Return on Deposits: 0.41%**

	Actual (£m)	Actual (%)	Benchmark (%)
Up to 1 Month	66.9	58.63	40.00
1-2 Months	2.0	1.76	5.00
2-3 Months	5.0	4.38	5.00
3-6 Months	30.0	26.29	30.00
6-9 Months	5.0	4.38	10.00
9-12 Months	0.0	0.00	5.00
12-18 Months	5.0	4.38	5.00
18-24 Months	0.0	0.00	0.00
<b>Subtotal</b>	<b>113.9</b>	<b>99.82</b>	<b>100.00</b>
Unpaid Maturities	0.2	0.18	0.00
<b>Grand Total</b>	<b>114.1</b>	<b>100.00</b>	<b>100.00</b>

172. With the exception of the unpaid Heritable investments, deposits are held with UK or overseas institutions, all of which hold a minimum A- Fitch (or lowest equivalent) long-term credit rating. UK deposits are currently held in AAA rated Money Market Funds, Pooled Funds, Blaenau Gwent CBC, Lancashire CC, Northumberland CC, Stockport BC, Walsall Metropolitan Council, Coventry Building Society, Nationwide Building Society, Goldman Sachs International, Lloyds Bank and Santander UK plc. An overseas deposit is held with DBS.
173. The Council aims to minimise its exposure to bail-in risk by utilising bail-in exempt instruments and institutions whenever possible. However, due to the significant amount held in instant access facilities needed to manage daily cashflows, it is not possible to fully protect Council funds from bail-in risk. Currently at the end of September, 62% of the Council's total funds have exposure to bail-in risk compared to a September benchmark average of 64% in the Local Authority sector (latest benchmark provided quarterly by the Council's treasury advisors Arlingclose). The Council's exposure reduces to 22% once instant access facilities are removed from the bail-in total.
174. To ensure liquidity was maintained during the month, surplus cash was mainly placed in instant access accounts, and when required, funds were withdrawn from instant access accounts. A short term deposit was placed with DBS Bank, as it yielded a higher rate than that offered on some instant access accounts. An overseas deposit held in Svenska Handelsbanken in a 35 Day Notice Account, which had been called in August was repaid during September.

**Table 22: Outstanding Debt - Average Interest Rate on Debt: 3.38%**

		Actual (£m)	Actual (%)
<b>General Fund</b>	PWLB	48.43	19.09
	Long-Term Market	15.00	5.91
<b>HRA</b>	PWLB	157.32	62.00
	Long-Term Market	33.00	13.00
	<b>Total</b>	<b>253.75</b>	<b>100.00</b>

175. There were three scheduled EIP debt repayments during September, two of which were for £0.75m and the other for £1m. Gilt yields went up during this month. However, premiums remained too high to make early repayment of debt feasible. There were no breaches of the prudential indicators or non-compliance with the treasury management policy and practices.
176. In order to maintain liquidity for day-to-day business operations during October, cash balances will be placed in instant access accounts. Looking forward, opportunities to place longer term deposits will be monitored.

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

177. 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 23: Consultancy and agency assignments**

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
<b>Residents Services</b>						
Licensing Officer	03/05/2016	30/10/2017	28/01/2018	55	9	64
Planning Officer	06/10/2014	02/10/2017	29/12/2017	239	24	263
Planning Enforcement Officer	03/10/2016	02/10/2017	29/12/2017	63	17	80
Major Application (PPA) Planner	16/01/2017	16/10/2017	14/01/2018	57	18	75
Compliance Officer - Dev & Assets	02/02/2017	16/10/2017	12/01/2018	76	28	104
Network Administrator	14/12/2015	02/10/2017	27/10/2017	67	3	70
Development Manager (Housing Zone)	12/04/2017	11/10/2017	05/01/2018	65	28	93
Principal Estates Surveyor	26/10/2015	16/10/2017	14/01/2018	156	24	180
Repairs Operations Manager	23/11/2015	29/08/2017	24/11/2017	154	27	181
Technical Manager M&E - Planned Works	24/10/2016	01/11/2017	03/01/2018	120	34	154
Building Control Surveyor	23/08/2012	22/10/2017	21/01/2018	168	8	175
Emergency Management & Response Manager	02/01/2017	30/10/2017	22/12/2017	58	11	69
Dev/Prog Manager - Capital	07/02/2016	30/10/2017	28/01/2018	116	24	140
DFG & Home Adaptations Surveyor	13/03/2017	30/10/2017	28/01/2018	57	29	86
<b>Social Care</b>						
Approved Mental Health Worker	01/06/2015	06/11/2017	31/12/2017	174	4	178
Approved Mental Health Worker	12/09/2015	06/11/2017	31/12/2017	159	5	164
Approved Mental Health Worker	01/03/2014	06/11/2017	01/11/2017	235	6	241
Lead Approved Mental Health Practitioner	01/06/2012	06/11/2017	31/12/2017	261	4	265
Approved Mental Health Worker	29/05/2016	06/11/2017	30/11/2017	101	6	107
Team Manager	26/06/2016	06/11/2017	31/12/2017	94	6	100
Care Worker	20/06/2015	06/11/2017	30/10/2017	51	0	51
Residential Care Worker	01/04/2012	06/11/2017	31/12/2017	151	2	153
Occupational Therapist	01/04/2015	06/11/2017	31/01/2018	177	5	182

