

# COUNCIL BUDGET - 2017/18 MONTH 7

## REVENUE AND CAPITAL BUDGET MONITORING

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

### HEADLINE INFORMATION

<b>Purpose of report</b>	<p>This report provides the Council's forecast financial position and performance against the 2017/18 revenue budget and Capital Programme.</p> <p>A net in-year underspend of £980k is projected against 2017/18 General Fund revenue budgets as of October 2017 (Month 7) representing an improvement of £81k 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>Contribution to our plans and strategies</b>	<p><b>Putting our Residents First: <i>Financial Management</i></b></p> <p>Achieving Value for Money is an important element of the Council's Medium Term Financial Plan.</p>
<b>Financial Cost</b>	N/A
<b>Relevant Policy Overview Committee</b>	Corporate Services and Partnerships
<b>Ward(s) affected</b>	All

### RECOMMENDATIONS

That Cabinet:

1. Note the forecast budget position as at October 2017 (Month 7).
2. Note the Treasury Management update as at October 2017 at Appendix E.
3. Continue the delegated authority up until the January 2018 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 16 November 2017 and 14 December 2017 Cabinet meetings, detailed at Appendix F.

4. Approve the re-phasing of £7,200k from the 2017/18 HRA capital major projects programme budget into later years.
5. Approves re-phasing of £16,925k capital expenditure and associated financing budgets into later years of the capital programme.
6. Approve virements from the general contingency capital budget to the Battle of Britain Heritage Pride Project (£449k) and Property Works Programme (£151k) for projects at Uxbridge Mortuary and Whiteheath Farm.
7. Approve acceptance of gift funding in relation to a Planning Performance Agreement on the following major development in accordance with the provisions of Section 93 of the Local Government Act 2003:
  - a. Malt House, 281 Field End Road, Eastcote (£15,000)
8. Approve a £20,000k grant award to the Willow Tree Centre to enable refurbishment works to the kitchen and disabled bathroom from Unallocated Priority Growth.
9. Delegate full authority to the Leader of the Council and Cabinet Member for Finance, Property and Business Services, in consultation with the Deputy Chief Executive and Corporate Director of Residents Services, to progress the relocation of the Hillingdon Outdoor Activity Centre, including all necessary project, land, procurement and financial decisions, reporting back to Cabinet as required and for public information purposes.

## 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. There are several sites within the approved 2017/18 major projects housing programme that are in various stages of development and the proposed re-phasing of £7,200k in **Recommendation 4** reflects revised profiling of expenditure to complete these projects in future years.
4. In the Month 6 budget monitoring Cabinet report a forecast underspend of £23,523k was reported on the capital programme for the current financial year of which £23,104k was projected re-phasing on existing schemes. After reallocating uncommitted funding in respect of virements approved by Cabinet in Month 6 it is proposed to re-phase £16,925k expenditure budgets and associated financing on schemes excluding Programmes of Works as laid out in **Recommendation 5**. This is in order to reflect revised expenditure profiles on various projects that will be completed in future years.
5. During the construction of the new Battle of Britain Heritage Pride Visitors Centre a number of additional enhancements to the exhibition and flooring have been identified totalling £449k which were outside the scope of the original budget. In addition the Property Works Programme budget is fully committed to existing schemes and funding of £151k is required for two new schemes (Uxbridge Mortuary ventilation system and Whiteheath Farm milking parlour roof replacement) to be added to this programme. **Recommendation 6** proposes

virements are approved to reflect this. There are currently £1,468k remaining general capital contingency funds available for these proposed virements.

6. Gift funding has been offered by developers which if accepted by Cabinet will be utilised to fund dedicated staff to expedite their proposals and enter into dialogue to resolve all outstanding matters on the development proposal. **Recommendation 7** seeks authority from Cabinet to approve the acceptance of this sum in relation to Planning Performance Agreements.
7. **Recommendation 8** seeks authority to award a grant of £20,000 to the Willow Tree Centre, Ruislip to supplement monies already raised through fundraising to upgrade to disabled bathroom from the remaining £254k of Unallocated Priority Growth in 2017/18 budgets. The Willow Tree Centre is a Residential, Camp Site, Training and Outdoor Centre that forms part of Girl Guiding Middlesex North West.
8. In order to progress the relocation of the Hillingdon Outdoor Activity Centre, **Recommendation 9** seeks to provide the necessary delegated authority to progress the Project responsively given the timescales involved in delivery. The Council will lead on the project whilst funding for it will be from HS2 Ltd. Cabinet in November agreed to allocate an initial £250k to enable initial feasibility works.

#### **Alternative options considered**

9. There are no other options proposed for consideration.

## SUMMARY

### REVENUE

10. At Month 7 an underspend of £980k is projected against General Fund revenue budgets, with underspends against both Directorate and Corporate Operating Budgets continuing to be offset by a pressure on Development and Risk Contingency. 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.
11. 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.
12. 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 £38,772k at 31 March 2018, an increase of £34k from the opening 2017/18 balance.
13. The 2017/18 revenue budget contains savings of £15,508k. £10,000k of savings are banked in full at Month 7 and £4,460k on track for delivery, with the remaining £1,048k reported as 'amber' primarily due to being at an early stage of delivery and are expected to be ultimately banked in full. £1,069k of savings have been promoted from 'amber' and 'green' to banked since Month 6, demonstrating continuing progress in the delivery of the 2017/18 savings programme.
14. 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.
15. An in-year deficit of £1,675k is projected against the Schools Budget at Month 7, continuing the trend of the growing cost of funding placements for High Needs children. This increases the cumulative deficit to £2,811k, which is expected to be funded from the 2018/19 Dedicated Schools Grant and therefore not impact upon the General Fund position.

### CAPITAL

16. The projected underspend against the General Fund Capital Programme for 2017/18 has increased to £25,662k due largely to re-phasing of project expenditure. The forecast outturn variance over the life of the 2017/18 to 2021/22 programme is an underspend of £437k. 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.
17. Prudential Borrowing required to support the 2017/18 to 2021/22 capital programme is forecast to be within budget by £6,249k. This is as a result of cost underspends of £437k and increases in grants and contributions of £12,366k, 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 £6,554k in capital receipts.

## FURTHER INFORMATION

### General Fund Revenue Budget

18. An underspend of £980k is reported across normal operating activities at Month 7. This underspend is driven by underspends of £748k and £415k against Directorate and Corporate Operating Budgets, respectively, being off-set by a pressure across Development & Risk Contingency items of £183k.
19. 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.
20. 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.
21. The Council's General Fund revenue budget contains £15,508k savings, with £14,460k either banked or on track for delivery at Month 7, an improvement of £266k from Month 6. 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 7		Variance (As at Month 7) £'000	Variance (As at Month 6) £'000	Movement from Month 6 £'000
			Revised Budget £'000	Forecast Outturn £'000			
194,079	12,194	Directorate Operating Budgets	206,273	205,525	(748)	(643)	(105)
1,495	2,346	Corporate Operating Budgets	3,841	3,426	(415)	(405)	(10)
19,216	(10,656)	Development & Risk Contingency	8,560	8,743	183	149	34
454	0	Priority Growth	454	454	0	0	0
5,451	(3,884)	Unallocated Budget Items	1,567	1,567	0	0	0
<b>220,695</b>	<b>0</b>	<b>Sub-total Normal Activities</b>	<b>220,695</b>	<b>219,715</b>	<b>(980)</b>	<b>(899)</b>	<b>(81)</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>215,661</b>	<b>(980)</b>	<b>(899)</b>	<b>(81)</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>(34)</b>	<b>(980)</b>	<b>(899)</b>	<b>(81)</b>
(38,738)	0	Balances b/fwd	(38,738)	(38,738)			
<b>(33,738)</b>	<b>(4,054)</b>	<b>Balances c/fwd 31 March 2018</b>	<b>(37,792)</b>	<b>(38,772)</b>			

22. General Fund Balances are expected to total £38,772k as a result of the forecast position detailed above, from an opening 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 (£748k underspend, £105k improvement)

23. Table 2 provides an overview of the forecast outturn on Directorate Operating Budgets as at Month 7. Further detail for each directorate is contained within Appendix A to this report.
24. 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 £4,342k 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 7		Variance (As at Month 7)	Variance (As at Month 6)	Movement from Month 6
			Revised Budget	Forecast Outturn			
£'000	£'000		£'000	£'000	£'000	£'000	£'000
7,141	250	Chief Executive's Office	7,391	7,406	15	21	(6)
(1,103)	32		(1,071)	(1,087)	(16)	(25)	9
<b>6,038</b>	<b>282</b>		<b>6,320</b>	<b>6,319</b>	<b>(1)</b>	<b>(4)</b>	<b>3</b>
16,640	903	Finance	17,543	17,490	(53)	(53)	0
(3,517)	139		(3,378)	(3,618)	(240)	(213)	(27)
<b>13,123</b>	<b>1,042</b>		<b>14,165</b>	<b>13,872</b>	<b>(293)</b>	<b>(266)</b>	<b>(27)</b>
109,841	4,149	Residents Services	113,990	114,916	926	834	92
(36,991)	(4,589)		(41,580)	(42,816)	(1,236)	(1,111)	(125)
<b>72,850</b>	<b>(440)</b>		<b>72,410</b>	<b>72,100</b>	<b>(310)</b>	<b>(277)</b>	<b>(33)</b>
129,618	12,498	Social Care	142,116	141,782	(334)	(414)	80
(27,550)	(1,188)		(28,738)	(28,548)	190	318	(128)
<b>102,068</b>	<b>11,310</b>		<b>113,378</b>	<b>113,234</b>	<b>(144)</b>	<b>(96)</b>	<b>(48)</b>
<b>194,079</b>	<b>12,194</b>	<b>Total Directorate Operating Budgets</b>	<b>206,273</b>	<b>205,525</b>	<b>(748)</b>	<b>(643)</b>	<b>(105)</b>

25. The Chief Executive's Office is projecting an underspend of £1k at Month 7, a movement of £3k from the previously reported position. Across the Finance Directorate a £293k underspend is forecast, which represents a £27k improvement from Month 6, mainly driven by a reduction in external legal spend assumptions within Procurement. 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.

