

COUNCIL BUDGET - 2017/18

MONTH 10 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 - G

HEADLINES

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 £1,192k is projected against 2017/18 General Fund revenue budgets as of January 2018 (Month 10) representing an improvement of £90k 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 January 2018 (Month 10).
2. Note the Treasury Management update as at January 2018 at Appendix E.
3. Continue the delegated authority up until the April 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 15 February 2018 and 15 March 2018 Cabinet meetings, detailed at Appendix F.

4. Approve the release of £500k from General Contingency to Residents Services budgets in respect of the following items:
 - a. £448k Fly Tipping costs;
 - b. £44k Storm Damage costs, and;
 - c. £8k to extend opening of the Winter Night Shelter to 31 March 2018.
5. Accept into the Housing Revenue Account grant funding of £15k from the London Fire and Emergency Planning Authority's Community Fire Safety Investment Fund for the installation of Ultraguard Mist Systems in Council housing occupied by vulnerable tenants.
6. Approve acceptance of gift funding in relation to a Planning Performance Agreement on the following major development in accordance with the provisions of Section 93 of the Local Government Act 2003:
 - a. Prologis, Stockley Park Phase 2 (£17,500)
7. Accept a capital grant of £97k from the Department for Transport in respect of the Pothole Action Fund.
8. Notes its decision on 25 January 2018 to agree free entry for 'serving military personnel' visiting the new Battle of Britain Bunker Visitor Centre and amends the decision so it applies to those 'personnel who have previously served or currently serve for United Kingdom military forces'.
9. Agrees to waive fees currently in place of Child Burials with effect from 26 March 2018.
10. Ratify a decision taken by the Leader of the Council and the Cabinet Member for Finance, Property and Business Services on 23 February 2018 that authorised the granting of an Agricultural Holdings Act (AHA) farm business tenancy.

SUPPORTING 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 10 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. The Council's 2017/18 budget includes £750k unallocated General Contingency to manage unforeseen events or emerging risks, with **Recommendation 4** seeking to release £500k funding to fund the following items being managed within Residents Services budgets:
 - a. £448k Fly Tipping Costs - Exceptional costs incurred in managing the impact of two major incidents which occurred during 2017/18;
 - b. £44k Storm Damage Costs - Expenditure incurred in replacing a number of trees, fencing and other assets damaged in recent severe storms, and;

c. £8k Winter Night Shelter - Additional funding from the Council to keep the Hillingdon Winter Night Shelter operated by Housing Justice open to 31 March 2018.

4. Research from the London Fire Brigade highlights that the risk of house fires is greater for vulnerable people. The Ultraguard Mist System is specifically targeted to vulnerable residents who may be bed bound and smoke. As a fire safety intervention, there is already in situ, a Pilot Personal Protective System, Anchor linked Misting System for those particularly vulnerable residents who may be bed bound and smoke. The grant in **Recommendation 5** can be used to fund the approximate cost of £2,500 per unit. There will be tenant liaison and collaboration between the Tenancy Management and Social Care team to identify the high-risk individuals that will most benefit from the systems.
5. Gift funding has been offered by developers which if accepted by Cabinet will be utilised to fund dedicated staff to support this pre-application and application work. **Recommendation 6** seeks authority from Cabinet to approve the acceptance of this sum in relation to Planning Performance Agreements.
6. The Department for Transport have awarded a capital grant of £97k from the Pothole Action Fund for the improvement of local roads. The funding outlined in **Recommendation 7** will contribute towards existing investment on maintaining and improving the borough's highways.
7. **Recommendation 8** clarifies the free entry in relation to the military agreed at January Cabinet, so that it applies to those who are ex or current UK military personnel. The new Battle of Britain Bunker Visitor Centre opens its doors to the public on 30 March 2018 (Good Friday).
8. As requested by the Leader of the Council at the recent Council Tax setting meeting of full Council, proposals to waive child burial charges have been developed and detailed in Appendix G to this report. **Recommendation 9** seeks formal Cabinet authority to waive charges in relation to internment and purchase of grave spaces for children whose age at death does not exceed seventeen years.
9. The decision noted at **Recommendation 10** related to a proposed new tenancy and rent for Bourne Farm, Breakspear Road North, Harefield in order to resolve tenancy matters. Approval of leases over 25 years are decisions that in the Constitution are ordinarily reserved to the Cabinet. In cases that are urgent and in the absence of a Cabinet meeting, the Leader of the Council (with the relevant Cabinet Member) has delegated authority to take such decisions and then reported to a subsequent Cabinet meeting for ratification.

Alternative options considered

10. There are no other options proposed for consideration.

SUMMARY

REVENUE

11. General Fund revenue budgets are projected to underspend by £1,192k at Month 10, with underspends against both Directorate and Corporate Operating Budgets continuing to be offset by a pressure on Development and Risk Contingency. For all material pressures identified across the General Fund, a range of initiatives are in place to contain them both in-year and in future years.
12. In March 2017 the Government announced supplementary funding to the Improved Better Care Fund, frontloading resources previously anticipated to be available from 2018/19 and 2019/20 in order to support local authorities in stabilising the Social Care provider market. The Council's 2017/18 Budget included provision within inflation allocations of £4,903k for this very purpose, which was originally to be funded from a planned £5,000k drawdown from General Reserves. As funding of £4,054k is now available in year, the planned drawdown from reserves can therefore be reduced to £946k by this exceptional item.
13. Assuming the balance of General Contingency and Unallocated Priority Growth monies are released in-year, the £946k planned drawdown from General Balances is utilised and the anticipated surplus is realised, General Fund Balances are expected to total £38,984k at 31 March 2018, an increase of £246k from the opening 2017/18 balance.
14. As at Month 10, £12,363k of £15,508k savings are banked in full and £3,045k on track for delivery. The remaining £100k reported as 'amber' are ultimately expected to be delivered in full. £317k of savings have been promoted from 'amber' and 'green' to banked since Month 9, demonstrating continuing progress in the delivery of the 2017/18 savings programme.
15. With the exception of the Collection Fund, there are no material variances on other funds affecting the General Fund position. A surplus of £2,611k continues to be 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.
16. At Month 10 an in-year deficit of £2,072k is projected against the Schools Budget, continuing the trend of the growing cost of funding placements for High Needs children. This will increase the cumulative deficit to £3,208k, which is expected to be funded from future Dedicated Schools Grant allocations and therefore not impact upon the General Fund position.

CAPITAL

17. The projected underspend against the General Fund Capital Programme for 2017/18 is £16,448k as at Month 10, 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 £776k. Prudential Borrowing required to support the 2017/18 to 2021/22 Capital Programme is forecast to be £4,944k lower than anticipated at budget setting in February 2017. This is as a result of cost underspends of £776k 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

18. Across normal operating activities, an underspend of £1,192k is reported at Month 10, driven by underspends of £1,035k and £425k against Directorate and Corporate Operating Budgets, being off-set by ongoing pressures across Development & Risk Contingency items of £268k.
19. 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. Material variances are highlighted in the summary of Directorate positions below.
20. The Improved Better Care Fund grant item is being treated as an Exceptional Item as the announcement of the increase in funding was made in March 2017, after the budget was set. This funding represents an increase in Social Care funding of £4,054k for 2017/18 to be used to stabilise the Adult Social Care placements market.
21. The Council's General Fund revenue budget contains £15,508k savings, with £15,408k either banked or on track for delivery at Month 10, an improvement of £267k 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.

