

COUNCIL BUDGET - 2017/18 MONTH 9 REVENUE AND CAPITAL BUDGET MONITORING

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

HEADLINE INFORMATION

Purpose of report	<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 £1,102k is projected against 2017/18 General Fund revenue budgets as of December 2017 (Month 9) representing an improvement of £52k 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>
Contribution to our plans and strategies	<p>Putting our Residents First: <i>Financial Management</i></p> <p>Achieving Value for Money is an important element of the Council's Medium Term Financial Plan.</p>
Financial Cost	N/A
Relevant Policy Overview Committee	Corporate Services and Partnerships
Ward(s) affected	All

RECOMMENDATIONS

That Cabinet:

1. Note the forecast budget position as at December 2017 (Month 9).
2. Note the Treasury Management update as at December 2017 at Appendix E.
3. Continue the delegated authority up until the March 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 25 January 2018 and 15 February 2018 Cabinet meetings, detailed at Appendix F.

4. **Agree in principle a grant of £284k to provide funding for the rebuilding of the Guide Hut in Vernon Drive to be funded from the 2017/18 approved Youth Provision Capital Programme.**

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 9 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. **Recommendation 4** seeks authority to provide funding for the rebuilding of the Guide Hut in Vernon Drive from the 2017/18 approved Youth Provision Capital Programme where at this time, there are sufficient funds remaining to allocate towards this project. The District Guider and Treasurer of Harefield District Girl Guides contacted the Council in late 2017 to request assistance for works to bring the Guide Hut in Vernon Drive, Harefield up to an acceptable standard for the 90 plus girls using the premises each week. The Guide Hut is around 50 years old and following an assessment by Council officers it was concluded that it would be more cost effective to replace the building than fund the improvements which were being requested.

Alternative options considered

4. There are no other options proposed for consideration.

SUMMARY

REVENUE

5. An underspend of £1,102k is projected against General Fund revenue budgets at Month 9, with underspends against both Directorate and Corporate Operating Budgets continuing to be off-set 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.
6. 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.
7. 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 £38,894k at 31 March 2018, an increase of £156k from the opening 2017/18 balance.
8. As at Month 9, £12,046k of £15,508k savings are banked in full and £3,095k on track for delivery. The remaining £367k reported as 'amber' are ultimately expected to be delivered in full. £1,043k of savings have been promoted from 'amber' and 'green' to banked since Month 8, demonstrating continuing progress in the delivery of the 2017/18 savings programme.
9. With the exception of the Collection Fund, there are no material variances on other funds affecting the General Fund position. A surplus of £2,611k is reported within the Collection Fund relating to a favourable position on Council Tax, which is predominantly driven by the 2016/17 outturn surplus and is available to support the General Fund budget in 2018/19.
10. An in-year deficit of £1,933k is projected against the Schools Budget at Month 9, continuing the trend of the growing cost of funding placements for High Needs children. This will increase the cumulative deficit to £3,069k, which is expected to be funded from future Dedicated Schools Grant allocations and therefore not impact upon the General Fund position.

CAPITAL

11. The projected underspend against the General Fund Capital Programme for 2017/18 is £13,630k as at Month 9, predominantly as a result of re-phasing of project expenditure. The forecast outturn variance over the life of the programme to 2021/22 is an underspend of £658k. General Fund Capital Receipts of £17,020k are forecast for 2017/18, with a shortfall of £4,851k in total to 2021/22.
12. Prudential Borrowing required to support the 2017/18 to 2021/22 Capital Programme is forecast to be within budget by £4,826k. This is as a result of cost underspends of £658k and increases in grants and contributions of £12,420k, 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 £8,252k in Capital Receipts and Community Infrastructure Levy.

FURTHER INFORMATION

General Fund Revenue Budget

13. An underspend of £1,102k is reported across normal operating activities at Month 9, driven by underspends of £839k and £415k against Directorate and Corporate Operating Budgets, being off-set by an ongoing pressure across Development & Risk Contingency items of £152k.
14. A number of pressures and risk areas within this overall position 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.
15. 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.
16. The Council's General Fund revenue budget contains £15,508k savings, with £15,141k either banked or on track for delivery at Month 9, an improvement of £393k from the previously reported position. The projected underspend on operating budgets reflects the status of these savings, which are ultimately expected to be banked in full with alternative measures in place to mitigate the financial impact of any slippage in implementation schedules.

Table 1: General Fund Overview

Original Budget £'000	Budget Changes £'000	Service	Month 9		Variance (As at Month 9) £'000	Variance (As at Month 8) £'000	Movement from Month 8 £'000
			Revised Budget £'000	Forecast Outturn £'000			
194,079	12,542	Directorate Operating Budgets	206,621	205,782	(839)	(836)	(3)
1,495	2,384	Corporate Operating Budgets	3,879	3,464	(415)	(415)	0
19,216	(10,656)	Development & Risk Contingency	8,560	8,712	152	201	(49)
454	0	Priority Growth	454	454	0	0	0
5,451	(4,270)	Unallocated Budget Items	1,181	1,181	0	0	0
220,695	0	Sub-total Normal Activities	220,695	219,593	(1,102)	(1,050)	(52)
0	(4,054)	Exceptional Items IBCF Allocation (announced March 2017)	(4,054)	(4,054)	0	0	0
220,695	(4,054)	Total Net Expenditure	216,641	215,539	(1,102)	(1,050)	(52)
(215,695)	0	Budget Requirement	(215,695)	(215,695)	0	0	0
5,000	(4,054)	Net Total	946	(156)	(1,102)	(1,050)	(52)
(38,738)	0	Balances b/fwd	(38,738)	(38,738)			
(33,738)	(4,054)	Balances c/fwd 31 March 2018	(37,792)	(38,894)			

17. As a result of the forecast position detailed above, General Fund Balances are expected to total £38,894k at 31 March 2018. 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 (£839k underspend, £3k improvement)

18. Table 2 provides an overview of the forecast outturn on Directorate Operating Budgets as at Month 9 with further detail for each directorate contained within Appendix A to this report.
19. 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 £4,434k 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 £'000	Budget Changes £'000	Service	Month 9		Variance (As at Month 9) £'000	Variance (As at Month 8) £'000	Movement from Month 8 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
7,141 (1,103)	323 32	Chief Executive's Office	Expenditure	7,464	7,473	9	0	9
			Income	(1,071)	(1,081)	(10)	(1)	(9)
6,038	355		Sub-Total	6,393	6,392	(1)	(1)	0
16,640 (3,517)	863 139	Finance	Expenditure	17,503	17,438	(65)	(63)	(2)
			Income	(3,378)	(3,609)	(231)	(232)	1
13,123	1,002		Sub-Total	14,125	13,829	(296)	(295)	(1)
109,841 (36,991)	4,080 (4,590)	Residents Services	Expenditure	113,921	114,869	948	1,095	(147)
			Income	(41,581)	(42,917)	(1,336)	(1,455)	119
72,850	(510)		Sub-Total	72,340	71,952	(388)	(360)	(28)
129,618 (27,550)	12,883 (1,188)	Social Care	Expenditure	142,501	142,317	(184)	(256)	72
			Income	(28,738)	(28,708)	30	76	(46)
102,068	11,695		Sub-Total	113,763	113,609	(154)	(180)	26
194,079	12,542	Total Directorate Operating Budgets		206,621	205,782	(839)	(836)	(3)

20. No overall movement is forecast across the Chief Executive's Office this month, however revised staffing projections in Legal Services have been off-set by increased income projections across both Human Resources and Legal Services.
21. A marginal £1k improvement is reported against Finance budgets at Month 9 mainly due to reduced non-staffing expenditure across the directorate, being off-set by increased staffing projections in Procurement.
22. A £28k improvement is reported across Residents Services at Month 9 as a result of a number of compensatory movements across Infrastructure, Waste & ICT and Technical Administration & Business Services. The £388k underspend across the directorate continues to be as a result of a number of posts remaining vacant throughout the year, being off-set by large Fleet & ICT pressures alongside continuing income pressures within the Uxbridge Town Centre car parks and Imported Food Sampling.
23. At Month 9, a marginal £26k adverse movement is reported across Social Care budgets due to an increase in the cost of Family Group Conferencing. The overall underspend within Social Care continues to be driven by a large number of staffing underspends where high numbers of posts are being held vacant, off-set by pressures against legal counsel, agency

workers in Children's Services and reduced income from the DSG for the Educational Psychology Service.