26. The projected Residents Services position at Month 7 is a £310k underspend, a £33k improvement on the previous month, due to a number of compensatory variances across the directorate. These movements include an anticipated reduction in CIL income, delays in recruitment within Administrative, Technical & Business Services, additional agency spend in Highways and minor variances across Green Spaces. Within the headline £310k underspend, a combination of staffing underspends totalling £1,163k 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.
27. Month 7 Forecasts across the Social Care directorate result in an underspend of £144k, an improvement of £48k from the previously reported position. This favourable movement is largely due to an improvement in the projected income expected from external organisations being in part off-set by various compensatory staffing variances across the directorate and an increase in the cost of Occupational Therapy assessments within the Older People's Service. The total £144k underspend is largely as a result of underspends across workforce budgets off-set by the increased cost of agency social workers and reduced income from the DSG for the Educational Psychology Service.

### Progress on Savings

28. The Council's 2017/18 General Fund revenue budget contains £15,508k savings, with all prior year savings delivered in full during 2016/17. £14,460k savings are reported as banked or on track for delivery at Month 6, with the remaining £1,048k 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	(1,025)	(4,336)	(4,441)	(198)	<b>(10,000)</b>	<b>64.5%</b>
G On track for delivery	(52)	(1,304)	(2,288)	(816)	<b>(4,460)</b>	<b>28.8%</b>
A Potential significant savings shortfall or a significant or risky project which is at an early stage;	0	(563)	(385)	(100)	<b>(1,048)</b>	<b>6.8%</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 (£415k underspend, £10k improvement)

29. 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.
30. An underspend of £401k is reported across Interest and Investment Income as a result of deferral of external borrowing and an improved outlook for investment income. Within Levies and Other Corporate Budgets, a £10k favourable movement due to reduced uptake of the Council Tax Older People's Discount supplements the previously reported compensatory variances on New Homes Bonus Refund grant and the West London District Coroners Services.
31. While there has been no material movement in the net impact of Housing Benefit Subsidy upon the Council's financial position, levels of benefit payments and associated subsidy income from the Department of Work and Pensions continue to exceed original estimates which were based upon DWP projections for claimant numbers.

**Table 4: Corporate Operating Budgets**

Original Budget	Budget Changes	Service	Month 7		Variance (As at Month 7)	Variance (As at Month 6)	Movement from Month 6	
			Revised Budget	Forecast Outturn				
£'000	£'000		£'000	£'000	£'000	£'000	£'000	
0	0	Interest and Investment Income	Salaries	0	0	0	0	0
5,259	0		Non-Sal Exp	5,259	4,899	(360)	(360)	0
(104)	0		Income	(104)	(145)	(41)	(41)	0
<b>5,155</b>	<b>0</b>		<b>Sub-Total</b>	<b>5,155</b>	<b>4,754</b>	<b>(401)</b>	<b>(401)</b>	<b>0</b>
450	0	Levies and Other Corporate Budgets	Salaries	450	450	0	0	0
11,237	28		Non-Sal Exp	11,265	11,356	91	101	(10)
(14,788)	2,468		Income	(12,320)	(12,426)	(106)	(106)	0
<b>(3,101)</b>	<b>2,496</b>		<b>Sub-Total</b>	<b>(605)</b>	<b>(620)</b>	<b>(15)</b>	<b>(5)</b>	<b>(10)</b>
0	0	Housing Benefit Subsidy	Salaries	0	0	0	0	0
144,372	(1,419)		Non-Sal Exp	142,953	146,957	4,004	1,269	2,735
(144,931)	1,269		Income	(143,662)	(147,665)	(4,003)	(1,268)	(2,735)
<b>(559)</b>	<b>(150)</b>		<b>Sub-Total</b>	<b>(709)</b>	<b>(708)</b>	<b>1</b>	<b>1</b>	<b>0</b>
<b>1,495</b>	<b>2,346</b>	<b>Total Corporate Operating Budgets</b>		<b>3,841</b>	<b>3,426</b>	<b>(415)</b>	<b>(405)</b>	<b>(10)</b>

## Development & Risk Contingency (£183k overspend, £34k 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. £10,656k of this budget was released into base budgets during Month 7 to reflect growth which is no longer contingent. 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 £'000	Budget Changes £'000	Service		Month 7		Variance (As at Month 7) £'000	Variance (As at Month 6) £'000	Movement from Month 6 £'000
				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	(2,728)		Waste Disposal Levy & Associated Contracts	794	485	(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	322	0
5,298	(5,038)		Demographic Growth - Looked After Children	260	1,243	983	994	(11)
277	0		Social Worker Agency Contingency	277	277	0	0	0
184	0		SEN transport - Contingency	184	251	67	0	67
2,910	(1,699)		Demographic Growth - Transitional Children	1,211	1,007	(204)	(138)	(66)
785	(432)		Demographic Growth - Adults	353	0	(353)	(371)	18
197	0		Winterbourne View	197	50	(147)	(147)	0
759	(759)		Deprivation of Liberty Safeguards	0	0	0	(26)	26
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>(10,656)</b>	<b>Total Development &amp; Risk Contingency</b>		<b>8,560</b>	<b>8,743</b>	<b>183</b>	<b>149</b>	<b>34</b>

33. The contingency provision for homelessness continues to be required in full at Month 7. This month has seen the anticipated reduction of households in high-cost B&B materialise, which is in line with MTFE assumptions. 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 continues to remain consistent with budget assumptions.
35. The projected drawdown from the Asylum contingency remains at £1,970k, a £322k pressure. This remains 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. A pressure of £983k is reported against the Looked After Children contingency item, a marginal improvement of £11k from Month 6. The service has seen a number of children placed in Residential placements during Month 7, which has slightly increased the cost of placements, however this has been off-set by an improved position in the cost of providing support for Children with Disabilities, following the implementation of a review of placements, particularly those which are high cost.

37. An adverse movement of £67k is reported against the SEN Transport contingency item due to continued growth in the Special Educational Need children population.
38. The contingency requirement for Transitional Children is forecast to be £204k lower than the budgeted £1,211k, a £66k improvement from Month 6. This 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.
39. No drawdown is anticipated from the Adults Placements contingency, which results in the £353k underspend. The adverse movement reported against the DoLS contingency item is due to the budget being vired into the Social Care base budget and as such any variance in this service will be captured within the Learning Disability and Mental Health Service.
40. 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

41. 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. £158k of projects have been approved for funding from HIP resources, leaving £996k 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 7 although this report includes a recommendation for release of £20k.

**Table 6: Priority Growth**

Original Budget	Budget Changes	Priority Growth	Month 7		
			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	158	(796)
254	0	Unallocated Priority Growth	254	0	(254)
<b>454</b>	<b>954</b>	<b>Total Priority Growth</b>	<b>1,408</b>	<b>158</b>	<b>(1,250)</b>

### Schools Budget

42. An in-year overspend of £1,675k is projected against the Dedicated Schools Grant in 2017/18, bringing the brought forward deficit on the centrally retained reserve to £2,811k. This position reflects pressures of £2,175k 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

43. No movement is reported against the Collection Fund at Month 6, where a surplus of £2,602k for 2017/18 continues to be reported. 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.
44. The combined surplus of £2,602k is expected to be available for release to the General Fund in 2018/19 and is reflected in the Council's draft 2018/19 budget.

