

COUNCIL BUDGET - 2018/19 REVENUE AND CAPITAL MONTH 10 BUDGET MONITORING

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

HEADLINE INFORMATION

Purpose of report	<p>This report provides the Council's forecast financial position and performance against the 2018/19 revenue budgets and Capital Programme.</p> <p>An underspend of £179k is reported against 2018/19 General Fund revenue budgets as of January 2019 (Month 10), representing an improvement of £110k from the position reported to Cabinet at Month 9 primarily due to improvements in the financial position of budgets within Residents Services.</p> <p>The latest positions on other funds and the Capital Programme are detailed within the body of this report, with continuing pressures on High Needs placements in the Schools Budget feeding through to a projected £7,652k cumulative deficit on the ringfenced Dedicated Schools Grant account. This represents an adverse movement of £271k from the previously reported position at Month 9 due to further growth in demand for High Needs.</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, Commerce & Communities
Ward(s) affected	All

RECOMMENDATIONS

That Cabinet:

1. Note the budget position as at January 2019 (Month 10) as outlined in Table 1.
2. Note the Treasury Management update as at January 2019 at Appendix E.

3. Continue the delegated authority up until the next 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 15th February to 14th March Cabinet meetings, detailed at Appendix F.
4. Approve virements of £650k from the School Conditions Building Programme and £515k from the Secondary Schools Expansions Programme to the Primary Schools Expansions programme to support additional conditions and adaptation works required for the expansion at Hillside Primary School.
5. Agree to accept grant funding of £17,280 from Hillingdon Community Trust to support the delivery of music lessons in schools.
6. Approve the award of four direct grant payments funded from the 2019/20 Chrysalis budget. The grant awards are:
 - Field End Infant and Junior Schools £87k refurbishment of the school forecourt
 - Hillside Infant School £11.16k creation of new school murals
 - John Locke Academy £26.5k new canopies in the school playground
 - Harefield Horticultural Society £3,100 towards roof repairs to their shed on the Hill House Allotment site.
7. Award Hillingdon Autistic Care and Support a core grant of £61,500 in 2019/20 to enable the continuation of employment support projects at the tea rooms at Rural Activity Garden Centre and at Brookfield Adult Education Centre.
8. Agree to accept grant funding of £7,000 from Sports England to support the review of Leisure provision in the Borough.
9. Approve the acceptance of funding for the Rapid Rehousing Pathway of £173,973 split £12,427 for 2018/19 and £161,546 (provisional allocation) for 2019/20 that will help rough sleepers, and those at risk of rough sleeping, access the support and settled housing they need to leave the streets for good.
10. Approve a grant of £18k to the Ruislip Woods Trust for the development of the Woodland Centre at the Ruislip Lido and approve the associated capital release.

INFORMATION

Reasons for Recommendations

1. The reason for **Recommendation 1** is to ensure that the Council achieves its budgetary objectives, providing Cabinet with an update on performance at Month 9 against budgets approved by Council on 22 February 2018. 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 on use of this delegated authority previously granted by Cabinet.
3. The expansion of Hillside Primary School is in progress, however, additional funding is required to complete the adaptation of the former Junior School into an extended Infant School. The proposed adaptations incorporates £650k condition works to the existing building which are appropriate to be funded from the approved School Conditions Building Programme budget. After taking into account the remaining approved Hillside expansion project budget, **Recommendation 4** proposes that the further £515k required is met from the currently uncommitted element of the future Secondary Schools Expansions programme.
4. Acceptance of funding of £17,280 from Hillingdon Community Trust in **Recommendation 5** will enable the delivery of basic beginner music lessons in 10 primary schools in the south of

the Borough, who currently do not have lessons or where the continuation of lessons is in jeopardy.

5. Chrysalis Awards of £127,760 are proposed for 4 projects. **Recommendation 6** will fund the following projects :
 - Upgrading the current forecourt to Field End Infant and Junior Schools will bring the front of the school environment up to current standards of health, safety and security provision and provide a community friendly 'front of house' for the locally listed buildings. This will further complement works to the school buildings, providing increased community provision and improved access.
 - Hillside Infant School have two murals which have significantly faded and the concrete chipped causing a trip hazard. The grant will enable the school to commission a professional artist to create new murals depicting the local area and what the children like about living in Hillingdon.
 - The new canopies at the John Locke Academy will protect the children against all weather elements allow them to play and explore outside and transforming previously unused areas into additional usable space throughout the year.
 - The roof repairs at Harefield are part of a wider Chrysalis funded project to improve security at the site ensuring that the allotments are safe and secure for some 40 plot holders.
6. The Council has supported HACS to run the tea rooms at the Rural Garden Activity Centre since 2014 and at the Brookfield Adult Education Centre since 2016. **Recommendation 7** agrees to fund Hillingdon Autistic Care and Support's (HACS) employability service which supports autistic individuals and those with learning disabilities aged 16-25 to learn new skills, gain experience and find employment. This is funded from the Voluntary Sector Grants Budget 2019/20.
7. **Recommendation 8** agrees to accept funding of £7,000 from Sport England which will assist in supporting the development of the approach to retendering Leisure Centre Contracts.
8. MHCLG invited applications to apply for funding to establish or strengthen an existing local Rapid Rehousing Pathway (RRP) for rough sleepers. The Council's bid was successful and **Recommendation 9** seeks approval to accept funding of £173,973 (split £12,427 for 2018/19 and £161,546 (provisional allocation) for 2019/20) The Pathway brings together 4 policy interventions (Somewhere Safe to Stay, Supported Lettings, Navigators and Local Lettings Agencies) that will help rough sleepers, and those at risk of rough sleeping, access the support and settled housing they need to leave the streets for good.
9. The proposed development of the Woodland Centre is planned to provide a fully functional interpretation Centre for the Ruislip Woods National Nature Reserve and local area including the Lido at a cost of £47k. The newly refurbished Woodland Centre would provide interactive installations that would provide a stimulating environment for learning. **Recommendation 10** proposes to provide an additional £18k to support the development of the Centre to be funded from Environmental & Recreational Initiatives capital Fund 2018/19. This will supplement the £29k of funding already secured via a Colne Valley lottery bid.

SUMMARY

Revenue

10. General Fund revenue budgets are projected to underspend by £179k as at Month 10, an improvement of £110k from Month 9 primarily due to improvements in services within Resident Services, with the headline position comprising of a number of reported pressures such as growing demand for Children's Services and the cost of Fleet Management operations being offset through a range of measures including; workforce underspends, reduced capital financing costs, release of General Contingency and deployment of Earmarked Reserves. There is currently £132k uncommitted General Contingency available to manage emerging issues over the remainder of this financial year.
11. General Fund Balances are expected to total £39,550k at 31 March 2019, under the assumption that the remaining Unallocated Budgets are utilised in-year, and reflecting the planned £950k drawdown from the £40,321k opening General Balances.
12. Of the £10,655k savings included in the 2018/19 budget, £9,955k are either banked or classed as 'on track for delivery', with £700k classified as being higher risk or in the early stages of delivery. Ultimately, all £10,655k savings are expected to be delivered in full or met through alternative mechanisms. Any items with potential issues will be covered by alternative in-year savings proposals and management actions.
13. A surplus of £1,188k is reported within the Collection Fund relating to favourable positions on both Council Tax and Business Rates, which is predominantly driven by strong growth in Business Rates in the borough and a carry forward surplus within Council Tax and represents a £152k improvement on Month 9. Any surplus realised at outturn will be available to support the General Fund budget in future years.
14. The Dedicated Schools Grant is projecting an in-year overspend of £3,527k at Month 10, an adverse movement of £271k from Month 9. This overspend is largely due to continuing pressures in the cost of High Needs, which also account for the adverse month on month movement, due to further growth in demand for High Needs support and results in a forecast carry forward cumulative deficit of £7,652k at 31 March 2019.
15. Although, additional funding has been provided by the DfE for 2018/19 and 2019/20, it remains clear that this pressure cannot be contained within the Schools Budget, and therefore the longer-term solution to this pressure represents a significant risk within the context of the Council's own medium term financial planning. This is a problem across the sector and as such, and significant lobbying of government will continue.

Capital

16. As at Month 9 an underspend of £6,850k is reported across the £395,529k General Fund Capital Programme, this variance relates to the purchase of Uxbridge Police Station not proceeding as noted in the December Cabinet report. While a favourable variance of £484k is reported on capital grant income, a £3,141k shortfall in capital receipts and CIL is expected to result in a £4,193k improvement against £178,625k budgeted Prudential Borrowing. Slippage in planned capital expenditure from 2018/19 is expected to reduce the in year borrowing requirement by £27,199k from £40,173k to £12,974k and therefore impact favourably on debt financing costs for 2019/20.

FURTHER INFORMATION

General Fund Revenue Budget

17. An underspend of £452k is reported across normal operating activities at Month 10, although this includes a number of underlying pressures including Children's Services Placements, Green Spaces and Fleet Management. These are being contained at a corporate level through the use of workforce underspends, Earmarked Reserves, uncommitted General Contingency budget and favourable variances on Corporate Operating Budgets arising from slippage in borrowing required to support capital investment. This position is netted down by a transfer of £295k from the General Fund to support Public Health functions.
18. £10,655k of savings are included in the 2018/19 General Fund revenue budget. Currently £9,179k are banked, delivery is currently in progress against £776k of savings, £700k are tracked as amber due to either being in the early stages of delivery or deemed higher risk although all savings are expected to ultimately be delivered in full or met through alternative measures. Since Month 9, £1,027k of savings have been moved to banked, amber savings are at £700k, no change from Month 9.

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			
207,578	(869)	Directorate Operating Budgets	206,709	206,705	(4)	104	(108)
4,878	1,192	Corporate Operating Budgets	6,070	5,622	(448)	(446)	(2)
8,929	(987)	Development & Risk Contingency	7,942	7,942	0	0	0
200	0	HIP Initiatives	200	200	0	0	0
(1,249)	664	Unallocated Budget Items	(585)	(585)	0	0	0
220,336	0	Sub-total Normal Activities	220,336	219,884	(452)	(342)	(110)
0	0	Exceptional Items Resource allocation from General Fund to Public Health	0	295	295	295	0
220,336	0	Total Net Expenditure	220,336	220,179	(157)	(47)	(110)
(219,386)	0	Budget Requirement	(219,386)	(219,408)	(22)	(22)	0
950	0	Net Total	950	771	(179)	(69)	(110)
(40,321)	0	Balances b/fwd	(40,321)	(40,321)			
(39,371)	0	Balances c/fwd 31 March 2019	(39,371)	(39,550)			

19. General Fund Balances are projected to total £39,550k at 31 March 2019 as a result of the planned drawdown of £950k being reduced by the £179k projected in year underspend. The Council's current MTFE assumes that unallocated balances will remain between £15,000k and £32,000k to manage emergent risks, with any sums above that level earmarked for use to smooth the impact of Government funding cuts.

Directorate Operating Budgets

20. Directorate Operating Budgets represent the majority of the Council's investment in day-to-day services for residents, with more volatile or demand-led areas of activity tracked separately through the Development and Risk Contingency. Further information on the latest projections for each service is contained within Appendix A to this report, with salient risks and variances within this position summarised in the following paragraphs.