Table 1: General Fund Overview

Original Budget £'000	Budget Changes £'000	Service	Month 10		Variance (As at Month 10) £'000	Variance (As at Month 9) £'000	Movement from Month 9 £'000
			Revised Budget £'000	Forecast Outturn £'000			
194,079	12,542	Directorate Operating Budgets	206,621	205,586	(1,035)	(839)	(196)
1,495	2,384	Corporate Operating Budgets	3,879	3,454	(425)	(415)	(10)
19,216	(10,656)	Development & Risk Contingency	8,560	8,828	268	152	116
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	219,503	(1,192)	(1,102)	(90)
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	215,449	(1,192)	(1,102)	(90)
(215,695)	0	Budget Requirement	(215,695)	(215,695)	0	0	0
5,000	(4,054)	Net Total	946	(246)	(1,192)	(1,102)	(90)
(38,738)	0	Balances b/fwd	(38,738)	(38,738)			
(33,738)	(4,054)	Balances c/fwd 31 March 2018	(37,792)	(38,984)			

22. As a result of the forecast position detailed above, General Fund Balances are expected to total £38,984k at 31 March 2018. The Council's current MTFF 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 (£1,035k underspend, £196k improvement)

23. Table 2 provides an overview of the forecast outturn on Directorate Operating Budgets as at Month 10 with further detail for each directorate contained within Appendix A to this report.
24. The Council is currently permitted to finance the costs associated with service transformation from Capital Receipts, with both one-off implementation costs and the support for service transformation, including the BID team, being funded from this resource. Current projections include an estimate of £4,382k 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 10		Variance (As at Month 10) £'000	Variance (As at Month 9) £'000	Movement from Month 9 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
7,141 (1,103)	323 32	Chief Executive's Office	Expenditure	7,464	7,466	2	9	(7)
			Income	(1,071)	(1,078)	(7)	(10)	3
6,038	355		Sub-Total	6,393	6,388	(5)	(1)	(4)
16,640 (3,517)	863 139	Finance	Expenditure	17,503	17,429	(74)	(65)	(9)
			Income	(3,378)	(3,611)	(233)	(231)	(2)
13,123	1,002		Sub-Total	14,125	13,818	(307)	(296)	(11)
109,841 (36,991)	4,081 (4,590)	Residents Services	Expenditure	113,922	114,505	583	948	(365)
			Income	(41,581)	(42,569)	(988)	(1,336)	348
72,850	(509)		Sub-Total	72,341	71,936	(405)	(388)	(17)
129,618 (27,550)	12,582 (888)	Social Care	Expenditure	142,200	141,758	(442)	(184)	(258)
			Income	(28,438)	(28,314)	124	30	94
102,068	11,694		Sub-Total	113,762	113,444	(318)	(154)	(164)
194,079	12,542	Total Directorate Operating Budgets		206,621	205,586	(1,035)	(839)	(196)

25. A £4k improvement is projected across the Chief Executive's Office at Month 10 as a result of a number of small favourable revisions to staffing forecasts. The £11k improvement across Finance is also primarily linked to improvements against staffing forecasts. The overall underspend continues to be driven by the early implementation of the 2018/19 savings across the service.
26. The £17k improvement reported across Residents Services is driven by a number of compensating variances across each of the service areas, including a reduction in staffing forecasts within ICT due to delays in recruitment, adverse projections against crematorium and planning fees and a number of posts that are expected to remain vacant within Administrative, Technical & Business Services. The overall underspend across Residents Services continues to be driven by staffing vacancies, being in-part off-set by Fleet & ICT pressures alongside continuing income pressures within the Uxbridge Town Centre car parks and Imported Food Sampling.
27. The favourable £164k movement within Social Care is again as a result of various compensating movements across the directorate. This includes but is not restricted to; further

increased staffing costs within Children's Services, improvements across Older People and Physical Disabilities staffing budgets where delayed recruitment has led to posts remaining vacant for the remainder of the financial year, further delays in recruitment across Adult Social Care, alongside reductions in contract spend as a result of the continuing review of contracts across the Directorate.

28. 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 agency workers in Children's Services, legal counsel, reduced income from the DSG for the Educational Psychology Service and the cost of temporary bed and breakfast accommodation for families supported under the Section 17 regulations.

Progress on Savings

29. The Council's 2017/18 General Fund revenue budget contains £15,508k savings, with all prior year savings delivered in full during 2016/17. £15,408k savings are reported as banked or on track for delivery at Month 10, with the remaining £100k being classed as Amber. The item reported as Amber is 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)	(5,844)	(313)	(12,363)	79.7%
G On track for delivery	0	(1,074)	(1,270)	(701)	(3,045)	19.6%
A Potential significant savings shortfall or a significant or risky project which is at an early stage;	0	0	0	(100)	(100)	0.6%
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 (£425k underspend, £10k improvement)

30. Corporately managed expenditure includes revenue costs of the Council's Capital Programme, the net impact of Housing Benefit Subsidy arrangements on the Council, externally set levies and income arising from the provision of support services to other funds and ring-fenced budgets.
31. An underspend of £406k 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 to deliver a £20k net underspend.
32. 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 £'000	Budget Changes £'000	Service	Month 10		Variance (As at Month 10) £'000	Variance (As at Month 9) £'000	Movement from Month 9 £'000
			Revised Budget £'000	Forecast Outturn £'000			
0	0	Interest and Investment Income	Salaries	0	0	0	0
5,259	0		Non-Sal Exp	5,259	4,899	(360)	(360)
(104)	0		Income	(104)	(150)	(46)	(41)
5,155	0		Sub-Total	5,155	4,749	(406)	(401)
450	0	Levies and Other Corporate Budgets	Salaries	450	450	0	0
11,237	28		Non-Sal Exp	11,265	11,351	86	91
(14,788)	2,507		Income	(12,281)	(12,387)	(106)	(106)
(3,101)	2,535		Sub-Total	(566)	(586)	(20)	(15)
0	0	Housing Benefit Subsidy	Salaries	0	0	0	0
144,372	(1,419)		Non-Sal Exp	142,953	144,783	1,830	1,830
(144,931)	1,268		Income	(143,663)	(145,492)	(1,829)	(1,829)
(559)	(151)		Sub-Total	(710)	(709)	1	1
1,495	2,384	Total Corporate Operating Budgets	3,879	3,454	(425)	(415)	(10)

Development & Risk Contingency (£268k overspend, £116k adverse movement)

33. 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 10		Variance (As at Month 10) £'000	Variance (As at Month 9) £'000	Movement from Month 9 £'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	1,428	1,168	1,030	138
277	0		Social Worker Agency Contingency	277	277	0	0	0
184	0		SEN transport - Contingency	184	278	94	116	(22)
2,910	(1,699)		Demographic Growth - Transitional Children	1,211	880	(331)	(331)	0
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	8,828	268	152	116

34. The reduction of households in high-cost B&B has continued into January, with Earmarked Reserves no longer required to finance in-year investment to secure suitable properties and funding being set aside to manage this volatile area in the new financial year.
35. The one-off disbursement from the West London Waste Authority 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.
36. The projected drawdown from the Asylum contingency continues to be forecast as a £322k pressure. This is due to the reduction in income following confirmation from the Home Office that a number of supported individuals will no longer be eligible for funding.

37. A £138k adverse movement is reported against Looked After Children at Month 10 due to a drop in the anticipated level of income that will be received from external funding streams. The overall £1,168k pressure predominantly relates to the cost of CWD placements and adoption, where the service is having to place children outside of the Borough.
38. A marginal £22k improvement is reported against the SEN transport contingency as a result of continuing effective route planning, with the £94k pressure resulting from higher than anticipated growth in demand for the service.
39. As in previous years, the Council retains a General Contingency to meet the costs of exceptional or emerging pressures which had not been specifically provided for at the time of budget setting. To date no funds have been released from this £750k provision, with this report including recommendations for the release of £500k. Any balances not required would be available to further supplement General Balances at outturn if requirements are not identified during 2017/18.

Priority Growth

40. The 2017/18 General Fund revenue budget approved by Council in February 2017 set aside £254k of unallocated Priority Growth, in addition to £200k of base budget available to support HIP Initiatives. The 2017/18 HIP budget is supplemented by £954k brought forward balances, to provide £1,154k resources for HIP Initiatives.
41. As at Month 10, £389k 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 10		
			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	389	(565)
254	0	Unallocated Priority Growth	254	20	(234)
454	954	Total Priority Growth	1,408	409	(999)

Schools Budget

42. An in-year overspend of £2,072k is projected against the Dedicated Schools Grant in 2017/18, bringing the brought forward deficit on the centrally retained reserve to £3,208k. This position reflects pressures of £2,572k 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

43. No movement is reported against the Collection Fund at Month 10, where a headline surplus of £2,611k is projected, made up of a £2,680k surplus on Council Tax and £69k deficit on the retained share of Business Rates. This projected surplus was reflected in the 2018/19 budget approved by Cabinet and Council in February 2018 and will be released to support delivery of services in 2018/19.
44. 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 from 2016/17, which results in an overall £69k deficit on Business Rates.