Progress on Savings

24. The Council's 2017/18 General Fund revenue budget contains £15,508k savings, with all prior year savings delivered in full during 2016/17. £15,141k savings are reported as banked or on track for delivery at Month 9, with the remaining £367k savings being classed as Amber. Items reported as Amber are ultimately expected to be delivered in full, with 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	(1,077)	(5,129)	(5,527)	(313)	(12,046)	77.7%
G On track for delivery	0	(807)	(1,587)	(701)	(3,095)	20.0%
A Potential significant savings shortfall or a significant or risky project which is at an early stage;	0	(267)	0	(100)	(367)	2.4%
R Serious problems in the delivery of the saving	0	0	0	0	0	0.0%
Total 2017/18 Savings	(1,077)	(6,203)	(7,114)	(1,114)	(15,508)	100.0%

Corporate Operating Budgets (£415k underspend, no movement)

25. 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.
26. 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, reduced uptake of the Council Tax Older People's Discount supplements the compensatory variances on New Homes Bonus Refund Grant and the West London District Coroners Services.
27. 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 9		Variance (As at Month 9)	Variance (As at Month 8)	Movement from Month 8	
			Revised Budget	Forecast Outturn				
£'000	£'000		£'000	£'000	£'000	£'000	£'000	
0	0	Interest and Investment Income	Salaries	0	0	0	0	0
5,259	0		Non-Sal Exp	5,259	4,899	(360)	(360)	0
(104)	0		Income	(104)	(145)	(41)	(41)	0
5,155	0		Sub-Total	5,155	4,754	(401)	(401)	0
450	0	Levies and Other Corporate Budgets	Salaries	450	450	0	0	0
11,237	28		Non-Sal Exp	11,265	11,356	91	91	0
(14,788)	2,507		Income	(12,281)	(12,387)	(106)	(106)	0
(3,101)	2,535		Sub-Total	(566)	(581)	(15)	(15)	0
0	0	Housing Benefit Subsidy	Salaries	0	0	0	0	0
144,372	(1,419)		Non-Sal Exp	142,953	144,783	1,830	2,234	(404)
(144,931)	1,268		Income	(143,663)	(145,492)	(1,829)	(2,233)	404
(559)	(151)		Sub-Total	(710)	(709)	1	1	0
1,495	2,384	Total Corporate Operating Budgets	3,879	3,464	(415)	(415)	0	

Development & Risk Contingency (£152k overspend, £49k improvement)

28. 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 9		Variance (As at Month 9) £'000	Variance (As at Month 8) £'000	Movement from Month 8 £'000	
			Revised Budget £'000	Forecast Outturn £'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	1,290	1,030	1,030	0
277	0		Social Worker Agency Contingency	277	277	0	0	0
184	0		SEN transport - Contingency	184	300	116	67	49
2,910	(1,699)		Demographic Growth - Transitional Children	1,211	880	(331)	(233)	(98)
785	(432)		Demographic Growth - Adults	353	0	(353)	(353)	0
197	0		Winterbourne View	197	50	(147)	(147)	0
759	(759)		Deprivation of Liberty Safeguards	0	0	0	0	0
559	0	Corp. Items	Apprenticeship Levy	559	383	(176)	(176)	0
750	0		General Contingency	750	750	0	0	0
19,216	(10,656)	Total Development & Risk Contingency		8,560	8,712	152	201	(49)

29. The reduction of households in high-cost B&B has continued into December, which is in alignment with MTFE assumptions. High cost B&B numbers continue to be closely monitored alongside the related Section 17 costs within Social Care. It is forecast that Earmarked Reserve drawdowns will be required, alongside the full contingency allocation, to secure appropriate and sustainable private sector accommodation.
30. The one-off disbursement from the West London Waste Alliance in respect of excess reserves continues to result in a £309k underspend against waste disposal. The wider position on waste disposal costs continues to remain consistent with budget assumptions.

31. The projected drawdown from the Asylum contingency continues to be forecast as a £322k pressure. This is as a result of the reduction in income following confirmation from the Home Office that a number of supported individuals will no longer be eligible for funding.
32. There is no movement forecast against the Looked After Children contingency item, where a £1,030k pressure continues to be reported, which predominantly relates to the cost of Children with Disabilities (CWD) placements and adoption, where the service is having to place children outside of the Borough.
33. There is an adverse movement of £49k against the SEN transport contingency item as a result of a further increase in the number of pupils requiring SEN Transport. This movement is in line with the increase of children requiring an Education, Health & Care Plan (EHCP).
34. The Transitional Children contingency item is forecasting an improvement of £98k from the Month 8 position due to a number of clients entering the service at lower than anticipated costs as they are remaining in education settings for longer periods (which is part funded by the DSG).
35. 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 formal calls on this £750k provision, although a proportion of this sum is expected to be required to manage exceptional costs of responding to fly tipping once final costs have been determined. Any balances not required will be available to further supplement General Balances at outturn if requirements are not identified during 2017/18.

Priority Growth

36. 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.
37. As at Month 9, £320k of projects have been approved for funding from HIP resources, leaving £834k available for future release. The £20k allocation of Priority Growth in Table 6 below is as a result of the recommendation in the December Cabinet Report relating to the refurbishment works at Willow Tree Centre.

Table 6: Priority Growth

Original Budget	Budget Changes	Priority Growth	Month 9		
			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	320	(634)
254	0	Unallocated Priority Growth	254	20	(234)
454	954	Total Priority Growth	1,408	340	(1,068)

Schools Budget

38. An in-year overspend of £1,933k is projected against the Dedicated Schools Grant in 2017/18, bringing the brought forward deficit on the centrally retained reserve to £3,069k. This position reflects pressures of £2,433k 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 is expected to ultimately be recouped from future Dedicated Schools Grant allocations and therefore not impact directly upon the General Fund position.

Collection Fund

39. No movement is reported against the Collection Fund at Month 9, where a headline surplus of £2,611k is projected at Month 9, made up of a £2,680k surplus on Council Tax and £69k deficit on the retained share of Business Rates. This surplus is expected to be available for release to the General Fund in 2018/19.
40. The surplus is made up of a £2,680k 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 £676k 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

Housing Revenue Account

41. The Housing Revenue Account (HRA) is currently forecasting an underspend of £2,275k against the budgeted deficit of £11,664k, an improvement of £791k from Month 8. This position results in a projected closing HRA General Balance of £36,437k.
42. 46 properties have been sold under Right to Buy at the end of Month 9, with a further 14 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 Quarters 1, 2 and 3.

Future Revenue Implications of Capital Programme

43. Appendix D to this report outlines the forecast outturn on the 2017/18 to 2021/22 Capital Programme, with a £658k underspend projected over the five year programme. Prudential Borrowing required to support the Council's Capital Programme is projected to be £4,826k lower than the £102,775k revised budget, primarily as a result of a £12,420k favourable variance on Government Grants being off-set by a £4,851k shortfall in Capital Receipts forecast over the medium term. This favourable variance on borrowing would ultimately result in a reduction in future revenue costs of approximately £260k per annum.
44. 2017/18 capital expenditure is projected to be £13,630k lower than the £63,011k 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 £17,020k of the planned £23,475k will be secured during 2017/18.



Appendix A – Detailed Group Forecasts (General Fund)

CHIEF EXECUTIVE'S OFFICE (£1k underspend, nil movement)

46. The overall position for the Chief Executive's Office at Month 9 is an underspend of £1k, representing nil movement from Month 8. This includes covering a Managed Vacancy Factor (MVF) saving of £154k achieved through part-year vacancies and non-salary underspends across the Group.

Table 7: Chief Executive's Office Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 9		Variance (As at Month 9) £'000	Variance (As at Month 8) £'000	Movement from Month 8 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
1,466	22	Democratic Services	Salaries	1,488	1,496	8	12	(4)
1,669	26		Non-Sal	1,695	1,731	36	23	13
(596)	(58)		Exp	(654)	(608)	46	36	10
2,539	(10)		Sub-Total	2,529	2,619	90	71	19
2,001	(86)	Human Resources	Salaries	1,915	1,943	28	22	6
89	292		Non-Sal	381	307	(74)	(68)	(6)
(247)	90		Exp	(157)	(183)	(26)	(17)	(9)
1,843	296		Sub-Total	2,139	2,067	(72)	(63)	(9)
1,833	69	Legal Services	Salaries	1,902	1,935	33	20	13
83	0		Non-Sal	83	61	(22)	(9)	(13)
(260)	0		Exp	(260)	(290)	(30)	(20)	(10)
1,656	69		Sub-Total	1,725	1,706	(19)	(9)	(10)
5,300	5	Chief Executive's Office Directorate	Salaries	5,305	5,374	69	54	15
1,841	318		Non-Sal	2,159	2,099	(60)	(54)	(6)
(1,103)	32		Exp	(1,071)	(1,081)	(10)	(1)	(9)
6,038	355		Total	6,393	6,392	(1)	(1)	0

Democratic Services (£90k overspend, £19k adverse movement)

47. An adverse movement of £19k is reported in Democratic Services from Month 8, due in the main to revised printing and postage costs associated with Individual Electoral Registration, alongside continuing income pressures demonstrated by a fall in demand for Nationality Checking and Citizenship Ceremonies.