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				
7,591 (1,092)	444 0	Chief Executive's Office	Expenditure	8,035	7,921	(114)	(119)	5
			Income	(1,092)	(1,174)	(82)	(76)	(6)
6,499	444		Sub-Total	6,943	6,747	(196)	(195)	(1)
17,262 (3,170)	(1,571) 0	Finance	Expenditure	15,691	15,729	38	46	(8)
			Income	(3,170)	(3,566)	(396)	(391)	(5)
14,092	(1,571)		Sub-Total	12,521	12,163	(358)	(345)	(13)
116,355 (43,096)	1,984 (1,658)	Residents Services	Expenditure	118,339	118,550	211	349	(138)
			Income	(44,754)	(44,554)	200	161	39
73,259	326		Sub-Total	73,585	73,996	411	510	(99)
142,505 (28,777)	3,103 (3,171)	Social Care	Expenditure	145,608	146,324	716	353	363
			Income	(31,948)	(32,525)	(577)	(219)	(358)
113,728	(68)		Sub-Total	113,660	113,799	139	134	5
207,578	(869)	Total Directorate Operating Budgets		206,709	206,705	(4)	104	(108)

21. An underspend of £196k is reported on the Chief Executive's Office budgets at Month 10 as a result of vacancies and non-staffing underspends and the overachievement of income within Legal and Human Resources. Across Finance, a net underspend of £358k is projected as a result of vacant posts across the directorate while compensatory variances on income and expenditure relate to revisions to grant funding to support Housing Benefit administration and associated investment in additional staffing.
22. A net pressure of £411k is reported across Residents Services, with a number of minor movements across the group. The Residents Services position for Month 10 incorporates pressures of £756k linked to vehicle hire and maintenance in Fleet services, £175k Waster Service pressure on agency, overtime and recycling costs, £202k on Residual Education functions and £428k on Green Spaces which are offset by staffing vacancies and the use of Earmarked reserves to support services. A range of management actions are being undertaken which are expected to improve this position and reduce the forecast deployment of Earmarked Reserves to support these priority services.
23. A net £139k overspend is reported across Social Care budgets, representing a minor change from Month 8. Included within this position are a number of ongoing pressures that the service is managing relating to the cost of Agency Social Workers, Legal Counsel and the provision of Temporary Accommodation for Section 17 cases. In addition, the headline position incorporates pressures arising from higher placement costs following slippage in opening the

Parkview development which are expected to be funded through liquidated damages from the contractor. Similarly, the management of this position is currently dependent on drawdown of earmarked reserves which are expected to reduce as the year progresses and the impact of management actions and new ways of working are delivered.

24. The Council is 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 £2,904k for such costs, which will continue to be reviewed 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.

Progress on Savings

25. Savings of £10,655k were included in the 2018/19 budget. As at Month 10, £9,955k are either banked or on track for delivery. £700k savings are in the early stages of delivery or potentially subject to greater risk to delivery, however ultimately all £10,655k savings are expected to be either delivered in full or replaced with alternative initiatives. Any items with potential issues will be covered by alternative in-year savings proposals and management actions.

Table 3: Savings Tracker Month 10

2018/19 General Fund Savings Programme	CEO	Finance	Residents Services	Social Care	Cross-Cutting	Total 2018/19 Savings	
	£'000	£'000	£'000	£'000	£'000	£'000	%
B Banked	(58)	(728)	(2,444)	(4,572)	(1,377)	(9,179)	86.1%
G On track for delivery	0	0	(320)	(356)	(100)	(776)	7.3%
A Potential significant savings shortfall or a significant or risky project which is at an early stage;	0	0	(350)	0	(350)	(700)	6.6%
R Serious problems in the delivery of the saving	0	0	0	0	0	0	0.0%
Total 2018/19 Savings	(58)	(728)	(3,114)	(4,928)	(1,827)	(10,655)	100.0%

Corporate Operating Budgets

26. Corporately managed expenditure includes the 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.
27. An underspend of £448k is reported against Corporate Operating Budgets as at Month 10 an improvement of £2k from Month 9. This position principally reflects an underspend against capital financing costs across Treasury Management budgets, offset by additional investment in the West London District Coroners Service.

Table 4 :Corporate Operating Budgets

Original Budget	Budget Changes	Service	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	
0	0	Interest and Investment Income	Salaries	0	0	0	0	0
6,259	(592)		Non-Sal Exp	5,667	5,168	(499)	(499)	0
(371)	100		Income	(271)	(271)	0	0	0
5,888	(492)		Sub-Total	5,396	4,897	(499)	(499)	0
480	0	Levies and Other Corporate Budgets	Salaries	480	473	(7)	(5)	(2)
11,237	1,873		Non-Sal Exp	13,110	13,168	58	58	0
(11,602)	(189)		Income	(11,791)	(11,791)	0	0	0
116	1,684		Sub-Total	1,799	1,850	51	53	(2)
0	0	Housing Benefit Subsidy	Salaries	0	0	0	0	0
147,529	(0)		Non-Sal Exp	147,529	147,529	0	0	0
(148,654)	(0)		Income	(148,654)	(148,654)	0	0	0
(1,125)	0		Sub-Total	(1,125)	(1,125)	0	0	0
4,878	1,192	Total Corporate Operating Budgets		6,070	5,622	(448)	(446)	(2)

Development & Risk Contingency

28. For 2018/19, £8,929k was set aside to manage uncertain elements of budgets within the Development & Risk Contingency, which included £7,929k in relation to specific risk items and £1,000k as General Contingency to manage unforeseen issues. Cabinet at Month 6 approved the release of those elements of the Development and Risk Contingency relating to prior years, items which were uncertain at the time of budget setting and are now confirmed into base budgets. The impact of these changes reduces the funding for the Development and Risk Contingency by £987k in 2018/19 to £7,942k. At this stage in the financial year, a breakeven position is projected against this provision, which represents no change from the projection at Month 9. Within this position, £132k of General Contingency remains available to manage emerging risks.

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	(291)	Fin.	Uninsured claims	0	0	0	0	0
1,736	0	Residents Services	Impact of Welfare Reform on Homelessness	1,736	857	(879)	(879)	0
1,172	0		Waste Disposal Levy & Associated Contracts	1,172	772	(400)	(400)	0
200	0		Heathrow Expansion Challenge Fund	200	200	0	0	0
1,885	0	Social Care	Asylum Service	1,885	1,985	100	100	0
797	(394)		Demographic Growth - Looked After Children	403	1,279	876	769	107
367	0		Demographic Growth - Children with Disabilities	367	756	389	389	0
277	0		Social Worker Agency Contingency	277	151	(126)	0	(126)
443	(184)		SEN transport	259	633	374	374	0
730	258		Demographic Growth - Adult Social Care	988	1,077	89	89	0
0	1,041		Winter Pressures - Social Care Funding	1,041	1,041	0	0	0
0	(1,041)		Additional grant	(1,041)	(1,041)	0	0	0
50	0	Winterbourne View	50	0	(50)	(50)	0	
381	(376)	Corp. Items	Apprenticeship Levy	5	0	(5)	(5)	0
(400)	0		Additional Investment Income	(400)	(400)	0	0	0
0	328		Southall Gas Works (funded from General Contingency)	328	500	172	172	0
1,000	(328)		General Contingency	672	132	(540)	(559)	(19)
8,929	(987)	Total Development & Risk Contingency		7,942	7,942	0	0	(0)

29. The managed reduction in households accommodated in Bed and Breakfast seen throughout 2017/18 has continued into 2018/19, with projections assuming that the number of households will be maintained at 130, 20 below MTFE assumptions for the remainder of the year. In addition, continuing management action to reduce the costs and use of Temporary Accommodation through maintaining a high number of placements into the private sector is expected to deliver a £879k underspend against contingency provision, no change from Month 9.

30. As at Month 10 the Asylum service is projecting a drawdown of £1,985k from the Contingency, no change from the Month 9 forecast. The overspend relates to a drop in the level of grant income received as well as an increase in the number of UASC, which the Council remains responsible for.
31. The forecast overspend of £876k on the contingency provision for Looked After Children shows an adverse movement of £107k from Month 9 due to increased support required for children placed in the Council's Children's homes which would otherwise have require an Out of Borough residential placement. The majority of this pressure is a result of a continuing increase in the number of high cost Residential placements, where the Service has had to place children outside of the Borough.
32. Social Care is projecting a drawdown of £151k from the Social Worker agency contingency, an improvement of £126k from the Month 9 position due to the increased recruitment of permanent staff within the successes taking place within the service. This contingency reflects the additional cost of using agency staff to cover essential Social Worker posts as the recruitment of Social Workers continues to be very competitive.
33. The Children with Disabilities service is projecting a draw down of £756k from the Contingency, representing a £389k forecast overspend, no change from Month 9 projections. The service have taken steps to review individual placements to ascertain whether any of the placements should be part funded by external partners, such as education and health and anticipate that a number of placements will be part funded.
34. The service is projecting a drawdown of £1,077k from the Demographic Growth for Adult Social Care contingency, a pressure of £39k, no change from Month 9. The service continues to monitor the growth in the number of and complexity of Social Care placements especially period of the winter months.
35. Hillingdon received additional funding to help alleviate winter pressures on the NHS. The full winter pressures funding of £1041k is expected to be deployed to support clients within Adult Social Care during the the winter months. The additional funding, will be managed through contingency and applied to ensure appropriate social care packages are in place for those leaving hospital with eligibility for social care.
36. The forecast drawdown from the contingency for SEN Transport is £633k, a pressure of £374k and no change from Month 9. This reflects the latest position taking into account the impact of the start of the new academic year, which generally has the greatest movement. The service has had to purchase additional routes which has resulted in the additional funding being required from contingency.
37. Cabinet in January 2019 approved the release of £328k from General Contingency to Resident Services budgets to meet the ongoing costs of specialist advice in relation to the Council's Claim for compensation in connection with the Council owned land acquired by SJWL to provide access to the Southall Gas Works site. In order to expedite settlement of this matter, some of the expenditure previously anticipated in 2019/20 has been brought forward increasing the projected call on contingency to £500k in 2018/19. No other material variances are reported against specific contingency items; with a minor £5k underspend on the Apprenticeship Levy reflecting current payroll expenditure. There is £132k remaining General Contingency to manage any further emerging pressures.

HIP Initiatives

38. £200k of HIP Initiative funding is included in the 2018/19 General Fund revenue budget, which is supplemented by £899k brought forward balances, to provide £1,099k resources. £164k of projects have been approved through HIP Steering Group for funding from resources as at Month 10, leaving £935k available for future release.

Table 6: HIP Initiatives

Original Budget	Budget Changes	HIP Initiatives	Month 10		
			Revised Budget	Approved Allocations	Unallocated Balance
£'000	£'000		£'000	£'000	£'000
200	0	HIP Initiatives Budgets	200	0	(200)
0	899	B/fwd Funds	899	164	(735)
200	899	Total HIP Initiatives	1,099	164	(935)

Schools Budget

39. At Month 10 the Dedicated Schools Grant position is an in-year overspend of £3,527k. This is predominantly due to continuing pressures in the cost of High Needs. When the £4,125k deficit brought forward from 2017/18 is taken into account, the forecast deficit to carry forward to 2019/20 is £7,652k. This represents an adverse movement of £271k on the previously reported position, primarily as a result of the increase demand for High Needs Provision.
40. The in year overspend of £3,527k as at Month 10 is made up of £3,004k High Needs linked to the transfer of pupils from statements to EHCP's, £367k to alternative provision for pupils not attending mainstream provision, £467k for early years provision offset by £311k underspend due to the decision of Schools Forum to withhold growth contingency where pupil growth is not sufficient to require the need for this funding.