## Housing Revenue Account

45. The Housing Revenue Account (HRA) is currently forecasting an underspend of £1,314k against the budgeted deficit of £11,664k, an improvement of £482k from Month 6 and results in a projected closing HRA General Balance of £35,476k. 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.
46. As at Month 7, 40 properties have been sold under Right to Buy, with a further 55 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

47. Appendix D to this report outlines the forecast outturn on the 2017/18 to 2021/22 Capital Programme, with a £437k underspend projected over the five year programme. Prudential Borrowing required to support the Council's Capital Programme is projected to be £6,249k lower than the £102,775k revised budget, primarily as a result of a £12,366k favourable variance on Government Grants being off-set by a £6,554k 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 £340k per annum.
48. 2017/18 capital expenditure is projected to be £25,662k 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 (£1k underspend, £3k adverse movement)

50. The overall position for the Chief Executive's Office at Month 7 is an underspend of £1k, an adverse movement of £3k on Month 6. This includes covering a Managed Vacancy Factor (MVF) saving of £154k 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 7		Variance (As at Month 7) £'000	Variance (As at Month 6) £'000	Movement from Month 6 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
1,466	22	Democratic Services	Salaries	1,488	1,494	6	3	3
1,669	26		Non-Sal Exp	1,695	1,707	12	17	(5)
(596)	(58)		Income	(654)	(632)	22	13	9
<b>2,539</b>	<b>(10)</b>		<b>Sub-Total</b>	<b>2,529</b>	<b>2,569</b>	<b>40</b>	<b>33</b>	<b>7</b>
2,001	(101)	Human Resources	Salaries	1,900	1,923	23	22	1
89	234		Non-Sal Exp	323	284	(39)	(38)	(1)
(247)	90		Income	(157)	(175)	(18)	(18)	0
<b>1,843</b>	<b>223</b>		<b>Sub-Total</b>	<b>2,066</b>	<b>2,032</b>	<b>(34)</b>	<b>(34)</b>	<b>0</b>
1,833	69	Legal Services	Salaries	1,902	1,924	22	26	(4)
83	0		Non-Sal Exp	83	74	(9)	(9)	0
(260)	0		Income	(260)	(280)	(20)	(20)	0
<b>1,656</b>	<b>69</b>		<b>Sub-Total</b>	<b>1,725</b>	<b>1,718</b>	<b>(7)</b>	<b>(3)</b>	<b>(4)</b>
5,300	(10)	Chief Executive's Office Directorate	Salaries	5,290	5,341	51	51	0
1,841	260		Non-Sal Exp	2,101	2,065	(36)	(30)	(6)
(1,103)	32		Income	(1,071)	(1,087)	(16)	(25)	9
<b>6,038</b>	<b>282</b>		<b>Total</b>	<b>6,320</b>	<b>6,319</b>	<b>(1)</b>	<b>(4)</b>	<b>3</b>

### Democratic Services (£40k overspend, £7k adverse movement)

51. An adverse movement of £7k is reported in Democratic Services from Month 6, mainly as a result of continuing income pressures, with a reduced demand for Citizenship Ceremonies and Nationality Checking activities. A reduction in Nationality Checking income is partly mitigated by a vacant post to provide the function, although revised staffing assumptions across the service are delivering the net adverse salaries movement.

### Human Resources (£34k underspend, nil movement)

52. Human Resources is reporting an underspend of £34k at Month 7, nil movement from the position at Month 6. A forecast pressure on salaries 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 captured as part Zero Based Reviews for 2018/19.

## **Legal Services (£7k underspend, £4k improvement)**

53. At Month 7, Legal Services is reporting an underspend of £7k, representing a small improvement of £4k on the month due to revised staffing assumptions. No other changes are reported within the service, however, income continues to be monitored closely with a forecast overachievement of £20k primarily resulting from increased legal fees relating to planning work.
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 7 £198k has been banked with the remaining £361k marked as on track for delivery. Up to Month 7, 19 Apprentice posts have been appointed to, with a further 25 posts in recruitment stages.

## FINANCE (£293k underspend, £27k improvement)

55. The Finance Group is reporting an underspend of £293k at Month 7, an improvement of £27k on the position at Month 6, and includes covering a Managed Vacancy Factor of £376k.

**Table 8: Finance Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service		Month 7		Variance (As at Month 7) £'000	Variance (As at Month 6) £'000	Movement from Month 6 £'000
				Revised Budget £'000	Forecast Outturn £'000			
942	869	Business Assurance	Salaries	1,811	1,786	(25)	(38)	13
1,404	42		Non-Sal Exp	1,446	1,443	(3)	9	(12)
(659)	0		Income	(659)	(641)	18	21	(3)
<b>1,687</b>	<b>911</b>		<b>Sub-Total</b>	<b>2,598</b>	<b>2,588</b>	<b>(10)</b>	<b>(8)</b>	<b>(2)</b>
1,608	0	Procurement	Salaries	1,608	1,580	(28)	(26)	(2)
75	0		Non-Sal Exp	75	78	3	17	(14)
(31)	0		Income	(31)	(35)	(4)	(4)	0
<b>1,652</b>	<b>0</b>		<b>Sub-Total</b>	<b>1,652</b>	<b>1,623</b>	<b>(29)</b>	<b>(13)</b>	<b>(16)</b>
3,127	527	Corporate Finance	Salaries	3,654	3,524	(130)	(132)	2
(7)	2,030		Non-Sal Exp	2,023	2,022	(1)	(1)	0
(127)	(46)		Income	(173)	(178)	(5)	(3)	(2)
<b>2,993</b>	<b>2,511</b>		<b>Sub-Total</b>	<b>5,504</b>	<b>5,368</b>	<b>(136)</b>	<b>(136)</b>	<b>0</b>
4,382	(30)	Revenues & Benefits	Salaries	4,352	4,542	190	180	10
1,841	0		Non-Sal Exp	1,841	1,811	(30)	(33)	3
(2,360)	150		Income	(2,210)	(2,458)	(248)	(226)	(22)
<b>3,863</b>	<b>120</b>		<b>Sub-Total</b>	<b>3,983</b>	<b>3,895</b>	<b>(88)</b>	<b>(79)</b>	<b>(9)</b>
1,034	(531)	Pensions, Treasury & Statutory Accounting	Salaries	503	472	(31)	(31)	0
2,234	(2,004)		Non-Sal Exp	230	232	2	2	0
(340)	35		Income	(305)	(306)	(1)	(1)	0
<b>2,928</b>	<b>(2,500)</b>		<b>Sub-Total</b>	<b>428</b>	<b>398</b>	<b>(30)</b>	<b>(30)</b>	<b>0</b>
11,093	835	Finance Directorate	Salaries	11,928	11,904	(24)	(47)	23
5,547	68		Non-Sal Exp	5,615	5,586	(29)	(6)	(23)
(3,517)	139		Income	(3,378)	(3,618)	(240)	(213)	(27)
<b>13,123</b>	<b>1,042</b>		<b>Total</b>	<b>14,165</b>	<b>13,872</b>	<b>(293)</b>	<b>(266)</b>	<b>(27)</b>

## Business Assurance (£10k underspend, £2k improvement)

56. Business Assurance is projecting an underspend at Month 7 of £10k, an improvement of £2k on the month. Mitigating movement across subjective expenditure headings reflects increased staffing costs, with an earlier than anticipated start date for a newly appointed Counter Fraud Manager post offset against reduced external legal spend estimates. A minor improvement is reported against income, however, an £18k pressure remains in the service primarily as a result of a reduction in the demand for fee earning Health and Safety courses.

## Procurement (£29k underspend, £16k improvement)

57. The service is reporting an underspend of £29k at Month 7, an improvement of £16k on the month, primarily due to revised external legal spend assumptions. The overall underspend, which includes covering an MVF of £48k, is a result of favourable staffing variances with maternity leave in the service being managed within existing resources, part year vacancies as the newly established structure has been finalised and reduced working hours for an employee. The overachievement of income reflects rebates against pcard expenditure achieved in Month 6.

**Corporate Finance (£136k underspend, nil movement)**

58. Corporate Finance is reporting an underspend of £136k as at Month 7, representing nil movement on the month. A small increase in income is reported against S46 Receivership Fees, although this is offset against a minor adverse staffing movement. Staffing underspends reflect part year vacancies and implementation of the Finance BID review phase 1.

**Revenues & Benefits (£88k underspend, £9k improvement)**

59. Revenues and Benefits is reporting an improvement of £9k on the month, principally due to additional grant awards supporting Housing Benefit Real Time Information initiatives. Staffing pressures reflect the cost of agency workers employed on a performance based scheme which aims to cut down fraud and reduce errors in Housing Benefit claims, funded directly from grant monies. A favourable non staffing position reflects lower than anticipated print costs within revenues administration activities.

**Pensions, Treasury & Statutory Accounting (£30k underspend, nil movement)**

60. Pensions, Treasury and Statutory Accounting is reporting an underspend of £30k, nil movement from the Month 6 position. The underspend is primarily due a post vacancy held within the team, currently covered by a financial management trainee as part of the graduate rotation scheme across Finance.
61. At Month 7, £804k (94%) of the £856k savings proposed as part of the MTF 2017/18 are classed as banked, with the remaining £52k 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 7		Variance (As at Month 7)	Variance (As at Month 6)	Movement from Month 6
			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. The contingency budget for Uninsured Claims is forecast to breakeven at Month 7, reporting no movement from the position at Month 6. Contingency, along with base budget of £359k held in Business Assurance, is expected to fully cover the cost of General Fund claim payments below insurance deductible levels. Expenditure variances beyond this level will be managed from existing Insurance reserves.