Housing Revenue Account

45. The Housing Revenue Account (HRA) is currently forecasting an underspend of £2,524k against the budgeted deficit of £11,664k, an improvement of £249k from Month 9. This position results in a projected closing HRA General Balance of £36,686k.
46. 53 properties have been sold under Right to Buy at the end of Month 10, with a further 7 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

47. Appendix D to this report outlines the forecast outturn on the 2017/18 to 2021/22 Capital Programme, with a £776k underspend projected over the five year programme. Prudential Borrowing required to support the Council's Capital Programme is projected to be £4,944k 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 £270k per annum.
48. Since Month 9 2017/18 capital expenditure is projected to be £2,818k lower than the previously reported, however a corresponding £8,150k reduction in forecast Capital Receipts and £100k improvement in CIL, results in expenditure being funded through additional borrowing of £5,232k during the year. This represents an adverse movement on the position reflected in the 2018/19 budget approved by Cabinet and Council in February 2018, however further slippage in expenditure and the potential appropriation of the Woodside Day centre site are expected to mitigate any adverse impact on 2018/19 revenue budgets.

Appendix A – Detailed Group Forecasts (General Fund)

CHIEF EXECUTIVE'S OFFICE (£5k underspend, £4k improvement)

49. The overall position for the Chief Executive's Office at Month 10 is an underspend of £5k, representing a £4k improvement from Month 9. 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 10		Variance (As at Month 10) £'000	Variance (As at Month 9) £'000	Movement from Month 9 £'000
				Revised Budget £'000	Forecast Outturn £'000			
1,466	22	Democratic Services	Salaries	1,488	1,489	1	8	(7)
1,669	26		Non-Sal	1,695	1,743	48	36	12
(596)	(58)		Exp	(654)	(611)	43	46	(3)
2,539	(10)		Income	2,529	2,621	92	90	2
2,001	(86)	Human Resources	Salaries	1,915	1,930	15	28	(13)
89	292		Non-Sal	381	311	(70)	(74)	4
(247)	90		Exp	(157)	(177)	(20)	(26)	6
1,843	296		Income	2,139	2,064	(75)	(72)	(3)
1,833	69	Legal Services	Salaries	1,902	1,932	30	33	(3)
83	0		Non-Sal	83	61	(22)	(22)	0
(260)	0		Exp	(260)	(290)	(30)	(30)	0
1,656	69		Income	1,725	1,703	(22)	(19)	(3)
5,300	5	Chief Executive's Office Directorate	Salaries	5,305	5,351	46	69	(23)
1,841	318		Non-Sal	2,159	2,115	(44)	(60)	16
(1,103)	32		Exp	(1,071)	(1,078)	(7)	(10)	3
6,038	355		Income	6,393	6,388	(5)	(1)	(4)

Democratic Services (£92k overspend, £2k adverse movement)

50. A small adverse movement of £2k is reported in Democratic Services from Month 9, with staffing and income improvements offset against adverse non salary expenditure assumptions. Income pressures, which continue to be monitored closely, reflect a fall in demand for Nationality Checking and Citizenship Ceremony services.

Human Resources (£75k underspend, £3k improvement)

51. At Month 10, Human Resources is reporting an underspend of £75k, a £3k improvement from the position at Month 9, primarily due to revised staffing costs. Non-staffing underspends in the service primarily relate to Learning & Development budgets, with an adverse movement reported on the previously reported position.

Legal Services (£22k underspend, £3k improvement)

52. Legal Services is reporting an underspend of £22k at Month 10, representing an improvement of £3k on the month, due to small staffing revisions. Overachievement of income included within the position relates to increased planning legal income.
53. 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 10 £226k has been banked with the remaining £333k marked as on track for delivery. Up to Month 10, 21 Apprentice posts have been appointed to, with a further 27 posts in development / recruitment stages.



FINANCE (£307k underspend, £11k improvement)

55. The Finance Group is reporting an underspend of £307k at Month 10, an improvement of £11k on the position at Month 9, and includes covering a Managed Vacancy Factor of £376k.

Table 8: Finance Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 10		Variance (As at Month 10) £'000	Variance (As at Month 9) £'000	Movement from Month 9 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
942	869	Business Assurance	Salaries	1,811	1,763	(48)	(47)	(1)
1,404	2		Non-Sal	1,406	1,435	29	28	1
(659)	0		Exp	(659)	(642)	17	21	(4)
1,687	871		Income	2,558	2,556	(2)	2	(4)
1,608	0	Procurement	Salaries	1,608	1,592	(16)	(11)	(5)
75	0		Non-Sal	75	75	0	(3)	3
(31)	0		Exp	(31)	(36)	(5)	(4)	(1)
1,652	0		Income	1,652	1,631	(21)	(18)	(3)
3,127	527	Corporate Finance	Salaries	3,654	3,505	(149)	(147)	(2)
(7)	2,030		Non-Sal	2,023	2,025	2	3	(1)
(127)	(46)		Exp	(173)	(187)	(14)	(14)	0
2,993	2,511		Income	5,504	5,343	(161)	(158)	(3)
4,382	(30)	Revenues & Benefits	Salaries	4,352	4,531	179	183	(4)
1,841	0		Non-Sal	1,841	1,800	(41)	(42)	1
(2,360)	150		Exp	(2,210)	(2,440)	(230)	(233)	3
3,863	120		Income	3,983	3,891	(92)	(92)	0
1,034	(531)	Pensions, Treasury & Statutory Accounting	Salaries	503	475	(28)	(31)	3
2,234	(2,004)		Non-Sal	230	228	(2)	2	(4)
(340)	35		Exp	(305)	(306)	(1)	(1)	0
2,928	(2,500)		Income	428	397	(31)	(30)	(1)
11,093	835	Finance Directorate	Salaries	11,928	11,866	(62)	(53)	(9)
5,547	28		Non-Sal	5,575	5,563	(12)	(12)	0
(3,517)	139		Exp	(3,378)	(3,611)	(233)	(231)	(2)
13,123	1,002		Income	14,125	13,818	(307)	(296)	(11)

Business Assurance (£2k underspend, £4k improvement)

56. Business Assurance is projecting a small underspend of £2k at Month 10, an improvement of £4k on the month. The small improvement is driven by revised income estimates through chargeable internal audit services provided to the West London Waste Authority. Within the position an underspend on salaries, which includes covering an MVF of £61k, reflects part year vacancies following implementation of Business Assurance restructure proposals in Health and Safety and Counter Fraud. Non-Staffing pressures primarily reflect training costs associated with implementation of new Health and Safety software.

Procurement (£21k underspend, £3k improvement)

57. Procurement is reporting an underspend of £21k at Month 10, representing a £3k favourable movement from Month 9, principally relating to refreshed agency and staffing assumptions. The overachievement of income reflects a rebate against council-wide pcard expenditure.

Corporate Finance (£161k underspend, £3k improvement)

58. Corporate Finance is reporting an underspend of £161k at Month 10, a £3k improvement on the month, primarily due to revised staffing costs and part year vacancies. The overall staffing underspend reflects implementation of the Finance Phase 1 BID Review delivering MTFE savings in 2018/19, with the anticipated overachievement of income relating to S46 Receivership Fees.

Revenues & Benefits (£92k underspend, nil movement)

59. Revenues and Benefits is reporting nil movement on the position at Month 9, with staffing improvements offset against small adverse movement in non-salary expenditure and income. Within the position, 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 (£31k underspend, £1k improvement)

60. Pensions, Treasury and Statutory Accounting is reporting an underspend of £31k, a minor improvement on Month 9. The favourable position is primarily due a vacant post held within the team.
61. The full £856k Finance savings proposed as part of the MTFE 2017/18 have been banked.