Collection Fund

41. A £1,188k surplus is projected against the Collection Fund at Month 10, a £152k improvement from Month 9, which is made up of a £737k surplus on Council Tax and a £451k surplus on Business Rates. The Council Tax surplus is largely as a result of strong in-year collection rates contributing £238k and the brought forward surplus of £499k relating to better than expected performance during 2017/18. The favourable variance across Business Rates is due to strong growth in Business Rates as a number of new developments in the borough have been brought into rating, with a £891k in-year surplus being sufficient to offset the brought forward deficit of £440k.

Housing Revenue Account

42. The Housing Revenue Account is currently forecasting a £580k favourable variance, resulting in a drawdown of reserves of £20,857k. This results in a projected 2018/19 closing HRA General Balance of £16,251k, with the use of reserves funding investment in new housing stock. The headline monitoring position incorporates underspends of £1,004k mainly in relation to planned works and contingency, offsetting a £430k income pressure predominantly from rental income.

Future Revenue Implications of Capital Programme

43. Appendix D to this report outlines the forecast outturn on the 2018/19 to 2022/23 Capital Programme, with a £6,850k underspend projected over the five-year programme. Alongside an improvement in Government Grant and contribution income and no change in Capital Receipts or CIL, Prudential Borrowing is projected to be £4,193k lower than the £178,625k revised budget. This change has been factored into the growth in capital financing costs over the MTFF period 2019-2024, any further reductions in anticipated Capital Receipts or increases in project expenditure may necessitate a review of future financing costs.

Appendix A – Detailed Group Forecasts (General Fund)

Chief Executive's Office Month 10 (£196k favourable, £1k improvement)

44. The CEO directorate is reporting an underspend of £196k at Month 10, representing a minor improvement of £1k on Month 9. The improvement primarily relates to staffing and income improvements.

Table 7: Chief Executive Office Operating Budgets

Original Budget	Budget Changes	Service	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	
1,445	0	Democratic Services	Salaries	1,445	1,464	19	17	2
1,750	(29)		Non-Sal	1,721	1,691	(30)	(27)	(3)
(602)	0		Income	(602)	(617)	(15)	(15)	0
2,593	(29)		Sub-Total	2,564	2,538	(26)	(25)	(1)
2,012	(13)	Human Resources	Salaries	1,999	1,919	(80)	(81)	1
361	424		Non-Sal	785	792	7	(4)	11
(230)	0		Income	(230)	(277)	(47)	(41)	(6)
2,143	411		Sub-Total	2,554	2,434	(120)	(126)	6
1,954	75	Legal Services	Salaries	2,029	1,998	(31)	(24)	(7)
69	(13)		Non-Sal	56	57	1	0	1
(260)	0		Income	(260)	(280)	(20)	(20)	0
1,763	62		Sub-Total	1,825	1,775	(50)	(44)	(6)
5,411	62	Chief Executive's Office	Salaries	5,473	5,381	(92)	(88)	(4)
2,180	382		Non-Sal	2,562	2,540	(22)	(31)	9
(1,092)	0		Income	(1,092)	(1,174)	(82)	(76)	(6)
6,499	444		Total	6,943	6,747	(196)	(195)	(1)

45. Staffing underspends are primarily a result of the early delivery of a 2019/20 MTF savings in Human Resources, with a favourable non-staffing forecast driven by a reduction in the number of Special Responsibility Allowances in Democratic Services. Income surpluses have been achieved through increased legal planning work and lease renewals, alongside contributions from education establishments supporting expenditure on training for newly qualified social workers in Learning & Development.

Finance (£358k underspend, £13k improvement)

46. The overall position for Finance at Month 10 is a forecast underspend of £358k and represents an improvement of £13k on the month 9 position.

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			
2,058	(278)	Business Assurance	Salaries	1,780	1,652	(128)	(115)	(13)
1,443	409		Non-Sal Exp	1,852	1,925	73	76	(3)
(567)	0		Income	(567)	(583)	(16)	(16)	0
2,934	131		Sub-Total	3,065	2,994	(71)	(55)	(16)
1,540	0	Procurement	Salaries	1,540	1,568	28	34	(6)
64	0		Non-Sal Exp	64	64	0	(10)	10
(35)	0		Income	(35)	(37)	(2)	(2)	0
1,569	0		Sub-Total	1,569	1,595	26	22	4
3,505	88	Corporate Finance	Salaries	3,593	3,567	(26)	(37)	2
1,785	(1,529)		Non-Sal Exp	256	338	82	28	3
(151)	0		Income	(151)	(166)	(15)	(11)	(4)
5,139	(1,441)		Sub-Total	3,698	3,739	41	(20)	1
4,277	(70)	Revenues & Benefits	Salaries	4,207	4,194	(13)	(5)	1
1,847	(191)		Non-Sal Exp	1,656	1,708	52	103	0
(2,090)	0		Income	(2,090)	(2,451)	(361)	(360)	(1)
4,034	261		Sub-Total	3,773	3,951	(322)	(262)	(1)
536	0	Pensions, Treasury & Statutory Accounting	Salaries	536	510	(26)	(24)	(2)
207	0		Non-Sal Exp	207	203	(4)	(4)	0
(327)	0		Income	(327)	(329)	(2)	(2)	0
416	0		Sub-Total	416	384	(32)	(30)	(2)
11,916	(260)	Finance Directorate	Salaries	11,656	11,491	(165)	(147)	(18)
5,346	(1,311)		Non-Sal Exp	4,035	4,238	203	193	10
(3,170)	0		Income	(3,170)	(3,566)	(396)	(391)	(5)
14,092	(1,571)		Total	12,521	12,163	(358)	(345)	(13)

47. The Business Assurance workforce underspend is largely within Internal Audit and reflects vacancies following the recent BID review of the Service, which is nearing full implementation and refreshed staffing assumptions account for the improved position this month. External consultancy has been used on an interim basis to support the audit function during the implementation of the new structure is driving the non-staffing pressure for the Business Assurance function as a whole.
48. The pressure on Corporate Finance follows the transfer of the Income Control function in Month 10 from Revenues and Benefits Service and is a result of increased bank charges currently impacting the service. Budget realignments have been undertaken as part of the 2019/20 budget to resolve this emerging pressure.
49. The position within Revenues and Benefits reflects the in year benefit of external grant funding for fraud identification work.

50. Pensions Treasury and Statutory Accounting is reporting an underspend of £32k, principally due to a vacant post held within the service, reduced costs against the external audit contract with Ernst & Young, and increased charges to the Pension Fund for support provided.

Residents Services (£411k overspend, £99k favourable movement)

51. Residents Services directorate is showing a projected outturn overspend of £411k at Month 10, excluding pressure areas that have identified contingency provisions.

Table 9: Residents Services Operating Budget

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				
17,187	(18)	Infrastructure, Waste and ICT	Salaries	17,169	17,045	(124)	(347)	223
35,689	197		Non-Sal	35,886	36,862	976	1,364	(388)
(10,543)	(479)		Exp	(11,022)	(11,332)	(310)	(421)	111
42,333	(300)		Income	42,033	42,575	542	596	(54)
18,547	207	Housing, Environment, Education, Health & Wellbeing	Salaries	18,754	18,276	(478)	(525)	47
23,510	977		Non-Sal	24,487	25,141	654	606	48
(17,361)	(1,037)		Exp	(18,398)	(18,176)	222	239	(17)
24,696	147		Income	24,843	25,241	398	320	78
3,995	18	Planning, Transportatio n & Regeneration	Salaries	4,013	3,702	(311)	(302)	(9)
685	437		Non-Sal	1,122	1,409	287	251	36
(4,059)	(231)		Exp	(4,290)	(4,207)	83	118	(35)
621	224		Income	845	904	59	67	(8)
12,626	162	Administrativ e, Technical & Business Services	Salaries	12,788	12,135	(653)	(564)	(89)
4,116	4		Non-Sal	4,120	3,980	(140)	(134)	(6)
(11,133)	89		Exp	(11,044)	(10,839)	205	225	(20)
5,609	255		Income	5,864	5,276	(588)	(473)	(115)
52,355	369	Residents Services Directorate	Salaries	52,724	51,158	(1,566)	(1,738)	172
64,000	1,615		Non-Sal	65,615	67,392	1,777	2,087	(310)
(43,096)	(1,658)		Exp	(44,754)	(44,554)	200	161	39
73,259	326		Income	73,585	73,996	411	510	(99)

52. The overall variance is a result of non-staffing pressures across Fleet Management, Grounds Maintenance and Residual Education functions being offset by staffing underspends across the directorate.
53. The Council's 2018/19 contingency budget contains provision for areas of expenditure or income within Residents Services for which there is a greater degree of uncertainty. The position against these contingency items is shown in Table 2 below. At Month 10, projected calls on contingency are £1,107k below the budgeted provision, unchanged from the Month 9 position. The table below shows the breakdown for each contingency item.

Table 10: Development and 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
1,736	0	Impact of Welfare Reform on Homelessness	1,736	857	(879)	(879)	0
1,172	0	Waste Disposal Levy & Associated Contracts	1,172	772	(400)	(400)	0
0	328	Southall Gas Works	328	500	172	172	0
200	0	Heathrow Expansion Challenge Fund	200	200	0	0	0
3,108	328	Current Commitments	3,436	2,329	(1,107)	(1,107)	0

54. The Month 10 data in Table 3 below shows a continuation of the reduction achieved in 2017/18 of the use of Temporary Accommodation. There has been some increase in B&B numbers in January but the overall numbers in temporary accommodation are still significantly lower than the MTFF assumptions made by officers in modelling Supply and Demand and have been relatively stable over the last few months.

Table 11: Housing Needs performance data

	November 18	December 18	January 19
All Approaches	174	133	147
Full Assessment Required	165	129	133
New into Temporary Accommodation (Homeless and Relief)	21	26	25
Households in Temporary Accommodation	461	463	471
Households in B&B	126	128	148

55. As in previous years, a contingency has been set aside in 2018/19 to resource the procurement of Private Sector placements or the need for Temporary Accommodation in the borough. The call on contingency relating to homelessness is forecast at £857k, £879k below the budgeted provision which is unchanged from the month 9 position. Despite the increase in January the service is still forecasting the number of clients in B&B accommodation will be 130 at the end of the financial year, 20 below MTFF assumptions, whilst reducing the overall use and cost of Temporary Accommodation. This is expected to be achieved through maintaining a high number of placements into the private sector and the continued close monitoring of unit costs.
56. The Council will continue to closely monitor this risk, as given the introduction of the Homeless Reduction Act in April 2018 and subsequent 'duty to refer' from 1st October 2018, there has been a notable increase in homeless referrals to the Council. A sustained period of increased prevention and move-on activity could require the service to draw on the Housing Incentives earmarked reserve, with any drawdown being subject to the usual approvals.
57. The call on the Waste contingency is unchanged from month 9. Whilst waste tonnages to date have shown an increase compared to the same period last year, current projections indicate that costs can be managed within the reduced contingency sum.

58. Cabinet in January 2019 approved the release of £328k from General Contingency to Resident Services budgets to meet the ongoing costs of specialist advice in relation to the Council's Claim for compensation in connection with the Council owned land acquired by SJWL to provide access to the Southall Gas Works site. In order to expedite settlement of this matter, some of the expenditure previously anticipated in 2019/20 has been brought forward increasing the projected call on contingency to £500k in 2018/19.