**RESIDENTS SERVICES (£310k underspend, £33k favourable movement)**

63. Residents Services directorate is showing a projected outturn underspend of £310k at Month 7, excluding pressure areas that have identified contingency provisions.

**Table 10: Residents Services Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service	Month 7		Variance (As at Month 7) £'000	Variance (As at Month 6) £'000	Movement from Month 6 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
15,219	(221)	Infrastructure, Waste and ICT	Salaries	14,998	14,810	(188)	(154)	(34)
31,833	2,813		Non-Sal	34,646	35,073	427	390	37
(9,790)	(2)		Exp	(9,792)	(10,090)	(298)	(251)	(47)
<b>37,262</b>	<b>2,590</b>		<b>Income</b>	<b>39,852</b>	<b>39,793</b>	<b>(59)</b>	<b>(15)</b>	<b>(44)</b>
16,922	(1,010)	Housing, Environment, Education, Health & Wellbeing	Salaries	15,912	15,636	(276)	(225)	(51)
23,024	178		Non-Sal	23,202	24,231	1,029	985	44
(16,874)	(243)		Exp	(17,117)	(17,929)	(812)	(879)	67
<b>23,072</b>	<b>(1,075)</b>		<b>Income</b>	<b>21,997</b>	<b>21,938</b>	<b>(59)</b>	<b>(119)</b>	<b>60</b>
7,430	(515)	Planning, Transportatio n & Regeneration	Salaries	6,915	6,917	2	45	(43)
1,901	166		Non-Sal	2,067	2,421	354	420	(66)
(6,397)	(214)		Exp	(6,611)	(6,800)	(189)	(349)	160
<b>2,934</b>	<b>(563)</b>		<b>Income</b>	<b>2,371</b>	<b>2,538</b>	<b>167</b>	<b>116</b>	<b>51</b>
1,777	(252)	HR, Performance & Improvement	Salaries	1,525	1,513	(12)	(262)	250
160	0		Non-Sal	160	167	7	8	(1)
(270)	252		Exp	(18)	(21)	(3)	252	(255)
<b>1,667</b>	<b>0</b>		<b>Income</b>	<b>1,667</b>	<b>1,659</b>	<b>(8)</b>	<b>(2)</b>	<b>(6)</b>
10,766	845	Administrativ e, Technical & Business Services	Salaries	11,611	10,922	(689)	(639)	(50)
809	2,145		Non-Sal	2,954	3,226	272	266	6
(3,660)	(4,382)		Exp	(8,042)	(7,976)	66	116	(50)
<b>7,915</b>	<b>(1,392)</b>		<b>Income</b>	<b>6,523</b>	<b>6,172</b>	<b>(351)</b>	<b>(257)</b>	<b>(94)</b>
52,114	(1,153)	Residents Services Directorate	Salaries	50,961	49,798	(1,163)	(1,235)	72
57,727	5,302		Non-Sal	63,029	65,118	2,089	2,069	20
(36,991)	(4,589)		Exp	(41,580)	(42,816)	(1,236)	(1,111)	(125)
<b>72,850</b>	<b>(440)</b>		<b>Income</b>	<b>72,410</b>	<b>72,100</b>	<b>(310)</b>	<b>(277)</b>	<b>(33)</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 11 below.
66. At month 7 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 7		Variance (As at Month 7)	Variance (As at Month 6)	Movement from Month 6
			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	(2,728)	Waste Disposal Levy & Associated Contracts	794	485	(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
<b>5,558</b>	<b>(2,728)</b>	<b>Current Commitments</b>	<b>2,830</b>	<b>2,521</b>	<b>(309)</b>	<b>(309)</b>	<b>0</b>

67. The month 7 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		
	August	September	October
Homeless Threat, Priority Need & Eligible	109	113	119
Presenting As Homeless	52	38	36
Duty Accepted	27	21	19
<b>Households in Temporary Accommodation</b>	613	619	571
<b>Households in B&amp;B</b>	224	229	198

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. Drawdown of £2,728k has been approved by Cabinet from the contingency of £3,522k set aside to fund estimated increases in waste tonnages via the levy. There is a projected drawdown at year end of £485k from the remaining contingency of £794k, with the £309k variance a result of one-off disbursement of reserves from WLWA earlier in the year.

#### **Infrastructure, Waste and ICT (£59k underspend, £44k favourable 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 7, the service is reporting a net favourable movement of £44k from the month 6 position.
72. The ICT service is progressing implementation of the recent BID review, with an associated MTFE savings target. As a result of recruitment delays, the staffing projection for ICT has been revisited. The forecast has been realigned giving a £204k favourable movement,

following a number of posts being put on hold or re-evaluated. A review of all non-staffing spend is also progressing.

73. This favourable movement partially netted down by adverse movement attributable to the following service areas: Highways (£97k) relating to additional expenditure incurred in agency and overtime; Fleet (£38k) reflecting additional fuel and vehicle damage costs; Waste (£12k) in respect of two additional waste weekends and Property & Estates (£13k) relating to additional costs incurred for garage repairs.

**Housing, Environment, Education, Health & Wellbeing (£59k underspend, £60k adverse movement)**

74. The overall forecast contains a number of management actions which will be monitored closely throughout the financial year.
75. At Month 7 the service is reporting an underspend of £59k, a £60k adverse movement. Greenspaces & Culture is reporting a net adverse movement of £17k relating to minor variances across a range of services, with the net impact a result of additional publicity costs and reduced income for Arts & Theatres (£13k), and maintenance costs for Golf (£4k).
76. There are also adverse movements this month for DFGs (£10k) and Community Safety (£8k) following revised staffing projections; Tenancy management (£5k) relating to additional recharges from the HRA for equipment and School Improvement Service (£13k).

**Planning, Transportation & Regeneration (£167k overspend, £51k adverse movement)**

77. At month 7 there is a projected overspend of £167k (£51k adverse) across the service area, with the main pressure relating to income in Imported Food sampling continuing the trend from previous years.
78. The adverse movement at month 7 relates to a reduced projection for LBH CIL admin income of £63k, with the forecast income reduced from £190k to £127k, to match the CIL receipts forecast.
79. The adverse movement is partially netted down by a small favourable movement across planning fee income streams of £12k.

**Performance & Improvement (£8k underspend, £6k favourable movement)**

80. There is a favourable movement of £17k relating to revised staffing projections for the Performance & Improvement team, as a result of holding a post vacant for the remainder of the financial year. The Communications team is reporting a £16k staffing pressure resulting from unachievable MVF due to a fully staffed structure.
81. There are minor non-staffing (£3k) and income (£2k) favourable movements totalling £5k.

**Administrative, Technical & Business Services (££351k underspend, £94k favourable movement)**

82. The service is reporting a £351k underspend at Month 7, representing a £94k favourable movement from the Month 6 position.

83. The net favourable movement is a result of staffing underspends across the service, with the movement of £49k favourable primarily owing to delays to recruitment to Business Support and Technical Administration roles. In addition there is a favourable movement of £30k relating to improved agency projections for the contact centre.
84. Parking services continue to forecast pressures relating to income shortfalls at Uxbridge car parks with the latest forecast at £481k (£15k favourable) 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 (£145k underspend, £49k improvement)