Table 9: Finance Development & Risk Contingency

Original Budget	Budget Changes	Development & Risk Contingency	Month 10		Variance (As at Month 10)	Variance (As at Month 9)	Movement from Month 9
			Revised Budget	Forecast Outturn			
£'000	£'000		£'000	£'000	£'000	£'000	£'000
291	0	Uninsured claims	291	291	0	0	0
291	0	Current Commitments	291	291	0	0	0

62. At Month 10, no movement is reported on the requirement to call upon the full Uninsured Claims contingency budget. Contingency resource, along with the base budget of £359k, is expected to fully cover the cost of General Fund claim payments below insurance excess levels in 2017/18. Any expenditure variances beyond the planned level can be managed from existing insurance reserves.

RESIDENTS SERVICES (£405k underspend, £17k improvement)

63. Residents Services directorate is showing a projected outturn underspend of £405k at Month 10, excluding pressure areas that have identified contingency provisions.

Table 10: Residents Services Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 10		Variance (As at Month 10) £'000	Variance (As at Month 9) £'000	Movement from Month 9 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
15,219	1,535	Infrastructure, Waste and ICT	Salaries	16,754	16,036	(718)	(643)	(75)
31,833	2,788		Non-Sal	34,621	35,450	829	832	(3)
(9,790)	(466)		Exp	(10,256)	(10,536)	(280)	(283)	3
37,262	3,857		Income	41,119	40,950	(169)	(94)	(75)
16,922	(666)	Housing, Environment, Education, Health & Wellbeing	Salaries	16,256	15,818	(438)	(219)	(219)
23,024	793		Non-Sal	23,817	24,955	1,138	980	158
(16,874)	(636)		Exp	(17,510)	(18,171)	(661)	(806)	145
23,072	(509)		Income	22,563	22,602	39	(45)	84
7,430	(3,731)	Planning, Transportatio n & Regeneration	Salaries	3,699	3,820	121	105	16
1,901	(1,132)		Non-Sal	769	1,120	351	445	(94)
(6,397)	3,030		Exp	(3,367)	(3,972)	(605)	(744)	139
2,934	(1,833)		Income	1,101	968	(133)	(194)	61
1,777	(252)	Performance & Improvement	Salaries	1,525	1,503	(22)	(21)	(1)
160	0		Non-Sal	160	166	6	9	(3)
(270)	252		Exp	(18)	(21)	(3)	(3)	0
1,667	0		Income	1,667	1,648	(19)	(15)	(4)
10,766	1,891	Administrativ e, Technical & Business Services	Salaries	12,657	11,685	(972)	(870)	(102)
809	2,855		Non-Sal	3,664	3,952	288	330	(42)
(3,660)	(6,770)		Exp	(10,430)	(9,869)	561	500	61
7,915	(2,024)		Income	5,891	5,768	(123)	(40)	(83)
52,114	(1,223)	Residents Services Directorate	Salaries	50,891	48,862	(2,029)	(1,648)	(381)
57,727	5,304		Non-Sal	63,031	65,643	2,612	2,596	16
(36,991)	(4,590)		Exp	(41,581)	(42,569)	(988)	(1,336)	348
72,850	(509)		Income	72,341	71,936	(405)	(388)	(17)

64. The overall variance is a result of staffing underspends across the directorate, with these favourable variances offset in part by pressures in ICT and fleet management, as well as parking income shortfalls at Cedars and Grainges car parks and in Imported Food sampling.
65. The Council's 2017/18 contingency budget contains provision for areas of expenditure or income within Residents Services for which there is a greater degree of uncertainty. The position against these contingency items is shown in Table 11 below.
66. At Month 10 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	Development & Risk	Month 10		
-----------------	--------------------	----------	--	--

Budget	Changes	Contingency	Revised Budget	Forecast Outturn	Variance (As at Month 10)	Variance (As at Month 9)	Movement from Month 9
£'000	£'000		£'000	£'000	£'000	£'000	£'000
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

67. The Month 10 data in Table 12 below shows a reduction from the previously reported B&B and temporary accommodation 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

	2017/18		
	November	December	January
Homeless Threat, Priority Need & Eligible	134	72	101
Presenting As Homeless	41	37	37
Duty Accepted	15	20	16
Households in Temporary Accommodation	560	551	535
Households in B&B	182	171	160

68. As in previous years, a contingency has been set aside in 2017/18 to resource the need for Temporary Accommodation in the borough. The call on contingency relating to homelessness remains as per prior projections of £1,736k, which is as per the budgeted provision.
69. The Council will continue to closely monitor this risk, given the potential seasonal fluctuations which could materialise in the remainder of the financial year. The consequence of the increased prevention and move-on activity means that it is now considered unlikely that the service will need to draw on the Housing Incentives earmarked reserve. Nevertheless, this resource remains available should it be required with any drawdown being subject to the usual approvals.
70. Drawdown of £2,728k has been approved by Cabinet from the contingency of £3,522k set aside to fund estimated increases in waste tonnages via the levy. There is a projected drawdown at year end of £485k from the remaining contingency of £794k, with the £309k variance a result of one-off disbursement of reserves from WLWA earlier in the year.

Infrastructure, Waste and ICT (£169k underspend, £75k improvement)

71. Forecasts for month 10 have been realigned to the new SMT structure implemented from mid January, with the associated variances from Month 9 restated accordingly.

72. The overall forecast encompasses a 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 10, the service is reporting a net favourable movement of £75k from the Month 9 position.
73. The main movements within this net position are within ICT services due to a reduction in estimated spend on staff caused by delays in recruitment and within the ASBIT team, where there has been minor adverse movement relating to increased staffing cost projections following changes to the salary structure.

Housing, Environment, Education, Health & Wellbeing (£39k overspend, £84k adverse movement)

74. The overall forecast contains a number of management actions which will continue to be monitored closely until close of the financial year.
75. At Month 10 the service is reporting an overspend projection of £39k, a net £84k adverse movement. The movement relates in the main increased forecasts for repairs, specifically crematorium machinery (20k) and leisure centre buildings (£24k). There is also adverse movement in relation to forecast recharged income from schools and the crematorium.

Planning, Transportation & Regeneration (£133k underspend, £61k adverse movement)

76. At Month 10 there is a projected underspend of £133k across the service area, with the underspend a result of part year vacant posts across the planning services. The adverse movement of £61k is due to realigned income projections for the final quarter of the year in the Planning and Building Control Services.

Performance & Improvement (£19k underspend, £4k improvement)

77. There is a favourable movement of £4k relating to revised hours for a member of staff over January to March and professional training no longer expected to take place before the end of the financial year for the Corporate Communications team.

Administrative, Technical & Business Services (£123k underspend, £83k improvement)

78. The service is reporting a £123k underspend at Month 10, representing a net £83k favourable movement from the Month 9 position.
79. The net favourable movement is a result of staffing forecast realignments across the Business Support and GIS team (£41k). A large number of posts in Technical Administration continue to remain vacant and recruitment is taking longer than anticipated. There were further reductions due to realignment of agency staff forecast costs for the call centre (£30k) and the Parking Services enforcement contract (variable element) anticipated to cost (£53k) less than previously expected.
80. Parking services continue to forecast income shortfalls at Uxbridge car parks, for Month 10 there was an adverse £8k movement against the reported position, bringing the overall pressure to £488k. These are netted down by wider parking income streams including the PRA.

81. Following a review of Imported Food income received to date, the forecast has been realigned to reflect current service activity, a £54k adverse movement from Month 9. This is being partly netted off by a reduction in analysts fees of £21k.