Infrastructure, Waste and ICT (£542k overspend, £54k improvement)

59. At Month 10, there is a £542k forecast overspend across the service, arising from a number of variances affecting service areas reflecting a combination of ongoing staffing and non-staffing pressures. The overall forecast encompasses a number of management actions, which will be closely monitored during the remainder of the financial year.
60. The forecast pressure for Fleet Management is £756k, representing a £27k favourable movement. The pressure relates primarily to vehicle repairs and maintenance, an element of which relates to one-off legacy costs from the outgoing contractor. There are pressures/risks associated with increasing fuel costs, the service's performance in relation to insurance claims and hired vehicle costs. A range of management actions are in place and the service is progressing a refreshed Capital Vehicle Replacement Programme. The favourable movement in the month largely relates to additional funding from earmarked reserves to support fleet insurance/claims pressures, partly offset by an increase in the forecast for damage repairs, following confirmation of several months' of actual costs from the maintenance contractor
61. The forecast position of £175k in Waste Services represents a favourable movement of £4k compared with Month 9. The projected underlying overspend results from a temporary increase in overtime payments within the Waste Service due to performance issues with agency staff and wider recruitment difficulties in the refuse/recycling area owing to demand and competition. Non-staffing costs are forecasting a pressure, due to overspends on refuse sacks for green and garden waste and mixed dry recycling.
62. The Highways and Street Lighting service shows a net overspend of £44k reflecting latest staffing forecasts and underachievement of the managed vacancy factor due to low staff turnover. Within this position, there is anticipated over-achievement against income targets, attributable to various revenue streams including S38, S278, vehicle crossings and fixed penalties.
63. The Capital and Planned Works service shows a projected pressure of £101k against base budget, a favourable movement of £19k from Month 9. The favourable movement is attributable to revised staffing forecasts resulting from recruitment delays, partly offset by an associated reduction in fee recharges. The overall variance reflects the latest forecast of the residual expenditure for staffing costs after forecast fees have been assumed as chargeable to capital projects. The service is reviewing the cost of some of its higher cost agency which could improve the position further.
64. The Corporate Communications Service is showing an underspend of £38k against budget (a £38k favourable movement) attributable to refreshed staffing and agency cover requirements following the implementation of the BID review. The favourable movement in Month 9 reflects recruitment delays and removal of a consultancy spend forecast previous held pending finalisation and implementation of the service's restructure.

Housing, Environment, Education, Health & Wellbeing (£398k overspend, £78k adverse movement)

65. At Month 10 there is a overspend position of £398k across the service, representing an adverse movement of £78k on the month 9 position. Pressures within Green Spaces, Private Sector Housing and the Residual Education functions are being partially mitigated by underspends within Business Performance, Community Safety and the wider Public Health service. Adverse staffing movements within Private Sector Housing and Disabled Facilities teams are partially offset by an improved position against non contingency funded items within the Homeless service.
66. Green Spaces shows an adverse movement of £26k from Month 9 reflecting anticipated spend on the launch of a new tennis programme across the borough by the sports and physical activity team. The overall position continues to reflect underspends on hard to recruit posts within Youth services, reductions in income streams as a result of HS2 implementation within Golf and forecast pressures on non-staffing budgets within Parks and Open Spaces.
67. Underspends from vacant posts within Trading Standards and projected underspends on Voluntary sector grants continue to be forecast at Month 10. The wider Public Health position will be influenced by outcomes from the BID review, which is currently focused on areas of contract spend and ensuring efficient provision of mandated services.

Planning, Transportation & Regeneration (£59k overspend, £8k favourable movement)

68. A net pressure of £59k is reported across the service at Month 10; with a £311k underspend on workforce budgets across Planning Services and Road Safety being offset by £287k pressures across non-staffing budgets and £84k adverse variance on income.
69. Workforce underspends continue to reflect challenging market conditions for the recruitment and retention of professional Planning Officers, with a corresponding increase in reliance on external consultancy contributing towards the non-staffing pressure. The reported non-staffing position includes an in year £130k pressure in fees for outsourced planning applications processing, with the draft budget for 2019/20 making allowance for this uplift.
70. A £84k shortfall is projected against the budgeted £4,290k Development and Building Control revenue streams, although these continue to be closely monitored alongside corresponding contract expenditure given both the potential impact of changing property market conditions and the need to maintain sufficient capacity within the service to support Planning Performance Agreements and Pre-Application Advice. As at Month 10 £3,584k or 84% of this forecast income has been banked which is slightly lower than anticipated but will continue to be closely monitored.

Administrative, Technical & Business Services (£588k underspend, £115k improvement)

71. Administrative, Technical and Business Services is reporting a forecast underspend of £588k at Month 10, representing an improvement of £115k on the month. The underspend is primarily due to high staff turnover and part-year vacancies in the service.
72. Staffing forecasts have improved by £89k in the month, largely a result of revised agency costs for six Environmental Health Officers carrying out food premises safety inspection reviews. Reduced overtime costs at the Imported Food Office, alongside refreshed recruitment assumptions and part-year vacancies, are further contributing to the favourable staffing position.

73. An improved income position is reported at Month 10, reflecting increased revenue from the testing of Kenyan Green Beans at the Imported Food Office, however, this is partly mitigated by an adverse movement on Land Searches income.
74. While improvements to income are reported, an outturn pressure of £205k is anticipated, primarily due to a shortfall at Cedars and Grainges multi-storey car parks (£451k underachievement), with a £50k income pressure forecast at surface car parks. MTFE Fees and Charges proposals for parking tariffs at Cedars and Grainges in 2019/20, and uplifts to Land Search and Imported Food fees will contribute to mitigating income pressures going forward.

SOCIAL CARE (£139k overspend, £5k adverse)

75. The Social Care directorate is projecting an overspend of £139k as at Month 10, a slight adverse movement of £5k on the Month 9 projections. Included within this position are a number of ongoing pressures that the service is managing relating to the cost of Agency Social Workers, Legal Counsel and the provision of Temporary Accommodation for Section 17 cases.

Table 12: 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				
14,762	(210)	Children's Services	Salaries	14,552	14,599	47	(35)	82
17,224	240		Non-Sal Exp	17,464	18,161	697	758	(62)
(6,483)	(1,005)		Income	(7,488)	(7,653)	(165)	(240)	75
25,503	(975)		Sub-Total	24,528	25,107	579	483	95
8,358	95	Early Intervention, Prevention & SEND	Salaries	8,453	7,589	(864)	(747)	(117)
6,044	(74)		Non-Sal Exp	5,970	6,083	113	26	87
(2,243)	700		Income	(1,543)	(1,112)	431	470	(39)
12,159	721		Sub-Total	12,880	12,560	(320)	(251)	(69)
7,086	(19)	Adult Social Work	Salaries	7,067	6,917	(150)	(89)	(61)
71,039	1,028		Non-Sal Exp	72,067	72,539	472	23	449
(18,195)	(2,851)		Income	(21,046)	(21,393)	(347)	58	(405)
59,930	(1,842)		Sub-Total	58,088	58,063	(25)	(8)	(17)
12,980	417	Provider and Commissioned Care	Salaries	13,397	13,761	364	137	227
5,012	1,626		Non-Sal Exp	6,638	6,676	38	281	(242)
(1,856)	(15)		Income	(1,871)	(2,367)	(496)	(507)	11
16,136	2,028		Sub-Total	18,164	18,070	(94)	(90)	(4)
43,186	283	Social Care Directorate Total	Salaries	43,469	42,866	(603)	(734)	131
99,319	2,820		Non-Sal Exp	102,139	103,459	1,320	1,086	234
(28,777)	(3,171)		Income	(31,948)	(32,525)	(577)	(219)	(358)
113,728	(68)		Total	113,660	113,799	139	134	5

SOCIAL CARE DEVELOPMENT AND RISK CONTINGENCY (£1,671k overspend, no change)

76. The Council's 2018/19 Development and Risk Contingency includes provisions for areas of expenditure within Social Care for which there is a greater degree of uncertainty and relates to in-year demographic changes, including Asylum seekers and SEN Transport. Table 14 sets out the Month 10 projected position for the Development and Risk Contingency, which is reporting a pressure of £1,671k; no change on the Month 9 projections.
77. The overspend is due to continuing pressures in the costs of Looked After Children and Children with Disabilities placements, where it is evident that the service are supporting more children with complex needs. The service are also experiencing growth in SEN Transport requirements, where the service have firmed up the impact of the new academic year and the new transport requirements. There is also an underlying growth in Adult placements with a Learning Disability and Mental Health primary care need.

Table 13: 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
1,885	0	Asylum Service	1,885	1,985	100	100	0
797	(394)	Demographic Growth - Looked After Children	403	1,279	876	769	107
367	0	Demographic Growth - Children with Disabilities	367	756	389	389	0
277	0	Social Worker Agency Contingency	277	151	(126)	0	(126)
443	(184)	SEN transport	259	633	374	374	0
730	258	Demographic Growth - Adult Social Care	988	1,027	39	39	0
50	0	Winterbourne View	50	50	0	0	0
4,549	(320)	Current Commitments	4,229	5,881	1,652	1,671	(19)

Asylum Service (£100k overspend, no change)

78. The service is projecting a drawdown of £1,985k from the contingency, no change on the Month 9 projections. The overspend relates to a drop in the level of income received as well as an increase in the number of UASC, which the Council remains responsible for, which are not being transferred in accordance with the National Transfer Agreement, which was introduced in 2016. This agreement has enabled the Council to transfer a number of under-18 UASC to other local authorities in line with the agreement, resulting in a lower volume of under 18's being supported by Hillingdon. However, the Council is now seeing a growth in the younger cohort of UASC, generally in the 13 to 14 year old age group, which will require at least a Foster Care placement and a slow down in the number of authorities willing to take UASC, which is having an impact on the projected position.

Demographic Growth - Looked After Children (£876k overspend, £107k adverse)

79. The service is projecting a drawdown of £1,279k from the Contingency, an overspend of £876k on the Month 9 projections, due to increased support required for children placed in the Council's Children's homes, which would otherwise have required an Out of Borough residential placement. The majority of this pressure relates to an increase in the number of high cost Residential placements, where the Service has had to place children outside of the Borough. It is also evident that the unit cost has increased from an average of £3,400 per week to £4,000 per week, and that the length of stay is much greater than in previous years due to the complex nature of the support required. It is also evident that the type of places needed are becoming increasingly harder to source as other Councils are trying to secure similar placements.
80. The service continues to monitor this position through regular reviews of individual cases, and where possible children are stepped down when it is safe to do so. It should also be noted that this year could start to see an increase in the number of children looked after, where previously this number has remained constant over the last few years.
81. Additionally, the service received confirmation in December 2018, that they had been successful in securing a grant of £400k, which will be used to support vulnerable children and prevent them from entering the care system. Initial meetings have been held with

representatives from Cardiff University and the way forward agreed, this will allow the service to start releasing funds to individuals over the coming months.

Demographic Growth – Children with Disabilities (£389k overspend, no change)

82. The service is projecting a draw down of £756k from the Contingency, an overspend of £389k, no change on the Month 9 projections. This reflects that there is an increase in the number of cases that have more complex needs, which in most cases, require a residential placement or more respite care. The service have now taken steps to review individual placements to ascertain whether any of the placements should be part funded by external partners, such as education and health and anticipate that a number of placements will be part funded.