85. Social Care is projecting an underspend of £145k as at Month 7, an improvement of £49k on the Month 6 position, due to an improvement in the projected income expected from external organisations. The underspend relates predominantly to staffing costs, where there are a number of vacant posts which are not being 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 7		Variance (As at Month 7) £'000	Variance (As at Month 6) £'000	Movement from Month 6 £'000
				Revised Budget £'000	Forecast Outturn £'000			
13,299	455	Children's Services	Salaries	13,754	14,095	341	138	203
12,635	4,600		Non-Sal Exp	17,235	17,171	(64)	(70)	6
(7,804)	515		Income	(7,289)	(7,274)	15	15	0
<b>18,130</b>	<b>5,570</b>		<b>Sub-Total</b>	<b>23,700</b>	<b>23,992</b>	<b>292</b>	<b>83</b>	<b>209</b>
7,784	104	Early Intervention, Prevention & SEND	Salaries	7,888	7,659	(229)	(219)	(10)
6,257	24		Non-Sal Exp	6,281	6,265	(16)	(1)	(15)
(2,370)	(308)		Income	(2,678)	(2,363)	315	403	(88)
<b>11,671</b>	<b>(180)</b>		<b>Sub-Total</b>	<b>11,491</b>	<b>11,561</b>	<b>70</b>	<b>183</b>	<b>(113)</b>
4,597	(96)	Older People & Physical Disabilities Service	Salaries	4,501	4,355	(146)	(7)	(139)
34,209	3,417		Non-Sal Exp	37,626	37,912	286	39	247
(11,146)	(750)		Income	(11,896)	(12,015)	(119)	(78)	(41)
<b>27,660</b>	<b>2,571</b>		<b>Sub-Total</b>	<b>30,231</b>	<b>30,252</b>	<b>21</b>	<b>(46)</b>	<b>67</b>
11,537	(517)	Adult Social Care - Provider & Commissioned Care	Salaries	11,020	10,666	(354)	(331)	(23)
5,874	671		Non-Sal Exp	6,545	6,382	(163)	(5)	(158)
(590)	(32)		Income	(622)	(583)	39	37	2
<b>16,821</b>	<b>122</b>		<b>Sub-Total</b>	<b>16,943</b>	<b>16,465</b>	<b>(478)</b>	<b>(299)</b>	<b>(179)</b>
4,341	(603)	Learning Disability and Mental Health Service	Salaries	3,738	3,674	(64)	19	(83)
29,435	4,080		Non-Sal Exp	33,515	33,583	68	4	64
(5,264)	(989)		Income	(6,253)	(6,313)	(60)	(45)	(15)
<b>28,512</b>	<b>2,488</b>		<b>Sub-Total</b>	<b>31,000</b>	<b>30,944</b>	<b>(56)</b>	<b>(22)</b>	<b>(34)</b>
320	(110)	Directorate & Support Services	Salaries	210	217	7	19	(12)
(670)	473		Non-Sal Exp	(197)	(197)	0	0	0
(376)	376		Income	0	0	0	(14)	14
<b>(726)</b>	<b>739</b>		<b>Sub-Total</b>	<b>13</b>	<b>20</b>	<b>7</b>	<b>5</b>	<b>2</b>
41,878	(767)	<b>Social Care Directorate Total</b>	Salaries	41,111	40,666	(445)	(381)	(64)
87,740	13,265		Non-Sal Exp	101,005	101,116	111	(33)	144
(27,550)	(1,188)		Income	(28,738)	(28,548)	190	318	(128)
<b>102,068</b>	<b>11,310</b>		<b>Total</b>	<b>113,378</b>	<b>113,234</b>	<b>(144)</b>	<b>(96)</b>	<b>(48)</b>

**SOCIAL CARE DEVELOPMENT AND RISK CONTINGENCY (£668k overspend, £34k adverse movement)**

86. 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. At the Cabinet meeting in November 2017, it was agreed that £7,928k of this budget could be transferred into the Social Care base budget. Table 14 sets out the revised Risk Contingency budget for month 7, which takes into account this adjustment and an updated forecast spend against the Development and Risk Contingency, which is now projecting an overspend of £668k, an adverse movement of £34k on the Month 6 position. This is in part due to the transfer of the budget into the base.

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

Original Budget	Budget Changes	Development & Risk Contingency	Month 7		Variance (As at Month 7)	Variance (As at Month 6)	Movement from Month 6
			Revised Budget	Forecast Outturn			
£'000	£'000		£'000	£'000	£'000	£'000	£'000
1,648	0	Asylum Service	1,648	1,970	322	322	0
5,298	(5,038)	Demographic Growth - Looked After Children	260	1,243	983	994	(11)
277	0	Social Worker Agency Contingency	277	277	0	0	0
184	0	SEN transport - Contingency	184	251	67	0	67
2,910	(1,699)	Demographic Growth - Transitional Children	1,211	1,007	(204)	(138)	(66)
785	(432)	Demographic Growth - Adults	353	0	(353)	(371)	18
197	0	Winterbourne View	197	50	(147)	(147)	0
759	(759)	Deprivation of Liberty Safeguards	0	0	0	(26)	26
<b>12,058</b>	<b>(7,928)</b>	<b>Current Commitments</b>	<b>4,130</b>	<b>4,798</b>	<b>668</b>	<b>634</b>	<b>34</b>

**Asylum Service (£322k overspend, no change)**

87. This service is projecting a drawdown of £1,970k from the contingency, an overspend of £322k as at Month 7 and no change from the Month 6 position. This pressure reflects the impact of a drop in grant income as there are a high proportion of UASC who have and 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.

88. The service continues to review the support provided to UASC to identify where opportunities can be taken to reduce costs, which includes 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. Additionally the service are undertaking a review of the status of Care Leavers to provide further clarity on those that do receive grant funding from the Home Office and those that do not, and where they do not that they have the relevant status that requires the Council to continue to provide support.

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.

#### **Demographic Growth - Looked After Children (£983k overspend, £11k improvement)**

90. The service is projecting a drawdown of £1,243k from the Contingency, £983k above the budget, an improvement of £11k on the Month 6 position. Over the last month the service has had to place a number of children in Residential placements, which has slightly increased the cost of placements, however this has been netted down by an improved position in the cost of support provided for Children with Disabilities (CWD), following the implementation of a review of placements, with a particular focus on those with a high cost. The overspend reported predominantly relates to the cost of CWD placements 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.
91. 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 October 2017. Based on an annualised cost, this translates into a cost reduction and avoidance of £1,560k, reducing from £5,563k to £4,003k. However this position can fluctuate given the wide potential variation in Children's placements costs.

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

92. 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.

#### **Demographic Growth - SEN Transport (£67k overspend, £67k adverse movement)**

93. The service is projecting a draw down of £251k from the SEN Transport contingency, £67k above the budget and an adverse movement of £67k on the month 6 position, which reflects 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 from September 2017 to November 2017 there has been a net growth of 68 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. Over the last few months it is clear that the growth in the Special Educational Need children population continues to grow at an exponential rate, which is starting to feed through into the transport service. As stated, the service are ensuring that all existing routes are maximised, but it is clear that in the majority of cases there are no more spare places going forward.

#### **Demographic Growth - Transitional Children (£204k underspend, £66k improvement)**

94. The service is projecting a reduced drawdown of £1,007k 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 MTFF 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 (£353k underspend, £18k adverse movement)**

95. The service is projecting no drawdown from the Adults Placements contingency, which results in the £353k underspend. However, this is an adverse movement of £18k on the month 6 position. The main reason for this 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. It should however be recognised that the adult population is still growing and that more eligible people still require care, however these care needs are being met in a different way, which in most cases will be at a lower cost than previous clients.

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

96. 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) (Nil variance, £26k adverse)**

97. This budget has been transferred to the Social Care base budget and as such any variance in this service will be captured within the Learning Disability and Mental Health Service. As a result of this transfer, there is an adverse movement of £26k in the Risk Contingency.

### **DIRECTORATE OPERATING BUDGETS**

#### **Children's Services (£292k overspend, £209k adverse movement)**

98. The service is reporting an overspend of £292k as at Month 7, an adverse movement of £209k from the Month 6 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, where it has now been assumed that agency staff will be required up to the end of February 2018, a change of two months. 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 (£69k overspend, £114k improvement)**

99. The service is reporting an overspend of £69k as at Month 7, an improvement of £114k on the Month 6 position, due to an expected improved position on income that can be achieved in the Educational Psychology Service. The overspend is due to a projected shortfall of £314k in income from the Dedicated Schools Grant for the Educational Psychology Service, where the service has had difficulties in recruiting Educational Psychologists, although recently this position has improved and statutory workloads have reduced, which will allow the service to provide a restricted non-statutory function for schools. This pressure on the income budget is in part netted down by a significant underspend on their staffing costs.

### **Older People and Physical Disabilities (£21k overspend, £67k adverse movement)**

100. The service is reporting an overspend of £21k as at Month 7, an adverse movement of £67k on the Month 6 position, due to an increase in the cost of Occupational Therapy assessments, where the service have employed an external organisation to assist the service with clearing a backlog of cases, due to recruitment difficulties in this very specialised area of work.
101. The overspend relates to the cost of the Occupational Therapy contract, netted down by an underspend in staffing costs, and an overachievement of income from Health and client contributions.

### **Adult Social Care - Provider and Commissioned Care (£478k underspend, £179k improvement)**

102. The service is reporting an underspend of £478k as at Month 7, an improvement of £179k on the Month 6 position, due to a review of all contracted spend, which has identified that there are some contracts that will not be renewed. The staffing budget is forecast to underspend by £354k, due to recruitment difficulties within the Reablement Team and posts that were vacant for part of the year in the Positive Behaviour Support Team. Additionally the non staffing budget is forecast to underspend by £163k, which relates to a review of a number of contracts.
103. It should be noted that the Transport Service is now reporting an in year overspend of £87k, due to an increase in the number of passenger assistants and vehicle drivers required to cover the increase in demand. However, 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. It should be noted that a review is planned of the passenger assistant requirement on all SEN home-to-school routes to ensure the agency provision is at an optimum level. As a result of this review, rationalisation may result in this pressure reducing. As stated above, the Transport service has seen significant client growth for the 2017/18 academic year with an overspend currently projected on contingency. Further growth is expected throughout the year and this will be closely monitored.

### **Learning Disability and Mental Health (£56k underspend, £34k improvement)**

104. The service is forecasting an underspend of £56k as at Month 7, an improvement of £34k on the Month 6 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. The month 7 position relates to an underspend of £64k on staffing costs, where the service has a number of vacancies and an overachievement of £60k on income, due to an increase in external funding, netted down by an overspend of £68k on non staffing costs, which relates to an increase in the cost of Deprivation of Liberty Safeguard assessments.