Human Resources (£72k underspend, £9k improvement)

48. At Month 9, Human Resources is reporting an underspend of £72k, a £9k improvement from the position at Month 8. Within the position, a forecast pressure on salaries reflects a fully staffed establishment, however, this is mitigated by non-staffing underspends on Learning & Development budgets.

Legal Services (£19k underspend, £10k improvement)

49. Legal Services is reporting an underspend of £19k at Month 9, representing an improvement of £10k on the month, due to an improved income position, with mitigating movement across Staffing and Non-Staffing expenditure.
50. 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 9 £198k has been banked with the remaining £361k marked as on track for delivery. Up to Month 9, 21 Apprentice posts have been appointed to, with a further 27 posts in development / recruitment stages.



FINANCE (£296k underspend, £1k improvement)

52. The Finance Group is reporting an underspend of £296k at Month 9, an improvement of £1k on the position at Month 8, and includes covering a Managed Vacancy Factor of £376k.

Table 8: Finance Operating Budgets

Original Budget £'000	Budget Changes £'000	Service		Month 9		Variance (As at Month 9) £'000	Variance (As at Month 8) £'000	Movement from Month 8 £'000
				Revised Budget £'000	Forecast Outturn £'000			
942	869	Business Assurance	Salaries	1,811	1,764	(47)	(55)	8
1,404	2		Non-Sal Exp	1,406	1,434	28	31	(3)
(659)	0		Income	(659)	(638)	21	21	0
1,687	871		Sub-Total	2,558	2,560	2	(3)	5
1,608	0	Procurement	Salaries	1,608	1,597	(11)	(28)	17
75	0		Non-Sal Exp	75	72	(3)	3	(6)
(31)	0		Income	(31)	(35)	(4)	(4)	0
1,652	0		Sub-Total	1,652	1,634	(18)	(29)	11
3,127	527	Corporate Finance	Salaries	3,654	3,507	(147)	(138)	(9)
(7)	2,030		Non-Sal Exp	2,023	2,026	3	4	(1)
(127)	(46)		Income	(173)	(187)	(14)	(14)	0
2,993	2,511		Sub-Total	5,504	5,346	(158)	(148)	(10)
4,382	(30)	Revenues & Benefits	Salaries	4,352	4,535	183	184	(1)
1,841	0		Non-Sal Exp	1,841	1,799	(42)	(35)	(7)
(2,360)	150		Income	(2,210)	(2,443)	(233)	(234)	1
3,863	120		Sub-Total	3,983	3,891	(92)	(85)	(7)
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
2,928	(2,500)		Sub-Total	428	398	(30)	(30)	0
11,093	835	Finance Directorate	Salaries	11,928	11,875	(53)	(68)	15
5,547	28		Non-Sal Exp	5,575	5,563	(12)	5	(17)
(3,517)	139		Income	(3,378)	(3,609)	(231)	(232)	1
13,123	1,002		Total	14,125	13,829	(296)	(295)	(1)

Business Assurance (£2k overspend, £5k adverse movement)

53. Business Assurance is projecting a small pressure of £2k at Month 9, an adverse movement of £5k on the month relating to increased staffing costs. Within the position, an underspend on salaries, which includes covering an MVF of £61k, reflects part year vacancies following phase 1 implementation of Business Assurance restructure proposals. Non-Staffing pressures primarily reflect training costs associated with implementation of new Health and Safety software, with income shortfall assumptions a result of reduced demand for Health and Safety Courses chargeable to external bodies.

Procurement (£18k underspend, £11k adverse movement)

54. Procurement is reporting an underspend of £18k at Month 9, representing an £11k adverse movement from Month 8, relating to staffing assumptions with post cover for maternity leavers. The overachievement of income reflects a rebate against pcard expenditure, while the non-staffing position reflects lower than anticipated legal spend on contract disputes.

Corporate Finance (£158k underspend, £10k improvement)

55. Corporate Finance is reporting an underspend of £158k at Month 9, representing a £10k improvement on the month, primarily due to revise staffing costs and part year vacancies. The overall staffing underspend reflects implementation of the Finance Phase 1 business case delivering MTFF savings in 2018/19, with the anticipated overachievement of income relating to S46 Receivership Fees.

Revenues & Benefits (£92k underspend, £7k improvement)

56. Revenues and Benefits is reporting an improvement of £7k on the month, due in the main to revised printing costs. Staffing pressures reflect the cost of temporary 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 contributions. Part year vacancies and grant income are contributing to the service underspend.

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

57. Pensions, Treasury and Statutory Accounting is reporting an underspend of £30k, a nil movement from the Month 8 position. The favourable position is primarily due a vacant post held within the team, alongside the rebate outlined above received in the month.
58. The full £856k Finance savings proposed as part of the MTFF 2017/18 have been banked.

Table 9: Finance Development & Risk Contingency

Original Budget	Budget Changes	Development & Risk Contingency	Month 8		Variance (As at Month 8)	Variance (As at Month 7)	Movement from Month 7
			Revised Budget	Forecast Outturn			
£'000	£'000		£'000	£'000	£'000	£'000	£'000
291	0	Uninsured claims	291	291	0	0	0
291	0	Current Commitments	291	291	0	0	0

59. The Development and Risk Contingency budget for Uninsured Claims is forecast to breakeven at Month 9, reporting no movement from the previous assumptions. Contingency, alongside base budget of £359k is expected to fully cover the cost of General Fund insurance claim payments below current deductible levels. Expenditure variances beyond this level can be managed from existing Insurance reserves.

RESIDENTS SERVICES (£388k underspend, £28k improvement)

60. Residents Services directorate is showing a projected outturn underspend of £388k at Month 9, excluding pressure areas that have identified contingency provisions.

Table 10: Residents Services Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 9		Variance (As at Month 9) £'000	Variance (As at Month 8) £'000	Movement from Month 8 £'000
			Revised Budget £'000	Forecast Outturn £'000			
15,219	1,620	Infrastructure, Waste and ICT	Salaries	16,839	16,196	(643)	(175)
31,833	3,380		Non-Sal	35,214	36,046	832	173
-9,790	(618)		Exp	(10,408)	(10,691)	(283)	90
37,262	4,382		Income	41,645	41,551	(94)	88
16,922	(751)	Housing, Environment, Education, Health & Wellbeing	Salaries	16,171	15,952	(219)	(69)
23,024	201		Non-Sal	23,225	24,205	980	21
-16,874	(484)		Exp	(17,358)	(18,164)	(806)	95
23,072	(1,034)		Income	22,038	21,993	(45)	47
7,430	(3,731)	Planning, Transportatio n & Regeneration	Salaries	3,699	3,804	105	(12)
1,901	(1,132)		Non-Sal	769	1,214	445	26
-6,397	3,030		Exp	(3,367)	(4,111)	(744)	(14)
2,934	(1,833)		Income	1,101	907	(194)	0
1,777	(252)	Performance & Improvement	Salaries	1,525	1,504	(21)	(2)
160	0		Non-Sal	160	169	9	0
-270	252		Exp	(18)	(21)	(3)	0
1,667	0		Income	1,667	1,652	(15)	(2)
10,766	1,889	Administrative, Technical & Business Services	Salaries	12,655	11,785	(870)	(52)
809	2,855		Non-Sal	3,664	3,994	330	(57)
-3,660	(6,770)		Exp	(10,430)	(9,930)	500	(52)
7,915	(2,026)		Income	5,889	5,849	(40)	(161)
52,114	(1,225)	Residents Services Directorate	Salaries	50,889	49,241	(1,648)	(310)
57,727	5,305		Non-Sal	63,032	65,628	2,596	163
-36,991	(4,590)		Exp	(41,581)	(42,917)	(1,336)	119
72,850	(510)		Income	72,340	71,952	(388)	(28)

61. 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.

62. 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.

63. At Month 9 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 9		Variance (As at Month 9)	Variance (As at Month 8)	Movement from Month 8
			Revised Budget	Forecast Outturn			
£'000	£'000		£'000	£'000	£'000	£'000	£'000
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
5,558	(2,728)	Current Commitments	2,830	2,521	(309)	(309)	0

64. The Month 9 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		
	October	November	December
Homeless Threat, Priority Need & Eligible	133	134	72
Presenting As Homeless	36	41	37
Duty Accepted	19	15	20
Households in Temporary Accommodation	571	560	551
Households in B&B	198	182	171

65. 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.
66. The Council will continue to closely monitor this area, given the level of risk and potential cost. 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.
67. 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 (£94k underspend, £88k adverse movement)

68. Forecasts for month 9 have been realigned to the new SMT structure implemented from mid-January, with the associated variances from month 8 restated accordingly.