Social Worker Agency (Children's) (£126k underspend, £126k improvement)

83. The service is projecting a drawdown of £151k from this contingency, an improvement of £126k on the Month 9 position, due to the continuing recruitment successes of that are taking place in the service, including the appointment of Newly Qualified Social Workers, the appointment of permanent staff to the new Senior Management Team and a reduced reliance on agency staff. The pressure relates to the additional cost of using agency staff to cover essential Social Worker posts, where there is a premium cost of circa £18k for an agency worker, as the recruitment of Social Workers continues to be very competitive.

Demographic Growth - SEN Transport (£374k Overspend, no change)

84. The service is projecting a drawdown of £633k from the SEN Transport contingency, an overspend of £374k, no change on the month 9 position. This reflects the latest position taking into account the impact of the start of the new academic year, which generally has the greatest movement. The additional cost is required to cover the increase in the number of pupils that have an Education, Health and Care Plan (EHCP), in most cases the increase in the SEN pupil population has been absorbed in existing routes, but it is now clear that the service is having to purchase additional routes for some children, which has resulted in additional funding being required from the contingency.

Demographic Growth - Adult Social Care (£39k overspend, no change)

85. The service is projecting a drawdown of £1,077k from the Adult Social Care contingency, an overspend of £39k, no change on the Month 9 projections. This position is being closely monitored especially over the winter months.

DIRECTORATE OPERATING BUDGETS (£140k overspend, £7k adverse)

Children's Services (£579k overspend, £95k adverse)

86. The service is projecting an overspend of £579k, as at Month 9, an adverse movement of £95k on the Month 9 projections. The service is now reporting an overspend of £47k on staffing, which reflects the success of recent recruitment activity and a slow down in the reliance of agency staff to cover vacant posts, where any new request continues to be closely scrutinised.
87. The service is currently managing a pressure in Legal costs and the cost of supporting Section 17 cases, through management action and by implementing new ways of working. Additionally, the in house Legal Service has recruited an additional advocate, which should help to reduce external Legal costs.

Early Intervention, Prevention & SEND (£320k underspend, £69k improvement)

88. The service is projecting an underspend of £320k as at Month 10, an improvement of £69k on the Month 9 projections, due to a more in depth review of staffing costs. The majority of the underspend relates to staffing, where the service has put on hold staff recruitment, whilst it undertakes a BID review. Included in this is an underspend of £215k on the Educational Psychological Service, which partially offsets a shortfall in income of £346k, following the cessation of funding from the DSG for Early Years and School based support. The position also includes a projected overspend of £148k in the Early Years Centres budgets, following the transfer of responsibility from the Dedicated Schools Grant into the Council's base budget with effect from 1 September 2018.

Adult Social Work (£25k underspend, £17k improvement)

89. The service is projecting an underspend of £25k as at Month 10, an improvement of £17k on the Month 9 projections, due to an improvement in the projected staffing costs. The service has an underspend of £150k on staffing, where the service has a number of vacant posts, an overspend of £472k on non staffing costs netted down by a surplus in income of £347k which includes the allocation of the Winter Pressures Grant to offset the increased cost of placements as reported in the January 2019 Grant Claim. This service area includes all of the placement costs, which are covered within the Development and Risk Contingency.

Provider and Commissioned Care (£94k underspend, £4k improvement)

The service is projecting an underspend of £94k as at Month 10, an improvement of £4k on the Month 9 projections. This includes an overspend of £364k on staffing and an overspend of £38k on non-staffing costs, which predominantly relates to the provision of client equipment netted down by a surplus of £496k in income.

Appendix B – Other Funds

COLLECTION FUND (£1,188k underspend, £152k favourable movement)

90. A surplus of £1,188k is reported within the Collection Fund at Month 10, relating to favourable positions on both Council Tax and Business Rates, which is predominantly driven by growth in Gross Rates in the Borough and a carry forward surplus within Council Tax. This represents a £152k improvement from the position reported at Month 9. Any surplus realised at outturn will be available to support the General Fund budget from 2019/20 onwards, the underspend forecast at Month 9 was included within the draft budget considered by Cabinet in February 2019.

Table14: Collection Fund

Original Budget	Budget Changes	Service	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	
(121,176)	0	Council Tax	Gross Income	(121,176)	(121,267)	(91)	(57)	(34)
10,918	0		Council Tax Support	10,918	10,771	(147)	(178)	31
(2,680)	0		B/fwd Surplus	(2,680)	(3,179)	(499)	(499)	0
(112,938)	0		Sub-Total	(112,938)	(113,675)	(737)	(734)	(3)
(109,572)	0	Business Rates	Gross Income	(109,572)	(109,991)	(419)	(1,046)	627
(3,849)	0		Section 31 Grants	(3,849)	(4,501)	(652)	(193)	(459)
53,246	0		Less: Tariff	53,246	53,246	0	0	0
7,451	0		Less: Levy	7,451	7,631	180	497	(317)
69	0		B/fwd Deficit	69	509	440	440	0
(52,779)	0	Sub-Total	(52,655)	(53,106)	(451)	(302)	(149)	
(165,717)	0	Total Collection Fund	(165,593)	(166,781)	(1,188)	(1,036)	(152)	

91. A surplus of £737k is projected against Council Tax at Month 10, predominantly as a result of strong collection rates continuing into and throughout 2018/19 and the brought forward surplus of £499k relating to better than expected performance during 2017/18. This represents an improvement of £3k from the Month 9 position.
92. A £451k net surplus is reported across Business Rates at Month 9, driven by growth in Gross Rates due to a number of new developments in the borough being brought into rating. This £891k in-year underspend is sufficient to off-set the brought forward deficit of £440k. This represents a £149k improvement from Month 9.

Appendix B – Other Funds

SCHOOLS BUDGET

Dedicated Schools Grant (£3,256k overspend, £335k adverse)

93. The Dedicated Schools Grant (DSG) outturn position is an in-year overspend of £3,256k at month 9. This is an adverse movement of £335k from the month 8 position, due to continuing pressures in the cost of High Needs placements. When the £4,125k deficit brought forward from 2017/18 is taken into account, the deficit to carry forward to 2019/20 is £7,381k.

Table 15: DSG Income and Expenditure 2018/19

Original Budget	Budget Changes	Funding Block	Month 10			Variance (as at Month 9)	Movement from Month 9
			Revised Budget	Forecast Outturn	Variance		
£'000	£'000		£'000	£'000	£'000	£'000	£'000
(275,559)	1,485	Dedicated Schools Grant Income	(274,074)	(274,074)	0	0	0
214,132	0	Schools Block	214,132	213,821	(311)	(311)	0
26,100	(2,238)	Early Years Block	23,862	24,329	467	468	(1)
2,773	0	Central School Services Block	2,773	3,140	367	405	(38)
32,554	753	High Needs Block	33,307	36,311	3,004	2,694	310
0	0	Total Funding Blocks	0	3,527	3,527	3,256	271
0	0	Balance Brought Forward 1 April 2018	4,125	4,125			
0	0	Balance Carried Forward 31 March 2019	4,125	7,652			

Dedicated Schools Grant Income (nil variance, no change)

94. The DSG has been updated with the additional High Needs funding recently announced by the DfE. The allocation of this additional funding is based on the 2 to 18 year old population and for Hillingdon this has resulted in a £775k increase to the High Needs block in 2018/19. There will also be an additional £775k of High Needs block funding allocated in 2019/20. There are no further anticipated changes to DSG funding in 2018/19.

Schools Block (£311k underspend, no change)

95. The £311k underspend relates to the growth contingency fund which is funded from the Schools Block. Schools that are expanding, in agreement with the local authority, to meet basic need pupil population growth, receive additional funding to provide financial recompense to schools throughout the relevant financial year to cover the cost of this agreed and planned growth. Schools Forum took the decision to withhold growth contingency allocations for two schools due to insufficient pupil growth in September 2018, which accounts for the majority of this underspend.
96. There is also a mechanism within the growth contingency policy to allow for schools that have experienced significant in year growth and it is currently anticipated that there will be an underspend in this budget allocation.

Early Years Block (£467k overspend, £1k improvement)

97. Two year old funding has now been adjusted to reflect the number of children accessing the entitlement based on the January 2018 census. This has resulted in a £128k increase in 2018/19 funding which should cover the cost of the increase in two year olds accessing the free entitlement.

98. The 3 and 4 year old funding for both the universal and the additional free entitlement has also been adjusted following the January 2018 census and the release of the updated guidance. This guidance clarifies that the funding provided for the new additional 15 hour free entitlement will be adjusted based on actual take up, which is a change to the treatment of previous new initiatives, where the funding provided was not adjusted until sufficient time had been allowed to settle in the initiative. Funding for the universal entitlement has increased slightly, whilst the funding for the additional 15 hour entitlement has reduced significantly as a consequence of lower actual uptake than estimated by the DfE when calculating the original funding allocation. The current projection has been revised following publication of the May census data for early years and the impact of the funding adjustments is estimated to result in a £501k overspend in 2018/19.
99. It has been agreed that the DSG will only fund the Early Years Centres up until 31 August 2018 with any over or underspend at this point to be charged to the DSG. The outturn position for the three centres at the end of August is a £100k overspend, as a consequence of a shortfall in the levels of income being generated. The only additional charges to the DSG in relation to the Early Years Centres will be for overheads which will be calculated at the end of the financial year.
100. There is currently an overspend of £35k in the Early Years Advisory Service where a savings target of £150k has been put in place by Schools Forum which may not be achieved in full in the current year.
101. These overspends are partly offset by a £57k underspend in the Family Information Service where there have been vacant posts for part of the year along with a projected £119k underspend in vulnerable children funding as fewer children are being identified as requiring additional support.

Central School Services Block (£367k overspend, £38k improvement)

102. The overspend partly relates to confirmation from the ESFA that the copyright licences for schools should be charged to the centrally retained DSG. The DSG budget was set with the view that these licenses could be charged to the Schools Block, and therefore no budget was included within the Central School Services Block.
103. There is a £267k overspend as a result of an increase in the number of young people accessing alternative provision. The local authority currently commissions fifty places at the in-borough alternative provision setting and the historic trend is for numbers at the start of the academic year to be below this number before gradually building up. Currently numbers accessing this provision are already in excess of the commissioned number, resulting in an additional cost pressure.
104. The overspend is partly off-set by additional projected income from schools that have excluded pupils, where the local authority is able to recover the Age Weighted Pupil Unit cost for the period following exclusion.
105. Underspends are also being projected in some of the centrally retained Education functions services which offset the total overspend.

High Needs Block (£3,004k overspend, £310k adverse)

106. There continues to be significant pressure in the High Needs Block with an overspend of £3,004k being projected at month 10.