### **Directorate & Support (£7k overspend, £2k adverse movement)**

105. The Directorate budget is forecasting a marginal pressure of £7k as at Month 7, an adverse movement of £2k from the Month 6 position.



## Appendix B – Other Funds

### SCHOOLS BUDGET

#### Dedicated Schools Grant (£1,675k overspend, £372k adverse movement)

106. The Dedicated Schools Grant (DSG) is projecting an in-year overspend of £1,675k as at month 7, an adverse movement of £372k on the Month 6 projections. This adverse movement is due to a further increase in the projected cost of High Needs placements in relation to post-16 student placements. 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 £2,811k.

**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 7)	Variance (As at Month 6)	Change from Month 6
£'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)	(123)	0
3,889	0	<b>Centrally Retained</b>	3,889	4,148	259	278	(19)
27,265	142	<b>High Needs</b>	27,406	29,445	2,039	1,648	391
<b>(500)</b>	<b>0</b>	<b>Total Funding Blocks</b>	<b>(500)</b>	<b>1,675</b>	<b>2,175</b>	<b>1,803</b>	<b>372</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>1,675</b>	<b>1,675</b>	<b>1,303</b>	<b>372</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>2,811</b>			

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

107. The expectation is that the Education & Skills Funding Agency (ESFA) will, in November, provide an update on the adjustments to the DSG to reflect the two school conversions to academy status which took place on the 1 September 2017. The budget and projections will be adjusted in Month 8 to reflect these changes.

#### 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, no change)

109. The Early Years funding block is projecting an underspend of £123k as at month 7 which is no change from the position reported at month 6.

110. The Early Years Psychology team are 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 (£259k overspend, £19k improvement)**

112. The Centrally Retained funding block is projecting an overspend of £259k as at month 7. The £19k decrease in projected spend relates to the Schools Procurement team, where one of the team is currently seconded to another department.
113. The overspend on the centrally retained relates to the Growth Contingency fund where the projected diseconomies funding requirement for one of the basic need academies has increased due to low 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 (£2,039k overspend, £391k adverse movement)**

114. The High Needs funding block is projecting an overspend of £2,039k as at Month 7, an adverse movement of £391k on the Month 6 projections, primarily due to a significant increase in the number and average cost of post-16 students with additional needs accessing a college placement from September 2017. Officers are challenging the increase in costs with providers in order to try and limit this pressure on the High Needs block.
115. 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.
116. The month 7 projections include a £50k pressure due to a number of special schools and specialist resource provisions being over their allocated planned place number. This has resulted in an adjustment to the funding for those settings as there is a requirement for the DSG High Needs block to fund any numbers over and above the agreed planned places.
117. The 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 70, however recent pupil numbers have been in excess of this following an increase in exclusions across the borough.
118. It is 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.
119. 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.
120. 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**

121. 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.
122. 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**

123. 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.
124. 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%.
125. 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.
126. 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, no movement)

127. 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. In line with the Month 6 projections, a headline surplus of £2,602k is projected on the Council's share of Collection Fund activity for 2017/18 at Month 7, with a £2,671k surplus on Council Tax and £69k pressure on the retained share of Business Rates.

**Table 16: Collection Fund**

Original Budget £'000	Budget Changes £'000	Service	Month 7		Variance (As at Month 7) £'000	Variance (As at Month 6) £'000	Movement from Month 6 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
(119,465)	0	Council Tax	Gross Income	(119,465)	(120,308)	(843)	(843)	0
11,266	0		Council Tax Support	11,266	11,442	176	176	0
(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>(2,671)</b>	<b>0</b>
(105,520)	0	Business Rates	Gross Income	(105,520)	(106,023)	(503)	(503)	0
(2,350)	0		Section 31 Grants	(2,350)	(2,451)	(101)	(101)	0
51,412	0		Less: Tariff	51,412	51,412	0	0	0
6,217	0		Less: Levy	6,217	6,482	265	265	0
(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>69</b>	<b>0</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>(2,602)</b>	<b>0</b>

128. No material movements are being reported against Council Tax collection for 2017/18, representing continued strong collection performance. A £176k pressure continues to be reported on the Council Tax Support Scheme, which remains 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. There is no movement from Month 6 reported against Business Rates income, with strong performance during 2017/18 sufficient to off-set the majority of the brought forward deficit.

## Appendix C – HOUSING REVENUE ACCOUNT

130. The Housing Revenue Account (HRA) is currently forecasting an in-year overall deficit of £10,350k, which is £1,314k more favourable than the budgeted position. Therefore the 2017/18 closing HRA General Balance is forecasted to be £35,476k, 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 7		Variance (+ adv / - fav)		
	Revised Budget	Forecast Outturn	Variance (As at Month 7)	Variance (As at Month 6)	Movement from Month 6
	£'000	£'000	£'000	£'000	£'000
Rent Income	(55,064)	(55,577)	(513)	(513)	0
Other Income	(5,494)	(5,274)	220	0	220
<b>Net Income</b>	<b>(60,558)</b>	<b>(60,851)</b>	<b>(293)</b>	<b>(513)</b>	<b>220</b>
Housing Management	12,214	12,634	420	257	163
Tenant Services	4,973	4,606	(367)	(379)	12
Repairs	5,033	4,917	(116)	(80)	(36)
Planned Maintenance	4,906	3,845	(1,061)	(220)	(841)
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>71,201</b>	<b>(1,021)</b>	<b>(319)</b>	<b>(702)</b>
<b>(Surplus) / Deficit</b>	<b>11,664</b>	<b>10,350</b>	<b>(1,314)</b>	<b>(832)</b>	<b>(482)</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>(35,476)</b>	<b>(1,314)</b>	<b>(832)</b>	<b>(482)</b>

### Income

131. A favourable variance of £513k is forecast on rental income, representing no change from the Month 6 position. An adverse variance of £220k is on other income due to the reduction in the forecast for leaseholders income from capital projects.

132. The number of RTB applications received in the first seven months of 2017/18 was 101 compared to 172 for the same period in 2016/17, a reduction of 41%. There have been 40 RTB completions in the first seven months of 2017/18 compared to 65 for the same period in 2016/17, a reduction of 38%. The Month 7 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 £420k, an adverse movement of £163k on Month 6, due to a reduction in the repairs delivery team salaries that is forecast to be capitalised.

134. Tenant services is forecast to underspend by £367k, an adverse movement of £12k on Month 6, due to revised forecasts on running costs.
135. The overall repairs budget is forecast to underspend by £116k, a favourable movement of £36k on Month 6, due to increased income from rechargeable repairs.
136. The Planned Maintenance budget is forecast to underspend by £1,061k, a favourable movement of £841k on Month 6. The £1,000k external decorations budget is forecast to underspend by £850k, a favourable movement of £651k on Month 6, and there is a favourable movement of £190k on surveys. The key variances and movements are due to the validation, procurement and consultation timetables required to deliver these programmes.
137. 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 6 position.

## HRA Capital

138. 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. The revised budget includes the November Cabinet approval for the virement of £5,195k from major projects to works to stock 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 adaptations in the current financial year.

**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	17,450	17,177	0	(273)	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	119	0	(1,601)	7,948	7,948	0	0
New Build - Supported Housing Provision	21,434	26,293	19,199	(1,768)	(5,326)	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>63,598</b>	<b>54,630</b>	<b>(1,768)</b>	<b>(7,200)</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	19,964	17,156	0	(2,808)	48,996	48,996	0	0
Major Adaptations to Property	1,092	2,334	2,334	0	0	6,720	6,720	0	0
<b>Total Works to Stock</b>	<b>8,718</b>	<b>22,298</b>	<b>19,490</b>	<b>0</b>	<b>(2,808)</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>74,120</b>	<b>(1,768)</b>	<b>(10,008)</b>	<b>152,085</b>	<b>148,410</b>	<b>(3,675)</b>	<b>(3,675)</b>
<b>Movement on Month 6</b>	<b>0</b>	<b>0</b>	<b>1,321</b>	<b>0</b>	<b>1,321</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Major Projects

139. The 2017/18 Major Projects programme revised budget is £63,598k and the forecast spend is £54,630k, with a forecast underspend of £1,768k and a re-phasing of £7,200k. The major works cost variance during the period 2017-22 remains an underspend of £3,675k.

### New General Needs Housing Stock

140. The 2017/18 General Needs Housing Stock budget is expected to be largely utilised. Of the £17,450k budget, £4,029k has been earmarked towards the purchase and repair of buy back properties. To date all 9 buybacks have been approved and completed.

141. There is a forecast re-phasing of £273k being reported across the General Needs programme, a £57k adverse movement on Month 6. The overall re-phasing is resulting from a number of approved developments not commencing construction to expected project timescales.

142. 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.

143. 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 has been appointed to demolish and secure the site prior to commencing development.