69. The overall forecast encompasses a significant quantum of management actions, mainly within Highways, Waste and Fleet services, which will be closely monitored during the remainder of the financial year. At month 9, the service is reporting a net adverse movement of £88k from the month 8 position.
70. There is an adverse movement for Fleet of £115k reflecting additional fuel and vehicle damage costs, following the recent upward trend of diesel prices, revised vehicle maintenance costs and vehicle damage.
71. In addition, there is an adverse movement in Waste Services of £55k, relating to the change in market conditions for plastic recyclates, following China's decision to discontinue accepting imported plastics from overseas from 1st January 2018.
72. This adverse movement is partially netted down by favourable movements in staffing as a result of recruitment delays in Property & Estates and ICT (£82k).

Housing, Environment, Education, Health & Wellbeing (£45k underspend, £47k adverse movement)

73. The overall forecast contains a number of management actions which will continue to be monitored closely until close of the financial year.
74. At Month 9 the service is reporting an underspend projection of £45k, £47k adverse movement. The adverse movement relates to increased non-staffing costs in Greenspaces including increased forecasts for grounds maintenance (£22k) and equipment maintenance (£25k).

Planning, Transportation & Regeneration (£194k underspend, no change)

75. At Month 9 there is a projected underspend of £194k (no movement) across the service area, with the underspend predominantly a result of robust income streams across planning services.

Performance & Improvement (£15k underspend, £2k improvement)

76. There is a favourable movement of £2k relating to revised staffing projections for the Corporate Communications team, as a result of holding a post vacant for the remainder of the financial year.

Administrative, Technical & Business Services (£40k underspend, £161k improvement)

77. The service is reporting a £40k underspend at Month 9, representing a £161k favourable movement from the Month 8 position.
78. The net favourable movement is a result of staffing underspends across the service, with the movement of £35k favourable primarily owing to recruitment slippage for Business Support and Technical Administration roles. In addition there is a favourable movement of £25k relating to improved staffing projections for the contact centre, £8k for parking management and £5k for licensing. In addition, there are favourable movements relating to reduced costs via the enforcement contract (£30k).

79. Parking services continue to forecast income shortfalls at Uxbridge car parks, however for Month 9 there is a £12k favourable movement in the forecast, bringing the overall pressure to £480k. These are netted down by wider parking income streams including the PRA.
80. There is a forecast improvement in Food Safety services following a reduced forecast for analysts' fees (£23k) and an improvement in projected income streams following additional products coming under additional inspection requirements (£23k).

SOCIAL CARE (£154k underspend, £26k adverse movement)

81. Social Care is projecting an underspend of £154k at Month 9, an adverse movement of £26k on the Month 8 position, due to an increase in the cost of Family Group Conferencing, which is proving successful in preventing children from entering the care system. 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, reduced income from the Dedicated Schools Grant for the Educational Psychology Service and the cost of temporary bed and breakfast accommodation for families supported under the Section 17 regulations.

Table 13: Social Care Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 9		Variance (As at Month 9) £'000	Variance (As at Month 8) £'000	Movement from Month 8 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
13,299	455	Children's Services	Salaries	13,754	14,122	368	373	(5)
12,635	4,896		Non-Sal Exp	17,531	17,632	101	53	48
(7,804)	515		Income	(7,289)	(7,274)	15	15	0
18,130	5,866		Sub-Total	23,996	24,480	484	441	43
7,784	208	Early Intervention, Prevention & SEND	Salaries	7,992	7,644	(348)	(344)	(4)
6,257	(80)		Non-Sal Exp	6,177	6,066	(111)	(111)	0
(2,370)	(308)		Income	(2,678)	(2,368)	310	313	(3)
11,671	(180)		Sub-Total	11,491	11,342	(149)	(142)	(7)
4,597	(96)	Older People & Physical Disabilities Service	Salaries	4,501	4,341	(160)	(126)	(34)
34,209	3,469		Non-Sal Exp	37,678	37,947	269	285	(16)
(11,146)	(750)		Income	(11,896)	(11,990)	(94)	(128)	34
27,660	2,623		Sub-Total	30,283	30,298	15	31	(16)
11,537	(517)	Adult Social Care - Provider & Commission ed Care	Salaries	11,020	10,766	(254)	(331)	77
5,874	674		Non-Sal Exp	6,548	6,359	(189)	(166)	(23)
(590)	(32)		Income	(622)	(582)	40	39	1
16,821	125		Sub-Total	16,946	16,543	(403)	(458)	55
4,341	(603)	Learning & Disability and Mental Health Service	Salaries	3,738	3,777	39	12	27
29,435	4,114		Non-Sal Exp	33,549	33,643	94	92	2
(5,264)	(989)		Income	(6,253)	(6,494)	(241)	(163)	(78)
28,512	2,522		Sub-Total	31,034	30,926	(108)	(59)	(49)
320	(110)	Directorate & Support Services	Salaries	210	217	7	7	0
(670)	473		Non-Sal Exp	(197)	(197)	0	0	0
(376)	376		Income	0	0	0	0	0
(726)	739		Sub-Total	13	20	7	7	0
41,878	(663)	Social Care Directorate Total	Salaries	41,215	40,867	(348)	(409)	61
87,740	13,546		Non-Sal Exp	101,286	101,450	164	153	11
(27,550)	(1,188)		Income	(28,738)	(28,708)	30	76	(46)
102,068	11,695		Total	113,763	113,609	(154)	(180)	26

SOCIAL CARE DEVELOPMENT AND RISK CONTINGENCY (£637k overspend, £49k improvement)

82. The Council's 2017/18 Development and Risk Contingency includes a provision for areas of expenditure within Social Care for which there is a greater degree of uncertainty. In part, this is caused by in year demographic changes, including Asylum seekers and SEN Transport. 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 9, which takes into account this adjustment and an updated forecast spend against the Development and Risk Contingency, which is now projecting an overspend of £637k, an improvement of £49k on the Month 8 position. This is due to a further reduction in the Transitional Children demographic projections, netted down by an increase in the SEN Transport projections.

Table 14: Social Care Development & Risk Contingency

Original Budget £'000	Budget Changes £'000	Development & Risk Contingency	Month 9		Variance (As at Month 9) £'000	Variance (As at Month 8) £'000	Movement from Month 8 £'000
			Revised Budget £'000	Forecast Outturn £'000			
1,648	0	Asylum Service	1,648	1,970	322	322	0
5,298	(5,038)	Demographic Growth - Looked After Children	260	1,290	1,030	1,030	0
277	0	Social Worker Agency Contingency	277	277	0	0	0
184	0	SEN transport - Contingency	184	300	116	67	49
2,910	(1,699)	Demographic Growth - Transitional Children	1,211	880	(331)	(233)	(98)
785	(432)	Demographic Growth - Adults	353	0	(353)	(353)	0
197	0	Winterbourne View	197	50	(147)	(147)	0
759	(759)	Deprivation of Liberty Safeguards	0	0	0	0	0
12,058	(7,928)	Current Commitments	4,130	4,767	637	686	(49)

Asylum Service (£322k overspend, no change)

83. This service is projecting a drawdown of £1,970k from the contingency, an overspend of £322k as at Month 9 and no change from the Month 8 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.

84. 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, which are fed through into the projections once confirmed. Additionally the service is 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. A further check is being

undertaken on cases that do not receive funding to ensure that they have the relevant status that requires the Council to continue to provide support.

85. There are expected to be future changes to the funding regime, as in August 2017, the Home Office started its review of the grant funding that they provide to support UASC for 2018/19. However, as of to date, no updates have been provided.

Demographic Growth - Looked After Children (£1,030k overspend, no change)

86. The service is projecting a drawdown of £1,290k from the Contingency, £1,030k above the budget, no change on the Month 8 position. 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.
87. 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 22 as at the end of December 2017. Based on an annualised cost, this translates into a cost reduction and avoidance of £1,179k, reducing from £5,563k to £4,384k. However, this position can fluctuate given the wide potential variation in Children's placements costs.

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

88. 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 (£116k overspend, £49k adverse movement)

89. The service is projecting a drawdown of £300k from the SEN Transport contingency, £116k above the budget, a £49k increase on the month 8 position, due to a further increase in the number of pupils requiring SEN Transport, which corresponds to the increase being experienced in the number of children requiring an Education, Health and Care Plan (EHCP). Generally, the main increase in this service is usually seen at the start of the new school year; however, for this academic year there appears to be a more sustained growth across the months, where from September 2017 to December 2017 there has been a net growth of circa 61 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. Personal Transport Budgets (PTBs) have been offered to clients as a cheaper alternative to routes when possible, and there has been a corresponding increase. . Over the last few months, it is clear that the growth in the Special Educational Need children population is continuing 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 the existing routes no longer have any spare capacity.