107. The main driver for the overspend is linked to the transfer of pupils from statements to Education, Health and Care plans (EHCPs). As pupils were transferred to an EHCP they moved onto the new banded funding model which often resulted in a higher resource requirement. The transfer process was completed by 31 March 2018, however there are still cases where schools are querying the funding levels allocated. These cases are subject to a further review and following the submission of additional evidence often, a higher level of resource is agreed. The 2018/19 budget was increased to reflect this anticipated increase, but the budget is still insufficient.
108. The adverse movement from month 9 is primarily due to a review of the assumptions made regarding contributions from Health towards SEN placements. There was an expectation that health would make a significant contribution to a number of placements going back to 2016/17, however the CCG have disputed the value of these contributions and the projections have now been revised to reflect this.
109. The rise in the number of pupils with an EHCP has also resulted in an increase in the number of schools receiving additional funding through the 2% threshold mechanism. This funding mechanism recognises those schools that have a disproportionate number of pupils with SEN on roll and distributes additional funding to schools that have more than 2% of their total pupil population with an EHCP. The funding is adjusted each term following receipt of confirmed census data, and the adjustments following the October census has resulted in a £157k overspend against budget.
110. There is an increase in expenditure on the placement of pupils with SEN in independent or non-maintained schools. The High Needs budget for 2018/19 includes a savings target within the budget for Independent and non-maintained school SEN placements which is dependent on a number of pupils leaving at the end of the summer term 2018 and new placements not being made. However, due to a lack of capacity in-borough, further placements have been made throughout the year, resulting in an additional pressure on the High Needs block.
111. The current year has seen a further increase in the cohort of post-16 SEN placements from September 2018. The local authority is still negotiating with providers on the level of funding for some of these placements with the current projection based on an estimated increase in cost.
112. In addition to the cost of pupils with an EHCP, the High Needs Block is now funding Early Intervention Funding (EIF) as an alternative to the allocation of statutory funding for children with SEN who experience significant barriers to learning. This funding allows schools to access funding quicker to enable them to intervene early and have the greatest impact. The current projected spend on EIF in 2018/19 is £176k.

Appendix C – HOUSING REVENUE ACCOUNT

113. The Housing Revenue Account (HRA) is currently forecasting a drawdown of reserves of £20,857k, which is £580k more favourable than the budgeted position and the overall movement from Month 9 is a favourable £6k. The 2018/19 closing HRA General Balance is forecast to be £16,251k. The use of reserves is funding investment in new housing stock. The table below presents key variances by service area:

Table 16: 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	(55,932)	(55,279)	653	653	0
Other Income	(4,877)	(5,100)	(223)	(223)	0
Net Income	(60,809)	(60,379)	430	430	0
Housing Management	12,819	13,030	211	236	(25)
Tenant Services	4,172	4,129	(43)	(65)	22
Repairs	5,056	5,613	557	559	(2)
Planned Maintenance	4,360	3,429	(931)	(930)	(1)
Capital Programme Funding	38,728	38,728	0	0	0
Interest & Investment Income	15,371	15,197	(174)	(174)	0
Development & Risk Contingency	1,740	1,110	(630)	(630)	0
Operating Costs	82,246	81,236	(1,010)	(1,004)	(6)
(Surplus) / Deficit	21,437	20,857	(580)	(574)	(6)
General Balance 01/04/2018	(37,108)	(37,108)	0	0	0
General Balance 31/03/2019	(15,671)	(16,251)	(580)	(574)	(6)

Income

114. Rental Income is forecast to under recover by £653k and other income is forecast to over recover by £223k, nil movement on Month 9.

115. The number of RTB applications received in the first ten months of 2018/19 was 137 compared to 140 for the same period in 2017/18, a reduction of 2%. There have been 40 RTB completions in the first ten months of 2018/19 compared to 53 for the same period in 2017/18, a reduction of 25%. The RTB sales forecast as at Month 10 remains the same as Month 9 at 50 RTB sales.

Expenditure

116. The Housing management service is forecast to overspend by £211k, a favourable movement of £25k on Month 9 due to reduced forecasts on salaries of £10k and running costs £15k.

117. Tenant services is forecast to underspend by £43k, an adverse movement of £22k on Month 9 due to increased staffing forecast expenditure of £7k and utilities £15k.

118. The repairs budget is forecast to overspend by £557k, a small favourable movement of £2k on Month 9 and the planned maintenance budget is forecast to underspend by £931k, a small favourable movement of £1k on Month 9.
119. The overall forecasts for the capital programme funding, interest and investment income, and the development and risk contingency budget remain unchanged from Month 8.

HRA Capital Expenditure

120. The HRA capital programme is set out in the table below. The 2018/19 revised budget is £66,955k and includes the approved budget re-phasing of £16,836k in Month 9. There is a forecast net variance of £9,580k, £11,628k due to re-phasing and a cost overspend of £2,048k.

Table 17: HRA Capital Expenditure

Programme	2018/19 Revised Budget	2018/19 Forecast	2018/19 Cost Variance Forecast V Revised Budget	2018/19 Project Re-Phasing	Total Project Budget 2018-23	Total Project Forecast 2018-23	Total Project Variance 2018-23	Movement 2018-23
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Major Projects								
New General Needs Housing Stock	22,587	22,410	0	(177)	144,423	144,423	0	0
New Build - Appropriation of Land	8,635	10,765	2,130	0	8,635	10,765	2,130	0
New Build - Shared Ownership	1,046	823	0	(223)	15,714	15,714	0	0
New Build - Supported Housing Provision	9,352	8,832	(350)	(170)	15,343	14,993	(350)	0
Total Major Projects	41,620	42,830	1,780	(570)	184,115	185,895	1,780	0
HRA Programmes of Work								
Works to stock programme	20,619	10,365	268	(10,522)	57,797	58,065	268	(94)
Major Adaptations to Property	2,135	1,668	0	(467)	7,160	7,160	0	0
ICT	81	12	0	(69)	162	162	0	0
HRA General Capital Contingency	2,500	2,500	0	0	2,500	2,500	0	0
Total HRA Programmes of Work	25,335	14,545	268	(11,058)	67,619	67,887	268	(94)
Total HRA Capital	66,955	57,375	2,048	(11,628)	251,734	253,782	2,048	(94)
Movement on Month 9	(16,836)	(629)	(94)	16,301	0	0	(94)	(94)

Major Projects

121. The 2018/19 Major Projects programme revised budget is £41,620k and includes the approved budget re-phasing of £16,836k in Month 9. The forecast expenditure is £42,830k, with a re-phasing of £570k, and a cost variance of £1,780k during the period 2018-2023.

New General Needs Housing Stock

122. The 2018/19 General Needs Housing Stock revised budget is £22,587k. There is a forecast re-phasing of £177k across the General Needs programme partly due to the commencement of some projects being later than initially expected.
123. To date 57 buybacks have been approved with each acquisition at different stages of completion. This is the net approved number of buybacks following adjustment for properties

that were approved but later failed to progress. The potential buybacks are estimated to cost up to £19,000k. This will be funded from the New General Needs Housing Stock budget with £118k being funded from the New Build Shared Ownership budget.

124. The development at Acol Crescent consists of 33 housing units being developed of which 19 are General Needs Housing with the remaining 14 being Shared Ownership housing. The contractor has been appointed and is currently on site with the project progressing as planned. The estimated programme duration is 12 months.
125. The Housing programme comprising seven units of new build properties and five extensions or conversions at various sites are all now complete. The final account position remains outstanding with the contractor for the new build developments.
126. Lead Consultants and architects have been appointed for the developments at Maple and Poplar Day Centre and Willow Tree. The employer's agents and appointed architects have finalised the design of the schemes. The planning application for the Maple and Poplar site has been approved with the Willow Tree development also approved by committee subject to the S106 obligations being signed off. The tender process is being undertaken to appoint a main contractor for both projects. This is likely to be completed by March 2019 with the current projected start on site being quarter 2 of the new financial year.
127. The planning application for the Belmore site has now been submitted and is pending approval due in April 2019. A contractor has been appointed to complete demolition works across all the aforementioned sites in preparation for the main works with demolition now complete on all sites.

New Build - Appropriation of Land

128. The revised budget of £8,635k is for New Build appropriation of land for two sites at the former Belmore allotments and Maple / Poplar day centre. The forecast expenditure includes these two sites and appropriations for Woodside Day Centre £1,870k and Bartram Close garages £260k.

New Build - Shared Ownership

129. New Build Shared Ownership 2018/19 revised budget is £1,046k. The forecast expenditure is £823k with a projected re-phasing of £223k.
130. The new build shared ownership budget comprises schemes being delivered across five sites including units at both Belmore and Maple and Poplar. These will deliver 60 units in total.
131. The Woodside Day Centre redevelopment has progressed in year following approval to submit Planning Application for mixed-use development of a GP surgery and 20 shared ownership flats. Consultants are now progressing designs and preparing tender documents ready to gain expressions of interest.

New Build - Supported Housing

132. The Supported Housing Programme comprises the build of 160 mixed client group units across three different sites. The 2018/19 revised budget is £9,352k with a re-phasing of £170k due to a combination of the Parkview and Yiewsley schemes, with the former scheme being subject to liquidated damages and the contractor has encountered electrical and gas connection issues that has impacted construction progress.

133. The reported cost underspend for Grassy Meadow remains at £350k. Of the cost underspend, £250k represents a partial release of the contingency budget with the remaining contingency to be potentially released once the final account position has been agreed with the contractor and officers are confident all costs have been absorbed. The remaining £100k of the cost underspend is with respect to Capital Programme Team Fees budget that is surplus to requirement as the project nears completion.
134. The scheme at Yiewsley is a small part of a wider re-development of the whole site and is anticipated to create 12 units of supported housing. The project is at the preliminary stage of feasibility and the multi-disciplinary consultants have been appointed.
135. The scheme at Parkview will run beyond its target completion date, although the contractor has intensified resources on the site to achieve completion as soon as possible.

HRA Programmes of Work

136. The Works to Stock revised budget is £20,619k with a forecast expenditure of £10,365k. The re-phasing variance is £10,522k, an increase in re-phasing of £82k on the Month 9 position across various workstreams due to the validation, procurement and consultation timetables required to deliver these works. There is also a reduction in the cost overspend of £94k from £362k to £268k relating to the windows workstream.
137. The major adaptations budget is £2,135k and the forecast expenditure is £1,668k, with a re-phasing of £467k, nil movement on the Month 9 position.
138. The HRA ICT budget is £81k and the forecast expenditure is £12k, nil movement on the Month 9 position.
139. The HRA General Capital Contingency revised budget is £2,500k and the forecast is break even. The contingency budget is included within the HRA capital programme to ensure the Council retains sufficient flexibility to secure additional housing units where opportunities become available and to manage risk.

HRA Capital Receipts

140. There have been 40 Right to Buy sales of council dwellings as at the end of January 2019 for a total gross sales value of £7,675k and a further 10 sales are forecast to bring the yearly total to 50, totalling £9,731k in 2018/19.
141. 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 MHCLG.
142. The cumulative spend requirement for 2018/19 Q4 will be reported in the 2018/19 outturn report.

Appendix D - GENERAL FUND CAPITAL PROGRAMME

143. As at Month 10 an under spend of £33,954k is reported on the £89,953k General Fund Capital Programme for 2018/19 due mainly to re-phasing of project expenditure. The forecast outturn variance over the life of the 2018/19 to 2022/23 programme is an under spend of £6,850k.
144. General Fund Capital Receipts of £16,501k are forecast for 2018/19, with a shortfall of £1,641k in total forecast receipts to 2022/23.
145. Overall, Prudential Borrowing required to support the 2018/19 to 2022/23 capital programmes is forecast to be within budget by £4,193k. This is mainly due to cost under spends of £6,850k and additional grants and contributions of £484k, partly offset by a combined shortfall of £3,141k in forecast capital receipts and Community Infrastructure Levy receipts.