144. 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

145. 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

146. 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 £119k, with a forecast re-phasing of £1,601k, an increased re-phasing of £41k compared to the Month 6 position. The schemes are being delivered concurrently with the General Needs units.

### New Build - Supported Housing

147. 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.

148. There has been an increased re-phasing movement of £968k on Grassy Meadow compared to Month 6, due to re-sequencing non-critical path items, this re-phasing does not impact on the target completion date.
149. Grassy Meadow and Parkview : The contractors continue to make progress on both sites.

#### HRA General Contingency

150. 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**

151. The works to stock revised budget is £19,964k and the forecast spend is £17,156k, a re-phasing variance of £2,808k, of which £2,200k relates to the kitchen and bathrooms programmes and £608k relates to the lift renewals at sheltered housing schemes.
152. The major adaptations revised budget of £2,334k is forecast to be fully spent.

#### **HRA Capital Receipts**

153. There have been 40 Right to Buy sales of council dwellings as at the end of October 2017 for a total gross sales value of £6.7m and a total of a further 45 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 7 an underspend of £25,662k is reported on the £79,186k General Fund Capital Programme for 2017/18 due largely to re-phasing of project expenditure. The forecast outturn variance over the life of the 2017/18 to 2021/22 programme is an underspend of £437k.
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 £6,249k. This is as a result of cost underspends of £437k and increases in grants and contributions of £12,366k 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 combined shortfall of £6,554k in capital receipts and Community Infrastructure Levy.

### 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	Movement
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Schools Programme	22,747	8,954	(200)	(13,593)	90,783	90,583	(200)	(100)
Self Financing Developments	300	25	-	(275)	27,619	27,619	-	-
Main Programme	25,220	17,901	(30)	(7,289)	84,912	84,882	(30)	(13)
Programme of Works	29,451	25,176	(207)	(4,068)	83,821	83,614	(207)	95
<b>Total Main Programme</b>	<b>77,718</b>	<b>52,056</b>	<b>(437)</b>	<b>(25,225)</b>	<b>287,135</b>	<b>286,698</b>	<b>(437)</b>	<b>(18)</b>
General Contingency	1,468	1,468	-	-	7,468	7,468	-	-
<b>Total Capital Programme</b>	<b>79,186</b>	<b>53,524</b>	<b>(437)</b>	<b>(25,225)</b>	<b>294,603</b>	<b>294,166</b>	<b>(437)</b>	<b>(18)</b>
<b>Movement</b>	<b>-</b>	<b>(2,139)</b>	<b>(18)</b>	<b>(2,121)</b>	<b>-</b>	<b>(18)</b>	<b>(18)</b>	

160. The Schools Programme reports a re-phasing underspend in 2017/18 of £13,593k which is partly due to elements of the primary and secondary schools expansions programmes that are currently on hold and reflects revised expenditure profiles across financial years of the two primary school expansions that are underway. Planned expansions at two Secondary school sites are in various stages of the planning approval process. An underspend of £100k relates to unused contingency no longer required for the replacement of Northwood School and a further £100k underspend is reported on highways works at Oak Wood School.

161. The five year programme contains two major self financing mixed residential developments at the former Belmore Allotments and Yiewsley pool sites. As work is at early stages on the Yiewsley site redevelopment, forecast re-phasing has increased to £275k.
162. The main programme reports a small cost underspend of £30k on completion of projects which commenced in the previous financial year. Re-phasing has reduced to £7,289k after reallocating £1,176k uncommitted funding on other projects to the increased Highways programme. There are numerous projects and programmes that will continue into future financial years, including the New Theatre and Museum projects, Bessingby FC and Boxing Clubhouse refurbishment and Vehicle Replacement Programme.
163. Programmes of Works are forecast to have cost underspends of £207k which relates mainly to Social Care equipment capitalisation. Re-phasing has increased to £4,068k 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. Uncommitted funding on other programmes of £675k has been vired to the Highways Programme.
164. The unallocated general contingency budget is £1,468k in 2017/18 following approval of a £32k virement to the Property Works Programme included in the Month 6 Cabinet budget monitoring report. 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

165. Table 20 below outlines the latest financing projections for the capital programme, with a favourable medium term variance of £6,249k 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	34,077	(24,969)	213,069	200,266	(12,803)	(607)
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	23,500	(3,401)	(3,401)
Prudential Borrowing	29,968	17,077	(12,891)	102,775	96,526	(6,249)	2,794
<b>Total Council Resources</b>	<b>59,046</b>	<b>34,077</b>	<b>(24,969)</b>	<b>213,069</b>	<b>200,266</b>	<b>(12,803)</b>	<b>(607)</b>
Grants & Contributions	20,140	19,447	(693)	81,534	93,900	12,366	589
<b>Total Programme</b>	<b>79,186</b>	<b>53,524</b>	<b>(25,662)</b>	<b>294,603</b>	<b>294,166</b>	<b>(437)</b>	<b>(18)</b>

166. Capital receipts received as at the end of October amount to £753k which will be utilised towards financing costs of transformation in 2017/18. 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.

167. As at the end of October a total of £562k Community Infrastructure Levy (CIL) receipts (after administration fees) have been invoiced or received by the Council this financial year, a movement of £132k. 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 and it is not certain this will be fully recovered in future years. There continue however to be Section 106 receipts in respect of previous planning applications which may partially mitigate this shortfall, where balances are applicable to finance existing capital expenditure in accordance with the specific S106 agreement. 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.
168. Grants and contributions are £12,366k 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. There are further S106 contributions of £589k that have been identified for financing the existing capital programme, thereby saving on Council resources.
169. A favourable variance of £6,249k is reported on prudential borrowing due mainly to the increase in available grants and contributions noted above, partly offset by the forecast shortfall in other sources of funding. The reduced CIL forecast largely accounts for the adverse movement of £2,794k in month.

## 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	100	0	(966)	1,565	1,565	0	1,565	0	0
786	New Primary Schools Expansions	12,599	5,078	0	(7,521)	26,614	26,614	0	12,817	13,797	0
482	Secondary Schools Expansions	6,073	867	0	(5,206)	55,418	55,418	0	34,483	20,935	0
42,721	Secondary Schools New Build	2,997	2,897	(200)	100	3,574	3,374	(200)	649	2,168	557
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>8,954</b>	<b>(200)</b>	<b>(13,593)</b>	<b>90,783</b>	<b>90,583</b>	<b>(200)</b>	<b>53,126</b>	<b>36,900</b>	<b>557</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	25	0	(275)	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>25</b>	<b>0</b>	<b>(275)</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	2,055	0	(322)	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	286	35	0	(251)	599	599	0	599	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	458	0	(200)	658	658	0	626	0	32
214	Haste Hill Golf Club	66	66	0	0	66	66	0	66	0	0
32,203	Hillingdon Sports & Leisure Centre	856	400	0	(456)	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	75	0	(496)	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	50	0	(350)	400	400	0	400	0	0
0	New Museum	1,280	50	0	(1,230)	5,632	5,632	0	4,882	0	750
0	New Theatre	1,000	50	0	(950)	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	214	0	(100)	314	314	0	314	0	0
0	Purchase of Vehicles	600	600	0	0	2,600	2,600	0	2,600	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	20	0	(600)	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	944	700	0	(244)	944	944	0	889	0	55
9,234	Projects Completing in 2017/18	554	524	(30)	0	554	524	(30)	524	0	0
<b>56,590</b>	<b>Total Main Programme</b>	<b>25,220</b>	<b>17,901</b>	<b>(30)</b>	<b>(7,289)</b>	<b>84,912</b>	<b>84,882</b>	<b>(30)</b>	<b>77,961</b>	<b>3,397</b>	<b>3,524</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	326	0	(110)	1,236	1,236	0	1,236	0	0
	<b>Community, Commerce and Regeneration</b>										
N/A	Chrysalis Programme	1,512	1,267	0	(245)	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	700	0	(910)	3,610	3,610	0	3,514	0	96
N/A	Corporate Technology and Innovation	671	354	0	(317)	4,527	4,527	0	4,527	0	0
N/A	Property Works Programme	770	770	0	0	2,690	2,690	0	2,690	0	0
N/A	<b>Planning, Transportation and Recycling</b>										
N/A	Highways Structural Works	7,369	7,369	0	0	11,369	11,369	0	11,369	0	0
N/A	Road Safety	150	120	(30)	0	750	720	(30)	720	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	100	100	0	0	1,000	1,000	0	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>29,451</b>	<b>25,176</b>	<b>(207)</b>	<b>(4,068)</b>	<b>83,821</b>	<b>83,614</b>	<b>(207)</b>	<b>35,300</b>	<b>45,931</b>	<b>2,383</b>
N/A	General Contingency	1,468	1,468	0	0	7,468	7,468	0	7,468	0	0
	<b>Total GF Capital Programme</b>	<b>79,186</b>	<b>53,524</b>	<b>(437)</b>	<b>(25,225)</b>	<b>294,603</b>	<b>294,166</b>	<b>(437)</b>	<b>200,266</b>	<b>86,228</b>	<b>7,672</b>

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

**Table 21: Outstanding Deposits - Average Rate of Return on Deposits: 0.42%**

	Actual (£m)	Actual (%)	Benchmark (%)
Up to 1 Month	51.6	53.31	40.00
1-2 Months	5.0	5.16	5.00
2-3 Months	15.0	15.50	5.00
3-6 Months	15.0	15.50	30.00
6-9 Months	5.0	5.16	10.00
9-12 Months	5.0	5.16	5.00
12-18 Months	0.0	0.00	5.00
18-24 Months	0.0	0.00	0.00
<b>Subtotal</b>	<b>96.6</b>	<b>99.79</b>	<b>100.00</b>
Unpaid Maturities	0.2	0.21	0.00
<b>Grand Total</b>	<b>96.8</b>	<b>100.00</b>	<b>100.00</b>

170. 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, 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 Svenska Handelsbanken in an instant access account.
171. 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 October, 69% 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 27% once instant access facilities are removed from the bail-in total.
172. To ensure liquidity was maintained during the month, surplus cash was only placed in instant access accounts, and when required, funds were withdrawn from instant access accounts. There were also maturities of three fixed-term deposits with Blaenau Gwent BC, Lancashire CC and DBS Singapore.