Demographic Growth - Transitional Children (£331k underspend, £98k improvement)

90. The service is projecting a reduced drawdown of £880k 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, part of which is funded from the Dedicated Schools Grant up to and including the age of 24. However, the expectation 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 MTFP 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, no change)

91. The service is projecting no drawdown from the Adults Placements contingency, which results in the £353k underspend, no change on the Month 8 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)

92. 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, no change)

93. 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.

DIRECTORATE OPERATING BUDGETS

Children's Services (£484k overspend, £43k adverse movement)

94. The service is reporting an overspend of £484k as at Month 9, an adverse movement of £43k from the Month 8 position. This is due to an increase in the projected costs of Family Group Conferencing, which is proving successful in preventing children from entering the care system. The main reason for the overspend relates to the cost and use of agency staff, which are required to cover essential social worker posts and the costs associated with temporary bed and breakfast accommodation that is a requirement under Section 17 of The Children Act 1989 to support families with children that have become homeless. 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 (£149k underspend, £7k improvement)

95. The service is reporting an underspend of £147k as at Month 9, a minor improvement of £5k on the Month 8 position. The overall underspend is due to staffing costs, which are projected to underspend by £346k, due to a review of all vacant posts and the need to recruit to them and an underspend on non-staffing costs of £111k due to effective management action to restrict spend on essential items only, netted down by a projected shortfall of £310k 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, allowing the service to provide a restricted non-statutory function for schools.

Older People and Physical Disabilities (£15k overspend, £16k improvement)

96. The service is reporting an overspend of £15k as at Month 9, an improvement of £16k on the Month 8 position, due to a reduction in the cost of staffing, as recruitment is taking longer than planned and agency staff are leaving at short notice resulting in vacancies.

Adult Social Care - Provider and Commissioned Care (£403k underspend, £55k adverse movement)

97. The service is reporting an underspend of £403k as at Month 9, an adverse movement of £55k on the Month 8 position, due to an increase in the cost of staffing at the Children's Homes, which have become necessary in order to support children with complex needs. The £403k variance relates to an underspend of £254k on staffing costs, 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 £189k, which predominantly relates to a review of a number of contracts.
98. It should be noted that the Transport Service is reporting an in year overspend of £76k, due to a sustained 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. The service is currently working on a new contract framework and the purchase of a new IT system. Additionally the service plan to undertake a review of the passenger assistant requirement on all SEN home-to-school routes to ensure the agency provision is at an optimum level. 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 (£108k underspend, £49k improvement)

99. The service is forecasting an underspend of £108k as at Month 9, an improvement of £49k on the Month 8 position, which is due to an increase in CCG income for joint funded Social Care packages. The underspend relates to additional income from external bodies, netted down by an overspend of £39k on staffing and an overspend of £94k on non staffing due to increased costs of undertaking Deprivation of Liberty safeguard assessments.

Directorate & Support (£7k overspend, no change)

100. The Directorate budget is forecasting a marginal pressure of £7k as at Month 9, no change from the Month 8 position.

Appendix B – Other Funds

SCHOOLS BUDGET

Dedicated Schools Grant (£1,933k overspend, £277k adverse movement)

101. The Dedicated Schools Grant (DSG) is projecting an in-year overspend of £1,933k as at month 9, an adverse movement of £277k on the Month 8 projections. The movement from month 8 is due to continuing increases in the projected cost of High Needs and revised forecasts in Early Years. 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 £3,069k.

Table 15: DSG Income and Expenditure 2017/18

Original Budget	Budget Changes	Funding Block	Month 9		Variance (+ adv / - fav)		
			Revised Budget	Forecast Outturn	Variance (As at Month 9)	Variance (As at Month 8)	Change from Month 8
£'000	£'000		£'000	£'000	£'000	£'000	£'000
(148,436)	5,690	Dedicated Schools Grant Income	(142,746)	(142,746)	0	0	0
112,811	(5,490)	Delegated to Schools	107,321	107,321	0	0	0
3,971	(341)	Early Years	3,630	3,650	20	(184)	204
3,889	0	Centrally Retained	3,889	3,970	81	81	0
27,265	141	High Needs	27,406	29,738	2,332	2,259	73
(500)	0	Total Funding Blocks	(500)	1,933	2,433	2,156	277
500	0	Retained Balance	500	0	(500)	(500)	0
(0)	0	Total Schools Budget	0	1,933	1,933	1,656	277
0	0	Balance Brought Forward 1 April 2017	1,136	1,136			
0	0	Balance Carried Forward 31 March 2018	1,136	3,069			

Dedicated Schools Grant Income (nil variance, no change)

102. The budget and projections have been realigned to reflect the updated DSG allocation following confirmation from the Education & Skills Funding Agency (ESFA) of the adjustments to reflect the two school conversions to academy status which took place on the 1 September 2017. There are no further anticipated changes to DSG funding for 2017/18 other than the final Early Years adjustment which will happen in July 2018.

Delegated to Schools (nil variance, no change)

103. The budget has been realigned following the adjustment to the DSG recoupage figures following the conversion to academy status of two schools on 1 September 2017. Academy schools receive schools block funding directly from the ESFA and therefore the DSG payable to the local authority is adjusted to reflect this mid-year change.

Early Years (£20k overspend, £204k adverse movement)

104. The Early Years funding block is projecting an overspend of £20k as at month 9 which is a £204k adverse movement on the position reported at month 8.

105. The movement from month 8 relates partly to revised projections on the amount of fee income expected to be generated at the three Early Years Centres following lower than

forecasted uptake of places. The three centres continue to focus on increasing occupancy levels in order to address the current shortfall, but are now projecting to end the year with an overspend.

106. The projection for the two year old free entitlement has been revised now that full detail of the Autumn term uptake is known. Two year old funding was reduced by £341k in July 2017 following a reduction in the number of children accessing the entitlement based on the January 2017 census. It was anticipated that this funding reduction could be absorbed in the current year, however the number of children increased in the Autumn term which has now led to a projected overspend. There will be a further adjustment to the funding in July 2018 based on numbers recorded in the January 2018 census.
107. The projected overspend is offset by a £119k underspend in the two year old capacity grant funding following a significant reduction in the number of settings applying for grant funding in 2017/18. This is despite the criteria being extended to include early years settings requiring adaptations in order to provide the additional 15 hours free entitlement for 3 & 4 year olds.
108. 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.
109. There is a £63k underspend across the Early Years Advisory and Family Information Services, both of which currently have vacancies.

Centrally Retained (£81k overspend, no change)

110. The Growth Contingency fund continues to project an overspend due to the diseconomies funding requirement for one of the basic need academies increasing due to low pupil numbers. However, this overspend has been partly off-set by a reduction in the projected expenditure on in-year growth following confirmation of actual pupil numbers from the October census.
111. The increase in the number of pupil exclusions has resulted in £91k additional income as the local authority is able to reclaim some funding from schools relating to excluded pupils. This funding will be used to partly off-set the increase in funding paid to the in-borough alternative provision setting as a consequence of them being over planned place numbers.
112. There are projected underspends in the School Procurement team following the secondment of one of the team from November onwards and the Admissions team due to a current vacant post.

High Needs (£2,332k overspend, £73k adverse movement)

113. The High Needs funding block is projecting an overspend of £2,332k as at Month 9, an adverse movement of £73k on the Month 8 projections, due to continuing 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.
114. There is a budget pressure on the placement of pupils with SEN in independent or non-maintained schools. The High Needs budget included a savings target within the budget for

Independent and non-maintained school SEN placements which 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, resulting in additional pressure on the High Needs block.

115. The forecast includes additional projected expenditure to cover the cost of an increase in pupils attending in-borough alternative provision. 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. Income has been received from schools that have excluded which has partly off-set this pressure.
116. 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.
117. The above budget pressures are off-set by the following projected underspends; the DSG contribution to the non-statutory work of the Educational Psychology team where currently recruiting and retaining Educational Psychologists is proving very difficult making it a significant challenge to deliver anything other than statutory work (there is a national shortage of qualified Educational Psychologists); the SEN contingency budget, where the forecast on the 2% threshold mechanism has reduced following confirmation of the pupil numbers in the October census and in the SEN support services as a result of vacant posts.

School Academy Conversions

118. 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.
119. 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

120. 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.
121. 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%.
122. 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. These schools have worked on a deficit recovery plan to demonstrate how they will achieve a balanced budget within at least the next three years.

123. 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 (£2,611k surplus, no movement)

124. 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. At Month 9, a headline surplus of £2,611k is projected on the Council's share of Collection Fund activity for 2017/18, no movement from the previously reported position. The surplus is made up of a £2,680k 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		Variance (As at Month 9) £'000	Variance (As at Month 8) £'000	Movement from Month 8 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
(119,465)	0	Council Tax	Gross Income	(119,465)	(120,317)	(852)	(846)	(6)
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
(108,699)	0		Sub-Total	(108,699)	(111,379)	(2,680)	(2,674)	(6)
(105,520)	0	Business Rates	Gross Income	(105,520)	(106,023)	(503)	(509)	6
(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
(52,241)	0	Sub-Total	(52,241)	(52,172)	69	63	6	
(160,940)	0	Total Collection Fund		(160,940)	(163,551)	(2,611)	(2,611)	0

125. At Month 9, a minor £6k movement is reported against Council Tax collection, 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 £2,680k.