Capital Programme Overview

146. Table 1 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 2018.

Table 18: General Fund Capital Programme Summary

	Total Project Budget 2018-2023	Total Project Forecast 2018-2023	Total Project Variance 2018-2023	Movement from Month 9
	£'000	£'000	£'000	£'000
Schools Programme	72,316	72,166	(150)	-
Self Financing Developments	79,544	79,544	-	-
Main Programme	123,358	118,325	(5,033)	-
Programme of Works	113,489	111,822	(1,667)	(1,210)
General Contingency	6,822	6,822	-	-
Total Capital Programme	395,529	388,679	(6,850)	(1,210)
Movement	-	(1,210)	(1,210)	

147. The Schools programme reports cost under spends of £150k partly relating to under spend on the replacement of Northwood Academy and uncommitted temporary classroom funding on the former Primary Schools expansions programme. The building expansion at Warrender was completed in January 2019 with external works to be finished in the spring. The extension to Hillside Primary school is in progress and the majority of further adaptation works to the existing school are planned to be complete by September 2019. The all weather sports pitch at Vyners Secondary School has been completed and works are in progress for the main expansion, which is expected to be finished towards the end of next year. The main building contractor will commence works on site in April 2019 for the expansion at Ruislip High, with completion anticipated in the summer of 2020.
148. The Self-Financing development programme includes two major mixed residential developments at the former Belmore Allotments and Yiewsley pool sites. The Yiewsley sites

redevelopment includes the re-provision of the library and discounted market sale housing. Consultants are to be appointed shortly to commence feasibility and design work on all sites, including the re-provision of the swimming pool budgeted within the Main Programme and supported housing within the HRA. The budget also includes £50,000k over two financial years to finance the newly incorporated housing company Hillingdon First.

149. The Main programme reports an under spend of £5,033k which includes the purchase of Uxbridge police station which will not be proceeding. Negotiations are ongoing with other parties around arrangements for the new Hillingdon Outdoor Activity Centre (HOAC) site, which is planned to be operational in 2020/21. Public realm works on several town centre improvements are continuing into next year. The redevelopment of the boxing clubhouse and football club changing facilities at Field End Recreation Ground is in progress and expected to be complete in April 2019. Works to extend the car park at Rural Activities Garden Centre are to commence shortly with expansion of the Centre planned in 2019/20.
150. The Programmes of Works reports an overall decrease of £1,210k from the previous month. The Highways Structural Works programme reports an under spend of £543k on completed works including schemes that commenced last year. Forecast commitments on Disabled Facilities Grant adaptations have been reduced by a further £587k as a number of extensions are not expected to be committed this financial year. Other net movements in under spends amount to £80k on completed projects within various programmes. This includes Chrysalis, the Schools Conditions Building Programme and Environmental and Recreational Initiatives. The vehicle replacement programme is underway with various service vehicles in the process of procurement.
151. The remaining 2018/19 unallocated general contingency budget is £822k following February Cabinet approval of £50k funding to fountain works at Beck Theatre, reported under the Environmental and Recreational Initiatives budget. In total there are £6,822k remaining contingency funds available over the period 2018-23.

Capital Financing - General Fund

152. Table 2 below outlines the latest financing projections for the capital programme, with a favourable medium term variance of £4,193k reported on Prudential Borrowing, due mainly to forecast cost under spends.

Table 19: Capital Financing – General Fund

	Revised Budget 2018/19 £'000	Forecast 2018/19 £'000	Variance £'000	Total Financing Budget 2018-2023 £'000	Total Financing Forecast 2018-2023 £'000	Total Variance £'000	Movement
Council Resource Requirement	62,891	32,475	(30,416)	277,198	269,864	(7,334)	(628)
Financed By Prudential Borrowing							
Service Development	24,923	8,896	(16,027)	100,410	96,217	(4,193)	341
Self Financing	15,250	4,078	(11,172)	78,215	78,215	-	
Total Borrowing	40,173	12,974	(27,199)	178,625	174,432	(4,193)	341
Financed By Other Council Resources							
Capital Receipts	18,218	16,501	(1,717)	72,073	70,432	(1,641)	(969)
CIL	4,500	3,000	(1,500)	26,500	25,000	(1,500)	-
Total Council Resources	62,891	32,475	(30,416)	277,198	269,864	(7,334)	(628)
Grants & Contributions	27,062	23,524	(3,538)	118,331	118,815	484	(582)
Capital Programme	89,953	55,999	(33,954)	395,529	388,679	(6,850)	(1,210)
Movement	(39,032)	(6,087)	32,945	-	(1,210)	(1,210)	

153. The 2018/19 revised budget has reduced by £39,032k following February Cabinet approval of re-phasing into future years.
154. Total approved prudential borrowing is £178,625k over the five year programme of which £78,215k is in respect of self financing developments that will generate future income including capital receipts from discounted market sale. There is also £100,410k approved borrowing for the development of services, which remains the principal driver of the £10,410k uplift in capital financing charges borne by revenue over the MTF period.
155. In 2018/19 forecast capital receipts amount to £16,501k after financing transformation costs. Three General Fund sites and two HRA sites have been sold at auctions in December and February.
156. As at the end of January a total of £2,540k Community Infrastructure Levy (CIL) receipts (after administration fees) has been invoiced or received this financial year, a movement of £559k from last month.
157. The movement of £582k in grants and contributions is mainly to do with the reduction in forecast on Disabled Facilities Grants.
158. A favourable variance of £4,193k is reported on prudential borrowing with the adverse movement in month of £341k due to the reduction in forecast capital receipts, partially offset by further Council resourced cost under spends.

APPENDIX 1a - Schools Programme

Prior Year Cost	Project	2018/19 Revised Budget	2018/19 Forecast	2018/19 Cost Variance	Forecast Re-phasing	Total Project Budget 2018-2023	Total Project Forecast 2018-2023	Total Project Variance 2018-2023	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										
137,138	Primary Schools Expansions	93	48	(45)	0	93	48	(45)	48	0	0
4,352	New Primary Schools Expansions	8,583	8,801	0	218	10,974	10,974	0	8,395	2,579	0
1,040	Secondary Schools Expansions	4,961	4,360	0	(601)	54,960	54,960	0	22,549	31,917	494
45,568	Secondary Schools New Build	399	274	(105)	(20)	399	294	(105)	274	20	0
0	Meadow School	250	0	0	(250)	250	250	0	250	0	0
0	Additional Temporary Classrooms	0	0	0	0	4,000	4,000	0	3,724	276	0
0	Schools SRP	568	0	0	(568)	1,640	1,640	0	0	1,640	0
188,098	Total Schools Programme	14,854	13,483	(150)	(1,221)	72,316	72,166	(150)	35,240	36,432	494

APPENDIX 1b - Self Financing Developments

Prior Year Cost	Project	2018/19 Revised Budget	2018/19 Forecast	2018/19 Cost Variance	2018/19 Forecast Re-phasing	Total Project Budget 2018-2023	Total Project Forecast 2018-2023	Total Project Variance 2018-2023	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										
14	Yiewsley Site Development	250	78	0	(172)	23,000	23,000	0	23,000	0	0
0	Belmore Allotments Development	0	0	0	0	4,605	4,605	0	3,276	0	1,329
0	Housing Company Financing	15,000	4,000	0	(11,000)	50,000	50,000	0	50,000	0	0
	Social Services, Housing, Health and Wellbeing										
0	Woodside GP Surgery	0	0	0	0	1,939	1,939	0	1,939	0	0
14	Total Self Financing Developments	15,250	4,078	0	(11,172)	79,544	79,544	0	78,215	0	1,329

Appendix 1c – Main Programme

Prior Year Cost	Project	2018/19 Revised Budget £'000	2018/19 Forecast £'000	2018/19 Cost Variance £'000	2018/19 Forecast Re-phasing £'000	Total Project Budget 2018-23 £000	Total Project Forecast 2018-23 £000	Total Project Variance 2018-23 £000	Project Forecast Financed by:		
									Council Resources £000	Government Grants £000	Other Cont'ns £000
Community, Commerce and Regeneration											
2,200	Gateway Hillingdon	950	950	0	0	950	950	0	950	0	0
6,274	Hayes Town Centre Improvements	1,000	800	0	(200)	2,962	2,962	0	306	1,300	1,356
448	Inspiring Shopfronts	147	85	0	(62)	447	447	0	447	0	0
25	Uxbridge Cemetery Gatehouse	15	3	0	(12)	549	549	0	549	0	0
951	Uxbridge Change of Heart	534	250	0	(284)	1,045	1,045	0	807	0	238
Central Services, Culture and Heritage											
0	New Museum	25	0	0	(25)	5,632	5,632	0	4,882	0	750
0	New Theatre	25	0	0	(25)	44,000	44,000	0	42,950	0	1,050
Finance, Property and Business Services											
6,468	Battle of Britain Heritage Pride Project	312	282	0	(30)	312	312	0	312	0	0
6	Battle of Britain Underground Bunker	148	90	0	(58)	1,048	1,048	0	1,048	0	0
97	Bessingby Football/Boxing Clubhouse	1,247	1,187	0	(60)	1,497	1,497	0	1,497	0	0
0	Uniter Building Refurbishment	10	0	0	(10)	400	400	0	400	0	0
0	Purchase of Uxbridge Police Station	5,000	0	(5,000)	0	5,000	0	(5,000)	0	0	0
0	Botwell Leisure Centre Football Pitch	0	0	0	0	200	200	0	200	0	0
0	Yiewsley Swimming Pool	100	0	0	(100)	30,000	30,000	0	30,000	0	0
12	Hillingdon Outdoor Activity Centre	4,248	4,248	0	0	26,488	26,488	0	0	0	26,488
Planning, Transportation and Recycling											
0	RAGC Car Park	25	25	0	0	250	250	0	250	0	0
4,017	Street Lighting - Invest to Save	1,483	1,483	0	0	1,483	1,483	0	1,483	0	0
Social Services, Housing, Health and Wellbeing											
0	1 & 2 Merrimans Housing Project	25	0	0	(25)	620	620	0	620	0	0
Cross Cabinet Member Portfolios											
4,356	Projects Completing in 2018/19	462	385	(33)	(44)	475	442	(33)	411	0	31
24,854	Total Main Programme	15,756	9,788	(5,033)	(935)	123,358	118,325	(5,033)	87,112	1,300	29,913