SOCIAL CARE (£318k underspend, £164k improvement)

82. Social Care is projecting an underspend of £318k at Month 10, an improvement of £164k on the Month 9 position, due to a reduction in staffing costs, where a number of new vacancies are and will not be covered by agency staff for the remainder of this financial year. 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 10		Variance (As at Month 10) £'000	Variance (As at Month 9) £'000	Movement from Month 9 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
13,299	244	Children's Services	Salaries	13,543	13,976	433	368	65
12,635	4,873		Non-Sal Exp	17,508	17,679	171	101	70
(7,804)	815		Income	(6,989)	(6,965)	24	15	9
18,130	5,932		Sub-Total	24,062	24,690	628	484	144
7,784	141	Early Intervention, Prevention & SEND	Salaries	7,925	7,506	(419)	(348)	(71)
6,257	(80)		Non-Sal Exp	6,177	6,072	(105)	(111)	6
(2,370)	(308)		Income	(2,678)	(2,266)	412	310	102
11,671	(247)		Sub-Total	11,424	11,312	(112)	(149)	37
4,597	(96)	Older People & Physical Disabilities Service	Salaries	4,501	4,278	(223)	(160)	(63)
34,209	3,469		Non-Sal Exp	37,678	37,914	236	269	(33)
(11,146)	(750)		Income	(11,896)	(12,005)	(109)	(94)	(15)
27,660	2,623		Sub-Total	30,283	30,187	(96)	15	(111)
11,537	(517)	Adult Social Care - Provider & Commissioning	Salaries	11,020	10,684	(336)	(254)	(82)
5,874	674		Non-Sal Exp	6,548	6,277	(271)	(189)	(82)
(590)	(32)		Income	(622)	(589)	33	40	(7)
16,821	125		Sub-Total	16,946	16,372	(574)	(403)	(171)
4,341	(603)	Learning Disability and Mental Health Service	Salaries	3,738	3,748	10	39	(29)
29,435	4,114		Non-Sal Exp	33,549	33,604	55	94	(39)
(5,264)	(989)		Income	(6,253)	(6,489)	(236)	(241)	5
28,512	2,522		Sub-Total	31,034	30,863	(171)	(108)	(63)
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	(941)	Social Care Directorate Total	Salaries	40,937	40,409	(528)	(348)	(180)
87,740	13,523		Non-Sal Exp	101,263	101,349	86	164	(78)
(27,550)	(888)		Income	(28,438)	(28,314)	124	30	94
102,068	11,694		Total	113,762	113,444	(318)	(154)	(164)

SOCIAL CARE DEVELOPMENT AND RISK CONTINGENCY (£753k overspend, £116k adverse movement)

83. 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 10, which takes into account this adjustment and an updated forecast spend against the Development and Risk Contingency, which is now projecting an overspend of £753k, an adverse movement of £116k on the Month 9 position. This is due to a reduction in the anticipated income due for external funding sources for Looked After Children and Children with Disabilities placements.

Table 14: Social Care Development & Risk Contingency

Original Budget	Budget Changes	Development & Risk Contingency	Month 10		Variance (As at Month 10)	Variance (As at Month 9)	Movement from Month 9
			Revised Budget	Forecast Outturn			
£'000	£'000		£'000	£'000	£'000	£'000	£'000
1,648	0	Asylum Service	1,648	1,970	322	322	0
5,298	(5,038)	Demographic Growth - Looked After Children	260	1,428	1,168	1,030	138
277	0	Social Worker Agency Contingency	277	277	0	0	0
184	0	SEN transport - Contingency	184	278	94	116	(22)
2,910	(1,699)	Demographic Growth - Transitional Children	1,211	880	(331)	(331)	0
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	4,883	753	637	116

Asylum Service (£322k overspend, no change)

84. This service is projecting a drawdown of £1,970k from the contingency, an overspend of £322k as at Month 10 and no change from the Month 9 position. This pressure reflects the impact of a drop in grant income as there are a high proportion of Unaccompanied Asylum Seeking Children (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 growing at a much lower rate.
85. 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.

86. 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 (£1,168k overspend, £138k adverse movement)

87. The service is projecting a drawdown of £1,428k from the Contingency, £1,168k above the budget, an adverse movement of £138k on the Month 9 position, due to a drop in the anticipated level of income that will be received from external funding streams. 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.

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 (£94k overspend, £22k improvement)

89. The service is projecting a drawdown of £278k from the SEN Transport contingency, £94k above the budget, a reduction of £22k on the month 9 forecast, due to a reduction in Personal Travel Assistants and the ceasing of one route as the service continues to ensure all routes are maximised. The pressure on this budget corresponds to the increase being experienced in the number of children requiring an Education, Health and Care Plan (EHCP), where there has been in excess of a 15% increase in the number of pupils.

Demographic Growth - Transitional Children (£331k underspend, no change)

90. The service is projecting a drawdown of £880k from the Transitional Children contingency, which results in the £331k underspend, no change on the month 9 position. The underspend 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.

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 9 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 (£628k overspend, £144k adverse movement)

94. The service is reporting an overspend of £628k as at Month 10, an adverse movement of £144k from the Month 9 position. This is due to an increase in the projected costs of staffing, where agency are being retained to cover a number of vacant Social Worker posts and an increase in the cost of allowances for Looked After Children. 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 (£112k underspend, £37k adverse movement)

95. The service is reporting an underspend of £113k as at Month 10, an adverse movement of £36k on the Month 9 position, due to a reduction in the projected funding that will be received from the Troubled Families Grant, following a review and re-phasing of the attachment fee and payment by results fee netted down by an improvement in the expected levels of income that will be charged to the DSG for Educational Psychologists, where the position is becoming clearer.
96. The overall position relates to an underspend of £419k on staffing costs, due to a review of all vacant posts and the need to recruit to them and an underspend on non-staffing costs of £105k due to effective management action being taken to restrict spend on essential items only. This is netted down by a projected shortfall of £411k in income, which relates to a reduction in funding received 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 and a re-phasing of the Troubled Families Grant, following a review of the grant profiling.

Older People and Physical Disabilities (£96k underspend, £111k improvement)

97. The service is reporting an underspend of £96k as at Month 10, an improvement of £111k on the Month 9 position, due to a reduction in the staffing forecast as recruitment is taking longer than planned and staff have left at short notice resulting in vacancies which are not anticipated to be filled this financial year.

Adult Social Care - Provider and Commissioned Care (£574k underspend, £171k improvement)

98. The service is reporting an underspend of £574k as at Month 10, an improvement of £171k on the Month 9 position. The staff forecast has improved by £82k, where recruitment to the new structure is taking longer than planned and agency costs across the In House Residential and Supported Living Schemes is lower than previously forecast. The non staffing forecast has improved by £82k, which mainly relates to the continuing review of contracts in the preventative service.
99. The £574k variance relates to an underspend of £336k on staffing costs, due to recruitment difficulties within the Reablement Team, posts that were vacant for part of the year in the Positive Behaviour Support Team and recruitment to the new structure taking longer than anticipated. Additionally the non-staffing budget is forecast to underspend by £271k, which predominantly relates to a review of a number of contracts.
100. 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.
101. 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 (£171k underspend, £63k improvement)

102. The service is forecasting an underspend of £171k as at Month 10, an improvement of £63k on the Month 9 position, due to a number of vacancies in the Mental Health Team and a reduction in non staffing costs. The underspend relates to additional income from external bodies, netted down by an overspend of £10k on staffing and an overspend of £55k on non staffing due to increased costs of undertaking Deprivation of Liberty safeguard assessments.

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

103. The Directorate budget is forecasting a marginal pressure of £7k as at Month 10, no change from the Month 9 position.

Appendix B – Other Funds

SCHOOLS BUDGET

Dedicated Schools Grant (£2,072k overspend, £139k adverse movement)

104. The Dedicated Schools Grant (DSG) is projecting an in-year overspend of £2,072k as at Month 10, an adverse movement of £139k on the Month 9 projections. The movement from Month 9 is predominantly due to continuing pressures in the projected cost of High Needs. 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 £3,208k.