126. The £6k adverse movement across Business Rates income slightly increases the anticipated 2017/18 deficit laid out in the Council's MTF. Strong performance during 2017/18 remains marginally insufficient to off-set the majority of the brought forward deficit.

Appendix C – HOUSING REVENUE ACCOUNT

128. The Housing Revenue Account (HRA) is currently forecasting an in-year overall deficit of £9,389k, which is £2,275k more favourable than the budgeted position. Therefore the 2017/18 closing HRA General Balance is forecasted to be £36,437k.

Table 17: Housing Revenue Account

Service	Month 9		Variance (+ adv / - fav)		
	Revised Budget	Forecast Outturn	Variance (As at Month 9)	Variance (As at Month 8)	Movement from Month 8
	£'000	£'000	£'000	£'000	£'000
Rent Income	(55,064)	(55,577)	(513)	(513)	0
Other Income	(5,494)	(5,144)	350	350	0
Net Income	(60,558)	(60,721)	(163)	(163)	0
Housing Management	12,214	12,768	554	563	(9)
Tenant Services	4,973	4,536	(437)	(363)	(74)
Repairs	5,033	4,764	(269)	(196)	(73)
Planned Maintenance	4,906	2,843	(2,063)	(1,428)	(635)
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
Operating Costs	72,222	70,110	(2,112)	(1,321)	(791)
(Surplus) / Deficit	11,664	9,389	(2,275)	(1,484)	(791)
General Balance 01/04/2017	(45,826)	(45,826)	0	0	0
General Balance 31/03/2018	(34,162)	(36,437)	(2,275)	(1,484)	(791)

Income

129. A favourable variance of £513k is forecast on rental income and an adverse variance of £350k is forecast on other income, representing no change from the Month 8 position.

130. The number of RTB applications received in the first nine months of 2017/18 was 129 compared to 222 for the same period in 2016/17, a reduction of 42%. There have been 46 RTB completions in the first nine months of 2017/18 compared to 75 for the same period in 2016/17, a reduction of 39%. The Month 9 forecast assumes RTB sales of 60 for the year, a reduction of 25 compared to the Month 8 forecast.

Expenditure

131. The Housing management service is forecast to overspend by £554k, a favourable movement of £9k on Month 8, due to running costs.
132. Tenant services is forecast to underspend by £437k, a favourable movement of £74k on Month 8, due to updated forecasts on utilities.
133. The repairs budget is forecast to underspend by £269k, a favourable movement of £73k on Month 8, due to capitalisation of expenditure.
134. The Planned Maintenance budget is forecast to underspend by £2,063k, a favourable movement of £635k on Month 8, due to reduced forecast spend on water quality works £258k, release of contingencies £208k, external decorations programme £80k, minor estate improvements £72k and other works £17k.
135. 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 8 position.

HRA Capital

136. 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 £78,696k.

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
Major Projects									
New General Needs Housing Stock	21,418	17,407	17,002	0	(405)	32,848	32,848	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	119	102	0	(17)	7,948	7,948	0	0
New Build - Supported Housing Provision	21,434	20,967	18,650	(1,768)	(549)	37,506	33,831	(3,675)	(3,675)
ICT	0	0	0	0	0	162	162	0	0
HRA General Capital Contingency	9,500	9,270	9,270	0	0	9,270	9,270	0	0
Total Major Projects	62,707	56,398	53,659	(1,768)	(971)	96,369	92,694	(3,675)	(3,675)
Works to Stock									
Works to stock programme	7,626	19,964	15,446	0	(4,518)	48,996	48,996	0	0
Major Adaptations to Property	1,092	2,334	2,334	0	0	6,720	6,720	0	0
Total Works to Stock	8,718	22,298	17,780	0	(4,518)	55,716	55,716	0	0
Total HRA Capital	71,425	78,696	71,439	(1,768)	(5,489)	152,085	148,410	(3,675)	(3,675)
Movement on Month 8	0	0	(1,466)	0	(1,466)	0	0	0	0

Major Projects

137. The 2017/18 Major Projects programme revised budget is £56,398k and the forecast spend is £53,659k, with a forecast underspend of £1,768k and a re-phasing of £971k. The major works cost variance during the period 2017-22 remains an underspend of £3,675k.

New General Needs Housing Stock

138. The 2017/18 General Needs Housing Stock revised budget is £17,407k. There is a forecast re-phasing of £405k across the General Needs programme, representing an adverse movement of £23k on Month 8.

139. Contractors have been appointed for all 3 elements of the housing programme. The building works with respect to the extensions were completed in January 2018 with the sites being prepared for handover. The conversion works are due for completion by the end of February 2018. Contractors are on site with respect to the remaining new build developments across 3 sites, with projected completion by August 2018.

140. 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 re-phased. A contractor has been appointed to demolish and secure the site prior to commencing development.

141. 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

142. 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

143. New Build Shared Ownership - the 2017/18 revised budget is £119k, with a forecast spend of £102k and re-phasing of £17k. The schemes are being delivered concurrently with the General Needs units.

New Build - Supported Housing

144. 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 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.

145. There is an increased re-phasing movement in 2017/18 of £495k compared to Month 8, mainly on the Grassy Meadow site, this re-phasing does not impact on the target completion dates.

HRA General Contingency

146. HRA General Contingency: A capital contingency of £9,270k 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

147. The Works to Stock revised budget for 2017/18 is £19,964k and the forecast expenditure is £15,446k. The phasing variance is £4,518k, across various work-streams, an increase in the phasing variance of £948k compared to Month 8, due to the validation, procurement and consultation timetables required to deliver these works.
148. The major adaptations budget of £2,334k is forecast to be fully spent.

HRA Capital Receipts

149. There have been 46 Right to Buy sales of Council dwellings as at the end of December 2017 for a total gross sales value of £7.7m and a total of a further 14 sales are forecast to bring the yearly total to 60, totalling £10m in 2017/18.
150. 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.
151. 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 Q1, Q2 and Q3 in 2017/18.

Appendix D - GENERAL FUND CAPITAL PROGRAMME

152. As at Month 9 an underspend of £13,630k is reported on the £63,011k 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 £658k.
153. General Fund Capital Receipts of £17,020k are forecast for 2017/18; with a shortfall of £4,851k in total forecast receipts to 2021/22.
154. Overall, Prudential Borrowing required to support the 2017/18 to 2021/22 capital programmes is forecast to be within budget by £4,826k. This is as a result of cost underspends of £658k and increases in grants and contributions of £12,420k 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 £8,252k in Capital Receipts and Community Infrastructure Levy.

Capital Programme Overview

155. 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	10,985	8,945	(324)	(1,716)	90,783	90,459	(324)	(99)
Self Financing Developments	150	25	-	(125)	27,619	27,619	-	-
Main Programme	20,300	16,073	(82)	(4,145)	85,537	85,455	(82)	(52)
Programme of Works	30,520	23,282	(252)	(6,986)	84,890	84,638	(252)	(45)
Total Main Programme	61,955	48,325	(658)	(12,972)	288,829	288,171	(658)	(196)
General Contingency	1,056	1,056	-	-	6,524	6,524	-	-
Total Capital Programme	63,011	49,381	(658)	(12,972)	295,353	294,695	(658)	(196)
Movement	343	(2,688)	(196)	(2,835)	343	147	(196)	

156. The revised budget has increased by £343k due to additional schools' contributions to the devolved formula capital programme.
157. The Schools Programme reports a re-phasing under spend in 2017/18 of £1,716k which is mainly due to revised expenditure profiles across financial years of the two primary school expansions that are in progress. Expansions at two Secondary school sites are expected to

commence on site early next financial year following completion of the tendering process. There is an increase in forecast under spend to £324k relating to a combination of unused contingency no longer required for the replacement of Northwood School and lower cost estimates for highways works at Oak Wood School.

158. The five year programme contains two major self financing mixed residential developments at the former Belmore Allotments and Yiewsley pool sites. Consultants are to be appointed shortly to commence feasibility and survey work on the Yiewsley site redevelopment, resulting in forecast re-phasing of £125k. Design work is in progress for the housing development at Belmore Allotments.
159. The main programme reports a small cost under spend of £82k on completion of projects which commenced in the previous financial year. This is a favourable movement of £52k mainly relating to car park resurfacing works. Forecast re-phasing amounts to £4,145k on numerous projects and programmes that will continue into future financial years.
160. Programmes of Works are forecast to have cost under spends of £252k which relates partly to Social Care equipment capitalisation with a favourable movement of £45k on demand for Private Sector Renewal Grants. Forecast re-phasing has increased to £6,986k on various existing programmes that will continue into next year. School Condition works are in various stages of progress and elements of the Transport for London, Corporate Technology and Innovation and Civic Centre programmes will be completed next financial year.
161. The remaining unallocated general contingency budget has reduced to £1,056k in 2017/18, following recent approval of £134k relating to soil remediation works and surfacing works required at Uxbridge Early Years Centre. This is reported under the Environmental and Recreational Initiatives budget. A further £5,468k contingency funding over the period 2018-22 are forecast to be fully utilised as and when risk issues emerge.