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
Occupational Therapist	07/10/2013	06/11/2017	31/12/2017	256	5	261
Occupational Therapist	06/06/2016	06/11/2017	31/12/2017	100	5	105
Occupational Therapist	03/12/2015	06/11/2017	31/12/2017	128	5	133
Senior Social Worker	03/10/2016	06/11/2017	31/12/2017	67	5	72
Senior Social	01/02/2017	06/11/2017	31/12/2017	57	5	52
Senior Social Worker (MASH)	01/04/2013	06/11/2017	31/12/2017	57	6	63
Social Worker	01/04/2013	06/11/2017	31/12/2017	97	6	103
Social Worker	01/04/2013	06/11/2017	31/12/2017	81	6	87
Early Years Practitioner	06/10/2014	06/11/2017	03/12/2017	80	2	82
Receptionist/ Administrative Assistant	01/09/2014	06/11/2017	03/12/2017	73	1	74
Early Years Practitioner	23/02/2015	06/11/2017	03/12/2017	56	2	58
Early Years Practitioner	01/05/2015	06/11/2017	03/12/2017	134	2	136
Early Years Practitioner	24/02/2014	06/11/2017	03/12/2017	59	1	60
Early Years Practitioner	02/03/2015	06/11/2017	03/12/2017	72	2	74
Early Years Practitioner	12/01/2015	06/11/2017	03/12/2017	73	2	75
Special Needs Officer	05/01/2015	06/11/2017	31/03/2018	107	7	114
Special Needs Officer	01/12/2016	06/11/2017	31/03/2018	53	5	58
Child Protection Chair	20/07/2015	06/11/2017	31/12/2017	173	6	179
Child Protection Chair	01/07/2015	06/11/2017	31/12/2017	131	7	138
Independent Domestic Violence Advisor	12/01/2015	06/11/2017	31/12/2017	124	4	128
Practice Improvement Practitioner	08/05/2014	06/11/2017	31/12/2017	149	6	155
Social Worker	01/01/2013	06/11/2017	31/12/2017	294	6	300
Social Worker	07/11/2016	06/11/2017	31/12/2017	81	6	87
Social Worker	16/12/2016	06/11/2017	31/12/2017	60	6	66
Social Worker	07/11/2016	06/11/2017	31/12/2017	78	6	84
Social Worker	04/05/2015	06/11/2017	31/12/2017	138	5	143
Social Worker	13/04/2015	06/11/2017	31/12/2017	186	6	192
Senior Social Worker	30/04/2012	06/11/2017	31/12/2017	248	6	254
Social Worker	11/07/2016	06/11/2017	31/12/2017	85	6	91
Team Manager	27/03/2017	06/11/2017	31/12/2017	53	7	60
Social Worker	27/10/2016	06/11/2017	31/12/2017	74	6	80
Social Worker	06/06/2016	06/11/2017	31/12/2017	62	5	67
Social Worker	01/01/2013	06/11/2017	31/12/2017	281	6	287
Social Worker	26/09/2016	06/11/2017	31/12/2017	78	6	84
Social Worker	04/07/2016	06/11/2017	31/12/2017	98	6	104
Social Worker	03/07/2016	06/11/2017	31/12/2017	94	6	100
Advanced Practitioner	19/12/2011	06/11/2017	31/12/2017	326	6	332
Social Worker	07/11/2016	06/11/2017	31/12/2017	59	5	64
Social Worker	21/11/2016	06/11/2017	31/12/2017	70	6	76
Social Worker	19/06/2014	06/11/2017	31/12/2017	193	6	199
Social Worker	01/09/2016	06/11/2017	31/12/2017	89	6	95
Educational Psychologist	15/11/2015	06/11/2017	03/12/2017	188	7	195