Table 15: DSG Income and Expenditure 2017/18

Original Budget	Budget Changes	Funding Block	Month 10		Variance (+ adv / - fav)		
			Revised Budget	Forecast Outturn	Variance (As at Month 10)	Variance (As at Month 9)	Change from Month 9
£'000	£'000		£'000	£'000	£'000	£'000	£'000
(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	3,655	25	20	5
3,889	0	Centrally Retained	3,889	4,002	113	81	32
27,265	141	High Needs	27,406	29,840	2,434	2,332	102
(500)	0	Total Funding Blocks	(500)	2,072	2,572	2,433	139
500	0	Retained Balance	500	0	(500)	(500)	0
0	0	Total Schools Budget	0	2,072	2,072	1,933	139
0	0	Balance Brought Forward 1 April 2017	1,136	1,136			
0	0	Balance Carried Forward 31 March 2018	1,136	3,208			

Dedicated Schools Grant Income (nil variance, no change)

105. 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)

106. The projected expenditure on funding the free entitlement for three and four year olds has increased now that the full detail of the autumn term uptake is known. The projection includes an estimate of the number of children accessing the entitlement in the current term. It has been estimated that additional funding will be received to off-set this increase when the Early Years block funding is adjusted in July 2018.

Early Years (£25k overspend, £5k adverse movement)

107. The Early Years funding block is projecting an overspend of £25k as at Month 10 which is a £5k adverse movement on the position reported at month 9.

108. The Early Years Centres are projecting a £190k overspend due to a shortfall in the levels of income being generated. The focus on increasing occupancy levels continues at the three centres in order to address the shortfall.
109. 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.
110. The projected overspends are offset by a £139k 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.
111. 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.
112. There is a £48k underspend across the Early Years Advisory and Family Information Services, both of which currently have vacancies. This has reduced when compared to the Month 9 projection following an increase in planned expenditure in order to meet DfE requirements for the Early Years childcare database following the introduction of the additional 15 hours free entitlement from September 2017.

Centrally Retained (£113k overspend, £32k adverse movement)

113. 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.
114. 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.
115. 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 (£2,434k overspend, £102k adverse movement)

116. The High Needs funding block is projecting an overspend of £2,434k as at Month 10, an adverse movement of £102k on the Month 9 projections. The adverse movement is

predominantly linked to an increase in the number of out of borough SEN placements due to continuing pressures in placing pupils with additional needs.

117. There is an increase in the overspend on the placement of pupils with SEN in independent or non-maintained schools following an additional placement made in the current term. 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.
118. There has been a significant increase in the number and cost of post-16 students with special educational needs. The local authority is still negotiating with providers on the level of funding for some of these placements with the possibility that expenditure could rise further when the full financial impact of the September 2017 cohort is fully known.
119. 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.
120. 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.
121. 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

122. 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.
123. 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.

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. 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. The projected surplus will be released to support the Council's General Fund budget in 2018/19.

Table 16: Collection Fund

Original Budget £'000	Budget Changes £'000	Service	Month 10		Variance (As at Month 10) £'000	Variance (As at Month 9) £'000	Movement from Month 9 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
(119,465)	0	Council Tax	Gross Income	(119,465)	(120,317)	(852)	(852)	0
11,266	0		Council Tax Support	11,266	11,442	176	176	0
(500)	0		B/fwd Surplus	(500)	(2,504)	(2,004)	(2,004)	0
(108,699)	0		Sub-Total	(108,699)	(111,379)	(2,680)	(2,680)	0
(105,520)	0	Business Rates	Gross Income	(105,520)	(106,023)	(503)	(503)	0
(2,350)	0		Section 31 Grants	(2,350)	(2,451)	(101)	(101)	0
51,412	0		Less: Tariff	51,412	51,412	0	0	0
6,217	0		Less: Levy	6,217	6,482	265	265	0
(2,000)	0		B/fwd Deficit	(2,000)	(1,592)	408	408	0
(52,241)	0		Sub-Total	(52,241)	(52,172)	69	69	0
(160,940)	0	Total Collection Fund	(160,940)	(163,551)	(2,611)	(2,611)	0	

125. No movements are anticipated at Month 10 against either Council Tax or Business Rates. The £176k pressure against the Council Tax Support Scheme is continuing to be reported, 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. Within Business Rates, continued strong performance during 2017/18 remains marginally insufficient to off-set the majority of the brought forward deficit.

Appendix C – HOUSING REVENUE ACCOUNT

127. The Housing Revenue Account (HRA) is currently forecasting an in-year overall deficit of £9,140k, which is £2,524k more favourable than the budgeted position. Therefore the 2017/18 closing HRA General Balance is forecasted to be £36,686k. The table below presents key variances by service area.

Table 17: Housing Revenue Account

Service	Month 10		Variance (+ adv / - fav)		
	Revised Budget	Forecast Outturn	Variance (As at Month 10)	Variance (As at Month 9)	Movement from Month 9
	£'000	£'000	£'000	£'000	£'000
Rent Income	(55,064)	(55,657)	(593)	(513)	(80)
Other Income	(5,494)	(5,081)	413	350	63
Net Income	(60,558)	(60,738)	(180)	(163)	(17)
Housing Management	12,214	12,690	476	554	(78)
Tenant Services	4,973	4,537	(436)	(437)	1
Repairs	5,033	4,851	(182)	(269)	87
Planned Maintenance	4,906	3,076	(1,830)	(2,063)	233
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	1,263	(475)	0	(475)
Operating Costs	72,222	69,878	(2,344)	(2,112)	(232)
				0	
(Surplus) / Deficit	11,664	9,140	(2,524)	(2,275)	(249)
General Balance 01/04/2017	(45,826)	(45,826)	0	0	0
General Balance 31/03/2018	(34,162)	(36,686)	(2,524)	(2,275)	(249)

Income

128. A favourable variance of £593k is forecast on rental income, a favourable movement of £80k on Month 9. An adverse variance of £413k is forecast on other income, an adverse movement of £63k on Month 9. Overall the movement on net income from the Month 9 position is favourable at £17k.

129. The number of RTB applications received in the first ten months of 2017/18 was 140 compared to 245 for the same period in 2016/17, a reduction of 43%. There have been 53 RTB completions in the first ten months of 2017/18 compared to 82 for the same period in 2016/17, a reduction of 35%. The Month 10 forecast assumes RTB sales of 60 for the year, no movement from the Month 9 position.

Expenditure

130. The Housing management service is forecast to overspend by £476k, a favourable movement of £78k on Month 9, due to reduced forecast spend on staffing £20k and running costs £58k.
131. Tenant services is forecast to underspend by £436k, a minor movement of £1k on Month 9.
132. The repairs budget is forecast to underspend by £182k, an adverse movement of £87k on Month 9, due to increased forecast spend on day to day reactive repairs .
133. The Planned Maintenance budget is forecast to underspend by £1,830k, an adverse movement of £233k on Month 9, due to remedial works carried out under service contracts on door entry systems, gates and electrical safety.
134. The interest and investment income is forecast to be overspent by £103k, whilst a nil variance is reported for the capital programme funding. This represents no change from the Month 9 position.
135. The development and risk contingency is forecast to underspend by £475k, a favourable movement of £475k on Month 9 due to the release of development service contingency.

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	16,815	0	(592)	32,848	32,848	0	0
New Build - Appropriation of Land	8,635	8,635	0	0	(8,635)	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	18,157	(1,768)	(1,042)	37,506	33,831	(3,675)	0
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	44,344	(1,768)	(10,286)	96,369	92,694	(3,675)	0
Works to Stock									
Works to stock programme	7,626	19,964	11,879	0	(8,085)	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	14,213	0	(8,085)	55,716	55,716	0	0
Total HRA Capital	71,425	78,696	58,557	(1,768)	(18,371)	152,085	148,410	(3,675)	0
Movement on Month 9	0	0	(12,882)	0	(12,882)	0	0	0	0

Major Projects

137. The 2017/18 Major Projects programme revised budget is £56,398k and the forecast spend is £52,979k, with a forecast underspend of £1,768k and a re-phasing of £1,651k. 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 £592k across the General Needs programme, representing an increased re-phasing movement of £187k on Month 9.
139. Contractors have been appointed for all 3 elements of the housing programme. The building works with respect to the extensions have been completed with the sites being prepared for handover to the lettings team in March 2018. The conversion works are due for completion by the end of the financial year. 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. Planning applications have been submitted for both the Maple/Poplar and Willow Tree sites whilst the submission for Belmore is planned for March 2018.