Capital Financing - General Fund

162. Table 20 below outlines the latest financing projections for the capital programme, with a favourable medium term variance of £4,826k 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	42,121	30,330	(11,791)	213,069	199,991	(13,078)	(250)
Financed By:							
Capital Receipts	23,475	17,020	(6,455)	83,393	78,542	(4,851)	(961)
CIL	5,151	3,000	(2,151)	26,901	23,500	(3,401)	-
Prudential Borrowing	13,495	10,310	(3,185)	102,775	97,949	(4,826)	711
Total Council Resources	42,121	30,330	(11,791)	213,069	199,991	(13,078)	(250)

Grants & Contributions	20,890	19,051	(1,839)	82,284	94,704	12,420	54
Total Programme	63,011	49,381	(13,630)	295,353	294,695	(658)	(196)

163. Capital receipts received as at the end of December amount to £780k which will be utilised towards financing costs of transformation in 2017/18. Sales or appropriations on several sites are expected to be completed this financial year to reach the forecast. The five year capital receipts forecast reports an under recovery of £4,851k which is due to a reduction in General Fund share of Right to Buy (RTB) receipts. Forecast RTB sales over the period 2017-22 are 145 lower than original budget estimates.
164. As at the end of December a total of £2,344k Community Infrastructure Levy (CIL) receipts (after administration fees) have been invoiced or received by the Council this financial year, a monthly movement of £1,782k following issue of demand notices on several residential or retail developments. The current year income forecast has increased by £500k as there are other chargeable developments anticipated to proceed this financial year. There are also Section 106 receipts in respect of previous planning applications available for financing existing capital expenditure where in accordance with the specific S106 agreement. 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.
165. Grants and contributions are £12,420k 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. A favourable movement of £54k is reported due to a Section 106 contribution being allocated to finance the existing Chrysalis Programme.
166. A favourable variance of £4,826k 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 adverse movement of £711k in month is due to the forecast reduction in General Fund Share of Right to Buy receipts, partially offset by further cost under spends across the capital programme and additional Section 106 contribution.

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
	Education and Children Services										
136,966	Primary Schools Expansions	200	100	0	(100)	1,565	1,565	0	1,565	0	0
786	New Primary Schools Expansions	6,461	5,078	0	(1,383)	26,614	26,614	0	12,817	13,797	0
482	Secondary Schools Expansions	1,215	867	0	(348)	55,418	55,418	0	34,483	20,935	0
42,721	Secondary Schools New Build	3,097	2,888	(324)	115	3,574	3,250	(324)	525	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
181,142	Total Schools Programme	10,985	8,945	(324)	(1,716)	90,783	90,459	(324)	53,002	36,900	557

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
	Self Financing Developments										
	Finance, Property and Business Services										
237	Yiewsley Site Development	150	25	0	(125)	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
237	Total Main Programme	150	25	0	(125)	27,619	27,619	0	26,411	0	1,208

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
	Community, Commerce and Regeneration										
1,702	CCTV Enforcement (SKC's)	40	40	0	0	40	40	0	40	0	0
561	Gateway Hillingdon	2,377	1,400	0	(977)	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	273	0	(124)	471	471	0	447	0	24
15	Uxbridge Cemetery Gatehouse Chapel	50	20	0	(30)	599	599	0	599	0	0
100	Uxbridge Change of Heart	946	912	0	(34)	1,896	1,896	0	1,071	738	87
	Central Services, Culture and Heritage										
883	Bowls Club Refurbishments	510	350	0	(160)	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	650	50	0	(600)	856	856	0	856	0	0
0	Ruislip Lido Railway Society Workshop	382	340	0	(42)	402	402	0	402	0	0
0	Mobile Library	117	117	0	0	117	117	0	117	0	0
	Finance, Property and Business Services										
2,282	Battle of Britain Heritage Pride Project	3,854	3,854	0	0	4,154	4,154	0	4,154	0	0
29	Battle of Britain Underground Bunker	200	23	0	(177)	1,024	1,024	0	1,024	0	0
0	Bessingby FC and Boxing Clubhouse	180	90	0	(90)	1,370	1,370	0	1,370	0	0
0	Uniter Building Refurbishment	100	10	0	(90)	400	400	0	400	0	0
0	New Museum	100	0	0	(100)	5,632	5,632	0	4,882	0	750
0	New Theatre	100	25	0	(75)	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
0	Hillingdon Outdoor Activity Centre	250	25	0	(225)	250	250	0	250	0	0
	Planning, Transportation and Recycling										
57	Ruislip Lido Car Park Improvements	155	155	0	0	155	155	0	0	155	0
2,279	Cedars & Grainges Car Park	391	250	0	(141)	391	391	0	391	0	0
1,343	Harlington Road Depot Improvements	264	164	0	(100)	314	314	0	314	0	0
0	Purchase of Vehicles	600	250	0	(350)	2,600	2,600	0	2,600	0	0
0	RAGC Car Park	50	20	0	(30)	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
	Social Services, Housing, Health and Wellbeing										
0	1 & 2 Merrimans Housing Project	50	0	0	(50)	620	620	0	620	0	0
47	Grassy Meadow Dementia Centre	0	0	0	0	2,465	2,465	0	2,465	0	0
	Cross Cabinet Member Portfolios										
233	Environmental/ Recreational Initiatives	834	834	0	0	1,078	1,078	0	1,023	0	55
9,234	Projects Completing in 2017/18	554	472	(82)	0	554	472	(82)	472	0	0
56,590	Total Main Programme	20,300	16,073	(82)	(4,145)	85,537	85,455	(82)	78,534	3,397	3,524

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
	Community, Commerce and Regeneration										
N/A	Chrysalis Programme	1,512	1,257	0	(255)	5,512	5,512	0	5,450	0	62
N/A	Playground Replacement Programme	250	50	0	(200)	1,000	1,000	0	1,000	0	0
	Education and Children Services										
N/A	Formula Devolved Capital to Schools	1,767	1,251	0	(516)	2,940	2,940	0	0	1,935	1,005
N/A	School Condition Building Programme	3,459	1,512	0	(1,947)	6,459	6,459	0	1,908	3,426	1,125
	Finance, Property and Business Services										
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	304	0	(367)	4,527	4,527	0	4,527	0	0
N/A	Property Works Programme	1,089	900	0	(189)	3,009	3,009	0	3,009	0	0
N/A	Planning, Transportation and Recycling										
N/A	Highways Structural Works	7,369	6,831	0	(538)	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	5,982	(17)	(1,924)	24,702	24,685	(17)	0	24,305	380
	Social Services, Housing, Health and Wellbeing										
N/A	Disabled Facilities Grant	2,707	2,707	0	0	11,907	11,907	0	0	11,907	0
N/A	Adaptations for Adopted Children	17	17	0	0	17	17	0	17	0	0
N/A	PSRG / LPRG	100	55	(45)	0	1,000	955	(45)	955	0	0
N/A	Equipment Capitalisation - Adult Social Care	985	825	(160)	0	4,925	4,765	(160)	0	4,765	0
	Cross Cabinet Member Portfolios										
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
	Total Programme of Works	30,520	23,282	(252)	(6,986)	84,890	84,638	(252)	35,520	46,338	2,780
N/A	General Contingency	1,056	1,056	0	0	6,524	6,524	0	6,524	0	0
	Total GF Capital Programme	63,011	49,381	(658)	(12,972)	295,353	294,695	(658)	199,991	86,635	8,069

Appendix E – Treasury Management Report as at 31 December 2017

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

	Actual (£m)	Actual (%)	Benchmark (%)
Up to 1 Month	79.0	69.18	55.00
1-2 Months	25.0	21.89	15.00
2-3 Months	0.0	0.00	15.00
3-6 Months	5.0	4.38	10.00
6-9 Months	0.0	0.00	0.00
9-12 Months	5.0	4.38	5.00
12-18 Months	0.0	0.00	0.00
18-24 Months	0.0	0.00	0.00
Subtotal	114.0	99.83	100.00
Unpaid Maturities	0.2	0.17	0.00
Grand Total	114.2	100.00	100.00

167. With the exception of the unpaid Heritable investments, deposits are only held with UK 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, Thurrock Borough Council, Walsall Metropolitan Council, Coventry Building Society, Nationwide Building Society, Goldman Sachs International, Lloyds Bank and Santander UK plc.
168. The Council aims to minimise its exposure to bail-in risk by utilising bail-in exempt instruments and institutions whenever possible. However, due to the significant amount held in instant access facilities needed to manage daily cashflows, it is not possible to fully protect Council funds from bail-in risk. Currently at the end of December, 75% of the Council's total funds have exposure to bail-in risk compared to a December benchmark average of 61% in the Local Authority sector (latest benchmark provided quarterly by the Council's treasury advisors Arlingclose). The Council's exposure reduces to 20% once instant access facilities are removed from the bail-in total.
169. Liquidity was maintained throughout December by placing surplus funds in instant access accounts, and once at capacity, short-term deposits with the DMADF. Deposit maturities were scheduled to match outflows and where required, funds were withdrawn from instant access facilities. As well as the DMADF maturities, there was also a maturing long-term deposit with Stockport Council during the month.