<b>Post Title</b>	<b>Original Start Date</b>	<b>Approved From</b>	<b>Proposed End Date</b>	<b>Previous Approval £'000</b>	<b>Approved £'000</b>	<b>Total £'000</b>
Educational Psychologist	01/03/2016	06/11/2017	03/12/2017	184	12	196
Educational Psychologist	16/10/2016	06/11/2017	03/12/2017	50	3	53
Educational Psychologist	15/08/2016	06/11/2017	03/12/2017	63	7	90
Educational Psychologist	24/01/2017	06/11/2017	03/12/2017	49	2	51
Placement Officer	18/03/2016	06/11/2017	31/12/2017	89	4	90
Social Worker	04/05/2015	06/11/2017	31/12/2017	148	6	154
Social Worker	26/08/2016	06/11/2017	31/12/2017	78	5	83
Social Worker	28/03/2016	06/11/2017	31/12/2017	103	5	108
Senior Social Worker	07/11/2016	06/11/2017	31/12/2017	56	6	62
Social Worker	13/11/2016	06/11/2017	31/12/2017	69	6	75
Social Worker	21/08/2016	06/11/2017	31/12/2017	88	6	94
Social Worker	05/09/2014	06/11/2017	31/12/2017	247	6	253
Social Worker	01/08/2015	06/11/2017	31/12/2017	127	6	133
Senior Social Worker	21/11/2017	06/11/2017	31/12/2017	65	6	71
Social Worker	11/08/2014	06/11/2017	31/12/2017	254	6	260
Case Progression Manager	07/04/2014	06/11/2017	31/12/2017	322	8	330
Senior Social Worker	05/10/2015	06/11/2017	31/12/2017	96	6	102

## Appendix G – Fees & Charges at Heathrow Imported Food Unit

178. The following minor amendments to fees & charges are proposed further to proposals contained in Appendix 8 to the budget report to February Cabinet. All changes are proposed to align fees with those charged by other UK airports to ensure continuing full cost recovery.

### Products of Animal Origin\* - (Except those from New Zealand). Realignment of fees

Type of Fee / Charge	Current Charge (£)	New Proposed Charge (£)	Percentage Change
0 to 100kg per CVED	£50	£56	11.20%
101 to 1,000kg per CVED	£90	£110	22.56%
1,001 to 5,000kg CVED	£140	£166	18.50%
Destruction	£10	£20	100%
Lack of Pre-notification	£0	£65	100%

\*POAO

### Catch Certificates - Change to banding of fees and charges

Type of Fee / Charge	Current Charge (£)	New Proposed Charge (£)	Percentage Change
Bilateral Countries	£15 minimum fee	1-5 certificates £20	NA
		6-10 certificates £36.40	NA
		11 - 20 certificates £46.80	NA

### Products Not of Animal Origin. Proposed introduction of new fees.

Type of Fee / Charge	Current Charge (£)	New Proposed Charge (£)	Percentage Change
Destruction	£0	£20 plus £0.68 per kg	100%
Lack of Pre-notification	£0	£65	100%

\*PNAO = Products Not of Animal Origin

\*POAO = Products of Animal Origin

Out Of Hours (OOH) - Harmonisation of all OOH fees and charges

<b>Type of Fee / Charge</b>	<b>Current Charge (£)</b>	<b>New Proposed Charge (£)</b>	<b>Percentage Change (%)</b>
Additional charge per CVED* & CED* on UK Bank Holidays	£20 flat fee	£150 Up to midnight (08:00 to 00:00). £400 After midnight (00:00 to 08:00).	NA
OOH POAO (Monday - Friday)	£150 Up to midnight ( <b>18:00</b> to 00:00). £400 After midnight (00:00 to 08:00).	£150 Up to midnight ( <b>17:30</b> to 00:00). £400 After midnight (00:00 to 08:00).	0%
OOH POAO (Weekends)	£150 Up to midnight ( <b>18:00</b> to 00:00). £400 After midnight (00:00 to 08:00).	£150 Up to midnight ( <b>15:00</b> to 00:00). £400 After midnight (00:00 to 08:00).	0%
OOH PNAO (Weekends)	£150 Up to midnight ( <b>17:30</b> to 00:00). £400 After midnight (00:00 to 08:00).	£150 Up to midnight ( <b>15:00</b> to 00:00). £400 After midnight (00:00 to 08:00).	0%

\*CVED = Common Veterinary Entry Document (POAO)

\*CED = Common Entry Document (PNAO)