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

		Actual (£m)	Actual (%)
<b>General Fund</b>	PWLB	48.04	18.96
	Long-Term Market	15.00	5.92
<b>HRA</b>	PWLB	157.32	62.09
	Long-Term Market	33.00	13.03
	<b>Total</b>	<b>253.36</b>	<b>100.00</b>

173. There was one scheduled EIP debt repayment during October for £0.38m. Gilt yields ended the month around the same levels as it started. Therefore, 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.
174. In order to maintain liquidity for day-to-day business operations during November, cash balances will be placed in instant access accounts. Looking forward, opportunities to place longer term deposits will be monitored. The benchmark target for investment maturities will be shortened to reflect the cashflow needs as we approach the end of the financial year.



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

175. 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>						
Programme Manager (Planned Works)	26/07/2017	27/11/2017	26/02/2018	22	29	51
Air Quality Officer	21/09/2015	13/11/2017	31/03/2018	59	16	75
Project Manager (Acol & Yiewsley), Capital Programme Team	07/05/2017	20/11/2017	18/02/2018	57	31	88
CCTV Manager	25/09/2016	27/11/2017	25/02/2018	58	18	76
Major Applications (PPA) Planner	01/11/2015	30/10/2017	26/01/2018	144	24	168
Housing Lawyer	07/07/2014	27/11/2017	26/05/2018	182	33	215
<b>Social Care</b>						
Social Worker (0.5 FTE)	19/12/2016	04/12/2017	04/02/2018	43	8	51
Senior Educational Psychologist	24/01/2017	04/12/2017	04/02/2018	48	5	53
Training and Quality Assurance Officer	01/12/2015	04/12/2017	04/02/2018	43	14	57
Support Worker	20/12/2015	04/12/2017	04/02/2018	51	6	57
Social Worker	06/04/2017	04/12/2017	04/02/2018	43	14	57
Team Manager	17/07/2017	04/12/2017	04/02/2018	39	19	58
Early Years Practitioner	24/02/2014	04/12/2017	04/02/2018	59	3	62
Educational Psychologist	16/10/2016	04/12/2017	04/02/2018	54	8	62
Early Years Practitioner	23/02/2015	04/12/2017	04/02/2018	58	5	63
Special Needs Officer	01/12/2016	04/12/2017	04/02/2018	57	13	70
Senior Social Worker	06/06/2016	04/12/2017	04/02/2018	58	14	72
Team Manager	27/03/2017	04/12/2017	04/02/2018	59	17	76
Social Worker	07/11/2016	04/12/2017	04/02/2018	65	12	77
Social Worker	01/04/2013	04/12/2017	04/02/2018	64	13	77
Receptionist/ Administrative Assistant	01/09/2014	04/12/2017	04/02/2018	74	4	78

<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>
Early Years Practitioner	02/03/2015	04/12/2017	04/02/2018	75	4	79
Early Years Practitioner	12/01/2015	04/12/2017	04/02/2018	75	5	80
Social Worker	16/12/2016	04/12/2017	04/02/2018	67	13	80
Social Worker	06/06/2016	04/12/2017	04/02/2018	68	12	80
Senior Social Worker	21/11/2017	04/12/2017	04/02/2018	72	15	87
Early Years Practitioner	06/10/2014	04/12/2017	04/02/2018	82	5	87
Social Worker	13/11/2016	04/12/2017	04/02/2018	75	14	89
Placement Officer	18/03/2016	04/12/2017	04/02/2018	79	11	90
Social Worker	21/11/2016	04/12/2017	04/02/2018	76	14	90
Social Worker	26/08/2016	04/12/2017	04/02/2018	81	13	94
Social Worker	27/10/2016	04/12/2017	04/02/2018	81	14	95
Social Worker	07/11/2016	04/12/2017	04/02/2018	84	14	98
Social Worker	26/09/2016	04/12/2017	04/02/2018	85	14	99
Social Worker	01/04/2013	04/12/2017	04/02/2018	87	14	101
Social Worker	07/11/2016	04/12/2017	04/02/2018	88	14	102
Senior Educational Psychologist	15/08/2016	04/12/2017	04/02/2018	88	16	104
Social Worker	11/07/2016	04/12/2017	04/02/2018	91	14	105
Social Worker	21/08/2016	04/12/2017	04/02/2018	94	14	108
Social Worker	01/09/2016	04/12/2017	04/02/2018	95	14	109
Social Worker	03/07/2016	04/12/2017	04/02/2018	101	15	116
Social Worker	05/10/2015	04/12/2017	04/02/2018	102	16	118
Social Worker	01/04/2013	04/12/2017	04/02/2018	104	14	118
Social Worker	04/07/2016	04/12/2017	04/02/2018	105	14	119
Social Worker	28/03/2016	04/12/2017	04/02/2018	109	12	121
Special Needs Officer	05/01/2015	04/12/2017	04/02/2018	113	17	130

<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>
Domestic Violence Co-Ordinator	12/01/2015	04/12/2017	04/02/2018	129	9	138
Early Years Practitioner	01/05/2015	04/12/2017	04/02/2018	140	5	145
Social Worker	01/08/2015	04/12/2017	04/02/2018	133	16	149
Child Protection Chair	01/07/2015	04/12/2017	04/02/2018	137	17	154
Social Worker	04/05/2015	04/12/2017	04/02/2018	144	13	157
Quality Assurance Auditor (Social Work Cases)	08/05/2014	04/12/2017	04/02/2018	150	14	164
Social Worker	04/05/2015	04/12/2017	04/02/2018	155	14	169
Educational Psychologist	15/11/2015	04/12/2017	04/02/2018	175	17	192
Child Protection Chair	20/07/2015	04/12/2017	04/02/2018	180	15	195
Social Worker	13/04/2015	04/12/2017	04/02/2018	191	14	205
Senior Social Worker, Triage	19/06/2014	04/12/2017	04/02/2018	199	14	213
Educational Psychologist	01/03/2016	04/12/2017	04/02/2018	190	27	217
Senior Social Worker	30/04/2012	04/12/2017	04/02/2018	252	13	265
Social Worker	05/09/2014	04/12/2017	04/02/2018	253	14	267
Senior Social Worker	11/08/2014	04/12/2017	04/02/2018	260	14	274
Social Worker	01/01/2013	04/12/2017	04/02/2018	287	14	301
Social Worker	01/01/2013	04/12/2017	04/02/2018	301	14	315
Senior Social Worker	19/12/2011	04/12/2017	04/02/2018	333	15	348
Court Tracker Project Manager	07/04/2014	04/12/2017	04/02/2018	330	19	349
AMHP	01/06/15	04/12/17	04/02/18	178	10	189
AMHP	12/09/15	04/12/17	04/02/18	159	13	172
Approved Mental Health Worker	01/03/14	04/12/17	04/02/18	208	14	222
Approved Mental Health Worker	29/05/16	04/12/17	04/02/18	108	14	121
Lead Approved Mental Health Practitioner	01/06/12	04/12/17	04/02/18	265	11	276
Occupational Therapist	07/10/13	04/12/17	04/02/18	261	13	274

<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>
Occupational Therapist	01/04/15	04/12/17	04/02/18	182	12	194
Occupational Therapist	03/12/15	04/12/17	04/02/18	133	12	146
Occupational Therapist	06/06/16	04/12/17	04/02/18	106	12	118
Residential Care Worker	01/04/12	04/12/17	04/02/18	154	5	159
Senior Social Worker	03/10/16	04/12/17	04/02/18	73	12	84
Social Worker / Senior Social Worker	30/01/17	04/12/17	04/02/18	53	13	65
Support Worker	04/04/16	04/12/17	04/02/18	47	5	52
Team Manager	26/06/16	04/12/17	04/02/18	101	15	115