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

		Actual (£m)	Actual (%)
General Fund	PWLB	47.30	18.72
	Long-Term Market	15.00	5.94
HRA	PWLB	157.32	62.28
	Long-Term Market	33.00	13.06
	Total	252.62	100.00

170. There was one scheduled General Fund PWLB EIP debt repayment of £0.75m this month. Gilt yields ended the month slightly lower that it started, however premiums remained too high to make early repayment of debt feasible. There were no breaches of the Prudential Indicators or non-compliance with the Treasury Management Policy and Practices.
171. In order to maintain liquidity for day-to-day business operations during January, cash balances will be placed in instant access accounts and short-term deposits. Looking forward, opportunities to place longer term deposits will be monitored.

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

172. 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
Residents Services						
Development Manager (Housing Zone)	12/04/2017	06/01/2018	06/04/2018	93	30	123
Planning Enforcement Officer	03/10/2016	01/01/2018	30/03/2018	80	18	98
Planning Enforcement Officer	06/10/2014	01/01/2018	30/03/2018	264	24	288
Repairs Service Manager	23/11/2015	01/12/2017	02/04/2018	181	27	208
Compliance Officer - Dev & Assets	02/02/2017	29/01/2018	23/04/2018	104	28	132
Project Engineer- (Design)	10/06/2013	08/01/2018	31/03/2018	240	14	254
Technical Manager - Planned Works	24/10/2016	08/01/2018	06/04/2018	123	24	147
Building Control Surveyor	23/08/2012	29/01/2018	29/04/2018	175	9	184
Financial Assessment Officer	20/04/2015	29/01/2018	29/04/2018	88	8	96
Housing Options & Homeless Prevention Mgr	01/01/2017	15/01/2018	08/04/2018	74	28	102
Domestic Abuse Programme Lead	28/08/2017	29/01/2018	11/03/2018	62	16	78
Licensing Officer	03/05/2016	14/02/2018	11/05/2018	65	9	74
Social Care						
Occupational Therapist	01/04/2015	05/02/2018	31/03/2018	194	5	199
Approved Mental Health Worker	12/09/2015	05/02/2018	04/03/2018	172	5	177
Approved Mental Health Worker	29/05/2016	05/02/2018	04/03/2018	121	6	127
Approved Mental Health Worker	01/03/2014	05/02/2018	04/03/2018	222	6	228
Team Manager	26/06/2016	05/02/2018	04/03/2018	115	6	121
Approved Mental Health Worker	01/06/2015	05/02/2018	04/03/2018	189	4	193
Support Worker	04/04/2016	05/02/2018	04/03/2018	52	2	54
Lead Approved Mental Health Practitioner	01/06/2012	05/02/2018	04/03/2018	277	4	281

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
Senior Social Worker	03/10/2016	05/02/2018	04/03/2018	84	5	89
Occupational Therapist	07/10/2013	05/02/2018	31/03/2018	274	5	279
Senior Social Worker	01/05/2017	05/02/2018	04/03/2018	49	5	54
Occupational Therapist	03/12/2015	05/02/2018	31/03/2018	146	5	151
Occupational Therapist	06/06/2016	05/02/2018	31/03/2018	118	5	123
Social Worker	09/09/2016	05/02/2018	04/03/2018	46	4	50
Residential Care Worker	01/04/2012	05/02/2018	04/03/2018	158	2	160
Social Worker (CHC)	03/01/2017	05/02/2018	31/03/2018	48	3	51
Social Worker	01/04/2013	05/02/2018	30/04/2018	118	6	124
Social Worker	01/04/2013	05/02/2018	30/04/2018	101	6	107
Senior Social Worker	01/04/2013	05/02/2018	30/04/2018	76	6	82
Early Years Practitioner	23/02/2015	05/02/2018	04/03/2018	62	2	64
Early Years Practitioner	24/02/2014	05/02/2018	04/03/2018	61	1	62
Early Years Practitioner	01/05/2015	05/02/2018	04/03/2018	148	2	150
Special Needs Officer	05/01/2015	05/02/2018	31/03/2018	125	7	132
Special Needs Officer	01/12/2016	05/02/2018	31/03/2018	69	5	74
Practice Improvement Practitioner	08/05/2014	05/02/2018	30/04/2018	155	6	161
Child Protection Chair	20/07/2015	05/02/2018	30/04/2018	195	6	201
Child Protection Chair	01/07/2015	05/02/2018	30/04/2018	154	7	161
Social Worker	01/01/2013	05/02/2018	30/04/2018	300	6	306
Senior Social Worker	30/04/2012	05/02/2018	30/04/2018	265	6	271
Senior Social Worker	19/12/2011	05/02/2018	30/04/2018	348	6	354
Social Worker	19/06/2014	05/02/2018	30/04/2018	213	6	219
Social Worker	04/05/2015	05/02/2018	30/04/2018	160	5	165
Social Worker	13/04/2015	05/02/2018	30/04/2018	195	6	201
Social Worker	11/07/2016	05/02/2018	30/04/2018	104	6	110
Social Worker	04/07/2016	05/02/2018	30/04/2018	117	6	123
Social Worker	26/09/2016	05/02/2018	30/04/2018	98	6	104
Social Worker	03/07/2016	05/02/2018	30/04/2018	116	6	122
Social Worker	01/09/2016	05/02/2018	30/04/2018	109	6	115
Social Worker	07/11/2016	05/02/2018	30/04/2018	102	6	108
Social Worker	07/11/2016	05/02/2018	30/04/2018	98	6	104
Social Worker	07/11/2016	05/02/2018	30/04/2018	77	5	82
Social Worker	21/11/2016	05/02/2018	30/04/2018	90	6	96
Senior Social Worker	21/11/2017	05/02/2018	30/04/2018	87	6	93
Social Worker	27/10/2016	05/02/2018	30/04/2018	94	6	100
Social Worker	19/12/2016	05/02/2018	30/04/2018	52	3	55
Social Worker	16/12/2016	05/02/2018	30/04/2018	81	6	87
Senior Social Worker	29/06/2017	05/02/2018	30/04/2018	48	6	54

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
Social Worker	01/01/2013	05/02/2018	30/04/2018	309	6	315
Team Manager	17/07/2017	05/02/2018	30/04/2018	57	8	65
Social Worker	06/04/2017	05/02/2018	30/04/2018	54	6	60
Team Manager	27/03/2017	05/02/2018	30/04/2018	74	7	81
Educational Psychologist	15/11/2015	05/02/2018	04/03/2018	186	7	193
Educational Psychologist	01/03/2016	05/02/2018	04/03/2018	212	12	224
Educational Psychologist	16/10/2016	05/02/2018	04/02/2018	51	3	54
Educational Psychologist	15/08/2016	05/02/2018	04/03/2018	100	7	107
Social Worker	04/05/2015	05/02/2018	30/04/2018	168	6	174
Placement Officer	18/03/2016	05/02/2018	30/04/2018	86	4	90
Social Worker	26/08/2016	05/02/2018	30/04/2018	93	5	98
Support Worker	20/12/2015	05/02/2018	30/04/2018	52	2	54
Social Worker	05/09/2014	05/02/2018	30/04/2018	268	6	274
Case Progression Manager	07/04/2014	05/02/2018	30/04/2018	347	8	355
Social Worker	11/08/2014	05/02/2018	30/04/2018	274	6	280
Social Worker	01/08/2015	05/02/2018	30/04/2018	144	6	150
Social Worker	28/03/2016	05/02/2018	30/04/2018	120	5	125
Senior Social Worker	05/10/2015	05/02/2018	30/04/2018	117	6	123
Social Worker	21/08/2016	05/02/2018	30/04/2018	108	6	114
Senior Social Worker	06/06/2016	05/02/2018	30/04/2018	72	6	78
Social Worker	13/11/2016	05/02/2018	30/04/2018	89	6	95