New Build - Appropriation of Land

142. There is a re-phasing movement of £8,635k compared to Month 9 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 a 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 £493k compared to Month 9, mainly on the Parkview 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 £11,879k. The phasing variance is £8,085k, across various work-streams, an increase in the phasing variance of £3,567k compared to Month 9, 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 53 Right to Buy sales of council dwellings as at the end of January 2018 for a total gross sales value of £9.4m and a total of a further 7 sales are forecast to bring the yearly total to 60, totalling £10.6m 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 10 an underspend of £16,448k 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 £776k.
153. General Fund Capital Receipts of £8,870k 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 £4,944k. This is as a result of cost underspends of £776k 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	Move-ment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Schools Programme	10,985	7,595	(442)	(2,948)	90,783	90,341	(442)	(118)
Self Financing Developments	150	25	-	(125)	27,619	27,619	-	-
Main Programme	20,300	14,963	(82)	(5,255)	85,537	85,455	(82)	-
Programme of Works	30,520	22,924	(252)	(7,344)	84,890	84,638	(252)	-
Total Main Programme	61,955	45,507	(776)	(15,672)	288,829	288,053	(776)	(118)
General Contingency	1,056	1,056	-	-	6,524	6,524	-	-
Total Capital Programme	63,011	46,563	(776)	(15,672)	295,353	294,577	(776)	(118)
Movement	-	(2,818)	(118)	(2,700)	-	(118)	(118)	

156. The Schools Programme reports a re-phasing underspend in 2017/18 of £2,948k 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 underspend of £118k relating to uncommitted temporary

classroom funding from earlier phases of the primary schools expansions programme. Other reported underspends are due to a combination of unused contingency for the replacement of Northwood School and lower cost estimates for highways works at Oak Wood School.

157. The five year programme contains two major self financing mixed residential developments at the former Belmore Allotments and Yiewsley pool sites. Consultants are undertaking 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 with a planning application to be submitted shortly.
158. The main programme reports a small cost underspend of £82k on completion of projects from the previous financial year. Forecast re-phasing amounts to £4,955k on numerous projects and programmes that will continue into future financial years, including the Street Lighting LED upgrade programme.
159. Programmes of Works are forecast to have cost underspends of £252k which relates partly to Social Care equipment capitalisation and low demand for Private Sector Renewal Grants. Forecast re-phasing amounts to £7,294k 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.
160. The remaining unallocated general contingency budget amounts to £1,056k in 2017/18, although an element of this is required for additional enhancements to the new Battle of Britain Visitors Centre. 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

161. Table 20 below outlines the latest financing projections for the capital programme, with a favourable medium term variance of £4,944k 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	27,512	(14,609)	213,069	199,873	(13,196)	(118)
Financed By:							
Capital Receipts	23,475	8,870	(14,605)	83,393	78,542	(4,851)	-
CIL	5,151	3,100	(2,051)	26,901	23,500	(3,401)	-
Prudential Borrowing	13,495	15,542	2,047	102,775	97,831	(4,944)	(118)
Total Council Resources	42,121	27,512	(14,609)	213,069	199,873	(13,196)	(118)
Grants & Contributions	20,890	19,051	(1,839)	82,284	94,704	12,420	-
Total Programme	63,011	46,563	(16,448)	295,353	294,577	(776)	(118)

162. Capital receipts received as at the end of January amount to £780k which will be utilised towards financing costs of transformation in 2017/18. Sales on two major sites are expected to be completed this financial year to reach the forecast. Planned appropriations of two General Fund sites to the HRA for residential development are now forecast in next financial year as the schemes are in early stages although a further site budgeted to be appropriated in 2018/19 will potentially be appropriated in this financial year. 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.
163. As at the end of January a total of £2,944k Community Infrastructure Levy (CIL) receipts (after administration fees) have been invoiced or received by the Council this financial year, a monthly movement of £600k on several developments. 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.
164. 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.
165. A favourable variance of £4,944k 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 favourable movement of £118k in month is due to further cost underspends within the Schools Expansions programme.

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	62	(118)	(20)	1,565	1,447	(118)	1,447	0	0
786	New Primary Schools Expansions	6,461	3,823	0	(2,638)	26,614	26,614	0	12,817	13,797	0
482	Secondary Schools Expansions	1,215	810	0	(405)	55,418	55,418	0	34,540	20,878	0
42,721	Secondary Schools New Build	3,097	2,888	(324)	115	3,574	3,250	(324)	468	2,225	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	7,595	(442)	(2,948)	90,783	90,341	(442)	52,884	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	10	0	(640)	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	10	0	(90)	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	114	0	(150)	314	314	0	314	0	0
0	Purchase of Vehicles	600	0	0	(600)	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	3,558	0	(755)	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	14,963	(82)	(5,255)	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	0	0	(250)	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	1,338	0	(2,121)	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	170	0	(501)	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	22,924	(252)	(7,344)	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	46,563	(776)	(15,672)	295,353	294,577	(776)	199,873	86,635	8,069

Appendix E – Treasury Management Report as at 31 January 2018

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

	Actual (£m)	Actual (%)	Benchmark (%)
Up to 1 Month	91.0	89.92	65.00
1-2 Months	0.0	0.00	25.00
2-3 Months	0.0	0.00	0.00
3-6 Months	5.0	4.94	5.00
6-9 Months	5.0	4.94	0.00
9-12 Months	0.0	0.00	5.00
12-18 Months	0.0	0.00	0.00
18-24 Months	0.0	0.00	0.00
Subtotal	101.0	99.80	100.00
Unpaid Maturities	0.2	0.20	0.00
Grand Total	101.2	100.00	100.00

166. 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, Nationwide Building Society, Goldman Sachs International, Lloyds Bank and Santander UK plc.
167. The Council aims to minimise its exposure to bail-in risk by utilising bail-in exempt instruments and institutions whenever possible. However, due to the significant amount held in instant access facilities needed to manage daily cashflows, it is not possible to fully protect Council funds from bail-in risk. Currently at the end of January, 83% 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). Although the Council bail-in risk is significantly higher than the benchmark, it is essential to keep cash in instant access facilities to ensure liquidity over the year end period. The Council's exposure reduces to 17% once instant access facilities are removed from the bail-in total.
168. Liquidity was maintained throughout January 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 a number of DMADF maturities, there were long-term deposits maturing with Coventry Building Society, Northumberland CC, and Walsall Metropolitan 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

169. There were no scheduled debt repayments or early debt repayment opportunities during January. Gilts yields went up this month, however premiums remained too high to make early repayment of debt feasible. There were no breaches of the Prudential Indicators or non-compliance with the Treasury Management Policy and Practices.

170. In order to maintain liquidity for day-to-day business operations during February, 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

171. 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						
Project Manager, Capital Programme Team	07/02/2016	12/02/2018	13/05/2018	140	25	165
Emergency Management and Response Manager	02/01/2017	29/01/2018	09/03/2018	74	8	82
Development Surveyor	01/07/2011	12/02/2018	13/05/2018	27	27	54
Development Surveyor	10/03/2014	19/02/2018	20/05/2018	119	15	134
CCTV Programme Manager	25/09/2016	26/02/2018	08/04/2018	76	8	84
Parking Operations Manager	03/07/2017	19/03/2018	18/05/2018	47	13	59
Major Applications Planner	16/01/2017	19/02/2018	17/05/2018	85	21	106
Benefit Officer	03/08/2015	05/03/2018	03/06/2018	144	15	159
Social Care						
Social Worker	28/03/2016	05/03/2018	01/04/2018	126	5	131
Placement Officer	18/03/2016	05/03/2018	01/04/2018	88	5	93
Senior Social Worker	01/04/2013	05/03/2018	01/04/2018	79	6	85
Social Worker	06/04/2017	05/03/2018	01/04/2018	60	6	66
Social Worker	07/11/2016	05/03/2018	01/04/2018	109	6	115
Social Worker	05/09/2014	05/03/2018	01/04/2018	273	6	279
Social Worker	07/11/2016	05/03/2018	01/04/2018	104	6	110
Social Worker	04/05/2015	05/03/2018	01/04/2018	167	5	172
Social Worker	13/04/2015	05/03/2018	01/04/2018	205	6	211
Social Worker	01/04/2013	05/03/2018	01/04/2018	123	6	129
Senior Social Worker	30/04/2012	05/03/2018	01/04/2018	270	6	276
Social Worker	11/07/2016	05/03/2018	01/04/2018	110	6	116
Social Worker	01/08/2015	05/03/2018	01/04/2018	150	7	157
Team Manager	27/03/2017	05/03/2018	01/04/2018	80	7	87
Senior Social Worker	21/11/2017	05/03/2018	01/04/2018	84	7	91
Social Worker	04/05/2015	05/03/2018	01/04/2018	173	6	179
Early Years Practitioner	24/02/2014	05/03/2018	01/04/2018	62	1	63
Educational Psychologist	16/10/2016	05/03/2018	01/04/2018	48	4	52



Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
Educational Psychologist	15/11/2015	05/03/2018	01/04/2018	193	8	201
Special Needs Officer	01/12/2016	05/03/2018	01/04/2018	73	6	79
Social Worker	11/08/2014	05/03/2018	01/04/2018	280	6	286
Social Worker	01/01/2013	05/03/2018	01/04/2018	304	6	310
Social Worker	01/04/2013	05/03/2018	01/04/2018	107	6	113
Social Worker	26/08/2016	05/03/2018	01/04/2018	97	6	103
Social Worker	26/09/2016	05/03/2018	01/04/2018	104	6	110
Support Worker	20/12/2015	05/03/2018	01/04/2018	49	3	52
Social Worker	04/07/2016	05/03/2018	01/04/2018	123	6	129
Child Protection Chair	20/07/2015	05/03/2018	01/04/2018	200	7	207
Social Worker	03/07/2016	05/03/2018	01/04/2018	121	7	128
Special Needs Officer	05/01/2015	05/03/2018	01/04/2018	130	8	138
Senior Social Worker	19/12/2011	05/03/2018	01/04/2018	352	7	359
Social Worker	07/11/2016	05/03/2018	01/04/2018	81	6	87
Social Worker	21/11/2016	05/03/2018	01/04/2018	94	6	100
Social Worker	19/06/2014	05/03/2018	01/04/2018	219	6	225
Social Worker	01/01/2013	05/03/2018	01/04/2018	315	6	321
Case Progression Manager	07/04/2014	05/03/2018	01/04/2018	354	8	362
Senior Social Worker	05/10/2015	05/03/2018	01/04/2018	122	7	129
Educational Psychologist	15/08/2016	05/03/2018	01/04/2018	107	7	114
Educational Psychologist	01/03/2016	05/03/2018	01/04/2018	211	12	223
Social Worker	01/09/2016	05/03/2018	01/04/2018	115	6	121
Child Protection Chair	01/07/2015	05/03/2018	01/04/2018	159	7	166
Practice Improvement Practitioner	08/05/2014	05/03/2018	01/04/2018	157	6	163
Early Years Practitioner	23/02/2015	05/03/2018	01/04/2018	63	2	65
Senior Social Worker	06/06/2016	05/03/2018	01/04/2018	78	6	84
Team Manager	17/07/2017	05/03/2018	01/04/2018	65	8	73
Social Worker	13/11/2016	05/03/2018	01/04/2018	95	6	101
Social Worker	16/12/2016	05/03/2018	01/04/2018	86	6	92
Social Worker	21/08/2016	05/03/2018	01/04/2018	115	6	121
Social Worker	27/10/2016	05/03/2018	01/04/2018	100	6	106
Supervising Social Worker	29/05/2016	05/03/2018	01/04/2018	110	6	116
Social Worker (0.5 FTE)	19/12/2016	05/03/2018	01/04/2018	55	4	59
Senior Social Worker	29/06/2017	05/03/2018	01/04/2018	54	6	60
Occupational Therapist	01/04/2015	05/03/2018	01/04/2018	199	5	204

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
Approved Mental Health Worker	29/05/2016	05/03/2018	01/04/2018	127	6	133
Team Manager	26/06/2016	05/03/2018	01/04/2018	122	6	128
Approved Mental Health Worker	01/06/2015	05/03/2018	01/04/2018	193	4	197
Support Worker	04/04/2016	05/03/2018	01/04/2018	54	6	60
Lead Approved Mental Health Practitioner	01/06/2012	05/03/2018	01/04/2018	276	5	281
Senior Social Worker	03/10/2016	05/03/2018	01/04/2018	89	5	94
Occupational Therapist	07/10/2013	05/03/2018	01/04/2018	280	5	285
Senior Social Worker	01/05/2017	05/03/2018	01/04/2018	49	5	54
Occupational Therapist	03/12/2015	05/03/2018	01/04/2018	151	5	156
Occupational Therapist	06/06/2016	05/03/2018	01/04/2018	124	5	129
Social Worker	09/09/2016	05/03/2018	01/04/2018	50	4	54
Residential Care Worker	01/04/2012	05/03/2018	01/04/2018	159	2	161
Social Worker (CHC)	03/01/2017	05/03/2018	01/04/2018	51	4	55
Senior Social Worker	03/10/2016	05/03/2018	01/04/2018	89	5	94
Occupational Therapist	07/10/2013	05/03/2018	01/04/2018	280	5	285

Appendix G - Proposed Amendments to Fees & Charges Schedule in respect of Child Burials

171. As requested by the Leader of the Council at the recent Council Tax setting meeting of full Council, proposals to waive child burial charges have been developed and detailed in Appendix G to this report. Recommendation 9 seeks formal Cabinet authority to waive charges in relation to interment and purchase of grave spaces for children whose age at death does not exceed seventeen years.

Type of Fee / Charge	Type	Current Charge Residents £	Current Charge Non-Residents £	Vat Status	Proposed Charge Residents £	Increase %	Proposed Charge Non-Residents £	Increase %	Date of last change to charge	Effective Date
16. Cemeteries										
Interment of Children (a stillborn child or child whose age at death did not exceed 17 years)										
In Child's grave	R	51.50	94.00	EXP	0.00	-100.00%	94.00	0.00%	01-Apr-17	26-Mar-18
In private grave (single depth)	R	116.00	210.50	EXP	0.00	-100.00%	210.50	0.00%	01-Apr-17	26-Mar-18
In private grave for the child's interment plus 2 adults	R	232.00	423.50	EXP	0.00	-100.00%	423.50	0.00%	01-Apr-17	26-Mar-18
In private grave for the child's interment plus 3 adults	R	290.00	526.50	EXP	0.00	-100.00%	526.50	0.00%	01-Apr-17	26-Mar-18
In Child's grave (whereapplicable)	R	111.00	201.50	EXP	0.00	-100.00%	201.50	0.00%	01-Apr-17	26-Mar-18
In private grave (single depth)	R	161.00	293.00	EXP	0.00	-100.00%	293.00	0.00%	01-Apr-17	26-Mar-18
In private grave for the child's interment plus 2 adults	R	386.50	710.00	EXP	0.00	-100.00%	710.00	0.00%	01-Apr-17	26-Mar-18
In private grave for the child's interment plus 3 adults	R	489.50	893.00	EXP	0.00	-100.00%	893.00	0.00%	01-Apr-17	26-Mar-18
Interments in Heritage Graves										
Childs interment	R	223.00	407.50	EXP	0.00	-100.00%	407.50	0.00%	01-Apr-17	26-Mar-18
Children's Graves										
Children's Section Graves (Gravespace measuring 4 feet by 2 feet)	R	386.50	710.00	EXP	0.00	-100.00%	710.00	0.00%	01-Apr-17	26-Mar-18
Single Private Grave for interment of a child whose age at death did not exceed 17.	R	Various	N/A	EXP	0.00	-100.00%	N/A	N/A	01-Apr-17	26-Mar-18