APPENDIX 1d - Programme of Works

Prior Year Cost	Project	2018/19 Revised Budget	2018/19 Forecast	2018/19 Cost Variance	Forecast Re-phasing	Total Project Budget 2018-2023	Total Project Forecast 2018-2023	Total Project Variance 2018-2023	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	393	268	0	(125)	1,193	1,193	0	1,193	0	0
	Community, Commerce and Regeneration										
N/A	Chrysalis Programme	1,331	1,127	(34)	(170)	5,331	5,297	(34)	5,282	0	15
N/A	Playground Replacement Programme	250	150	0	(100)	750	750	0	750	0	0
	Central Services, Culture and Heritage										
N/A	Bowls Clubs Refurbishments	651	215	0	(436)	1,151	1,151	0	1,151	0	0
N/A	Libraries Refurbishment Programme	1,000	10	0	(990)	3,000	3,000	0	3,000	0	0
N/A	Leisure Centre Refurbishment	1,601	25	0	(1,576)	3,101	3,101	0	3,101	0	0
	Education and Children Services										
N/A	Devolved Capital to Schools	1,222	1,222	0	0	2,254	2,254	0	0	1,846	408
N/A	School Building Condition Works	3,059	804	(44)	(2,211)	9,859	9,815	(44)	1,990	6,773	1,052
	Finance, Property and Business Services										
N/A	Civic Centre Works Programme	1,585	1,006	(79)	(500)	3,585	3,506	(79)	3,506	0	0
N/A	Corporate Technology and Innovation	904	513	0	(391)	3,396	3,396	0	3,396	0	0
N/A	Property Works Programme	680	552	(12)	(116)	2,600	2,588	(12)	2,588	0	0
N/A	CCTV Programme	708	1,393	0	685	1,758	1,758	0	1,677	0	81
N/A	Youth Provision	1,409	505	0	(904)	2,409	2,409	0	2,409	0	0
	Planning, Transportation and Recycling										
N/A	Highways Structural Works	10,539	7,869	(543)	(2,127)	19,539	18,996	(543)	16,722	0	2,274
N/A	Road Safety	202	132	(70)	0	802	732	(70)	732	0	0
N/A	Transport for London	7,087	5,386	0	(1,701)	19,979	19,979	0	0	19,223	756
N/A	Purchase of Vehicles	3,911	1,392	0	(2,519)	10,551	10,551	0	10,551	0	0
N/A	Harlington Road Depot Improvements	315	315	0	0	315	315	0	315	0	0
	Social Services, Housing, Health and Wellbeing										
N/A	Disabled Facilities Grant	2,833	2,000	(833)	0	12,033	11,200	(833)	0	11,200	0
N/A	PSRG / LPRG	225	25	(200)	0	1,125	925	(200)	925	0	0
	Cross Cabinet Member Portfolios										
N/A	Environmental/Recreational Initiatives	1,093	912	(39)	(142)	1,093	1,054	(39)	1,044	0	10
N/A	Section 106 Projects	597	249	5	(353)	597	602	5	0	0	602
N/A	Equipment Capitalisation - Social Care	985	1,167	182	0	4,925	5,107	182	0	5,107	0
N/A	Equipment Capitalisation - General	691	591	0	(100)	2,143	2,143	0	2,143	0	0
	Total Programme of Works	43,271	27,828	(1,667)	(13,776)	113,489	111,822	(1,667)	62,462	44,149	5,198

Appendix E – Treasury Management Report as at 31 January 2019

Outstanding Deposits – Average rate of Return on Deposits: 0.59%

	Actual (£m)	Actual (%)	Benchmark (%)
Up to 1 Month	29.3	66.14	70.00
1-2 Months	0.0	0.00	10.00
2-3 Months	0.0	0.00	0.00
3-6 Months	0.0	0.00	0.00
6-9 Months	0.0	0.00	0.00
9-12 Months	0.0	0.00	0.00
Total	29.3	66.14	80.00
Strategic Funds	15.0	33.86	20.00
Total	44.3	100.00	100.00

159. Treasury Deposits are currently held with UK institutions, all of which hold a minimum A- Fitch (or lowest equivalent) long-term credit rating, AAA rated Money Market funds and a AAA rated Pooled fund. UK deposits are spread between Lloyds Bank plc and Handelsbanken plc. There is also an allocation to Strategic Pooled Funds.
160. The average rate of return on day-to-day operational treasury balances is 0.59%. As part of the Council's investment strategy for 18/19 a total of £15m has been invested in three long-dated strategic pooled funds (£5m in each). The strategic pooled funds have a 3-5 year investment horizon with dividends being distributed periodically.
161. 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. As year-end approaches average balances have dwindled resulting in all available funds being placed in instant access facilities to ensure liquidity is maintained. Therefore, at the end of January, 100% of the Council's total funds have exposure to bail-in risk compared to a December benchmark average of 58% in the Local Authority sector (latest benchmark provided quarterly by the Council's treasury advisors Arlingclose). The Council's exposure reduces to 16% once instant access facilities are removed from the bail-in total.
162. Liquidity was maintained throughout January by placing surplus funds in instant access accounts and making short-term deposits with the DMADF. Deposit maturities were scheduled to match cash outflows and where required, funds were withdrawn from instant access facilities. During the month there were maturities with the DMADF and a DBS (Development Bank of Singapore).

Outstanding Debt - Average Interest Rate on Debt: 3.41%

	Actual (£m)	Actual (%)
General Fund		
PWLB	43.52	17.74
Long-Term Market	15.00	6.11
HRA		
PWLB	153.82	62.70
Long-Term Market	33.00	13.45
Total	245.34	100.00

163. There were no scheduled debt repayments or early debt repayment opportunities during January. Gilts yields increased during the first half of the month, however by the end of January

they fell back to starting levels. Premiums remained too high to make early repayment of debt feasible; however, with the need to borrow, repayment of any debt is unlikely.

164. There were no breaches of the Prudential Indicators or non-compliance with the Treasury Management Policy and Practices.
165. 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. In addition to this a £20m short-term borrowing was secured with a start date of 1st February 2019.

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

166. 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. The number of agency approvals granted over the past month is lower than normal due to Social Care assignments being approved for two months, rather than one, in December 2018.

Table 23: Consultancy and agency assignments over £50k

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
Residents Services						
Development Surveyor	06/11/2017	28/01/2019	28/04/2019	136	27	163
Housing Options & Homeless Prevention Officers x 3	30/07/2018	25/02/2019	19/05/2019	62	31	93
CCTV Programme Manager	25/09/2016	18/02/2019	19/05/2019	140	18	158
Domestic Abuse – Programme Lead	28/08/2017	04/02/2019	03/03/2019	168	11	179
Imported Food Office Manager - Heathrow Airport	04/02/2019	04/02/2019	04/08/2019	0	53	53
Senior Programme Manager	06/08/2018	11/02/2019	17/05/2019	59	30	89
Major Applications (PPA) Planner	03/01/2017	11/02/2019	12/05/2019	141	21	162
Financial Assessment Officer	01/11/2015	18/02/2019	01/04/2019	123	4	127
Interim Transition Manager	11/06/2018	11/02/2019	12/08/2019	69	61	130
Social Care						
Support Worker	03/04/2017	04/03/2019	31/03/2019	70	3	73
Support Worker	03/10/2016	04/03/2019	31/03/2019	57	2	59
Support Worker	03/04/2017	04/03/2019	31/03/2019	55	2	57
Care Worker	06/07/2016	04/03/2019	31/03/2019	77	2	79
Social Worker	26/07/2017	04/03/2019	31/03/2019	116	6	121
Approved Mental Health Worker	29/05/2016	04/03/2019	31/03/2019	209	6	215
Approved Mental Health Worker	05/02/2018	04/03/2019	31/03/2019	56	4	60

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
Approved Mental Health Worker	01/06/2015	04/03/2019	31/03/2019	253	5	258
Care Worker	06/03/2017	04/03/2019	31/03/2019	57	2	59
Care Worker	03/04/2017	04/03/2019	31/03/2019	55	2	57
Support Worker	04/04/2016	04/03/2019	31/03/2019	83	2	85
Social Worker/Senior Social Worker	02/10/2017	04/03/2019	31/03/2019	97	5	102
Advanced Social Work Practitioner	30/04/2018	04/03/2019	31/03/2019	69	6	75
Social Worker	05/06/2017	04/03/2019	31/03/2019	105	5	110
Social Worker	16/04/2018	04/03/2019	31/03/2019	71	6	77
Social Worker	04/06/2018	04/03/2019	31/03/2019	51	5	56
Social Worker/Senior Social Worker	04/09/2017	04/03/2019	31/03/2019	108	6	113
Social Worker	04/06/2018	04/03/2019	31/03/2019	63	6	70
Advanced Social Work Practitioner	30/04/2018	04/03/2019	31/03/2019	68	6	74
Night Care Worker	04/06/2017	04/03/2019	31/03/2019	50	2	52
Head of Reablement	29/10/2018	04/03/2019	31/03/2019	49	11	60
Service Manager	30/07/2018	04/03/2019	31/03/2019	77	10	87
Head of Safeguarding & Principal SW	29/10/2018	04/03/2019	31/03/2019	48	10	58
Programme Lead-Urgent & Emergency Care	01/03/2018	04/03/2019	31/03/2019	153	12	165
Social Worker (CHC)	03/01/2017	04/03/2019	31/03/2019	103	4	106
Team Manager	17/07/2017	04/03/2019	31/03/2019	164	8	172
Senior Social Worker	01/04/2013	04/03/2019	31/03/2019	143	6	149
Social Worker	06/04/2017	04/03/2019	31/03/2019	133	6	139
Social Worker	23/10/2017	04/03/2019	31/03/2019	98	5	103
Social Worker	13/11/2016	04/03/2019	31/03/2019	158	6	164

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
Social Worker	16/12/2016	04/03/2019	31/03/2019	169	6	175
Social Worker	21/08/2016	04/03/2019	31/03/2019	172	6	178
Social Worker	05/09/2014	04/03/2019	31/03/2019	351	6	357
Social Worker	10/07/2017	04/03/2019	31/03/2019	102	6	108
Social Worker	07/11/2016	04/03/2019	31/03/2019	181	6	187
Social Worker	04/05/2015	04/03/2019	31/03/2019	236	5	241
Social Worker	13/04/2015	04/03/2019	31/03/2019	274	6	280
Social Worker	01/04/2013	04/03/2019	31/03/2019	202	6	208
Senior Social Worker	30/04/2012	04/03/2019	31/03/2019	344	6	350
Social Worker	11/07/2016	04/03/2019	31/03/2019	193	6	199
Social Worker	01/08/2015	04/03/2019	31/03/2019	219	7	226
Team Manager	27/03/2017	04/03/2019	31/03/2019	163	7	170
Social Worker	27/10/2016	04/03/2019	31/03/2019	164	6	170
Senior Social Worker	21/11/2017	04/03/2019	31/03/2019	146	7	153
Social Worker	14/08/2017	04/03/2019	31/03/2019	119	6	125
Early Years Practitioner	12/09/2014	04/03/2019	31/03/2019	59	1	60
SENDIASS Manager	02/05/2017	04/03/2019	31/03/2019	87	7	94
Early Years Practitioner	24/02/2014	04/03/2019	31/03/2019	72	1	73
Educational Psychologist	15/11/2015	04/03/2019	31/03/2019	249	8	257
Special Needs Officer	01/12/2016	04/03/2019	31/03/2019	138	6	144
Independent Domestic Violence Advisor	12/01/2015	04/03/2019	31/03/2019	152	4	156
Early Years Practitioner	06/02/2017	04/03/2019	31/03/2019	50	2	52
Social Worker	11/08/2014	04/03/2019	31/03/2019	363	6	369
Social Worker	01/01/2013	04/03/2019	31/03/2019	384	6	390
Social Worker	01/04/2013	04/03/2019	31/03/2019	178	6	184
Social Worker	26/08/2016	04/03/2019	31/03/2019	166	6	172
Support Worker	20/12/2015	04/03/2019	31/03/2019	91	0	91
Social Worker	04/07/2016	04/03/2019	31/03/2019	216	6	222
Early Years Practitioner	25/03/2016	04/03/2019	31/03/2019	58	2	60

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
Nursery Officer	05/09/2016	04/03/2019	31/03/2019	52	2	54
Social Worker	03/07/2016	04/03/2019	31/03/2019	207	7	214
Senior Social Worker	19/12/2011	04/03/2019	31/03/2019	439	7	446
Social Worker	21/11/2016	04/03/2019	31/03/2019	154	6	160
Social Worker	01/01/2013	04/03/2019	31/03/2019	379	6	385
Senior Social Worker	29/06/2017	04/03/2019	31/03/2019	144	6	150
Senior Social Worker	05/10/2015	04/03/2019	31/03/2019	199	7	206
Early Years Practitioner	23/02/2015	04/03/2019	31/03/2019	83	2	85
Education Health and Care Officer	01/07/2017	04/03/2019	31/03/2019	69	5	74
Principal Educational Psychologist	01/08/2015	04/03/2019	31/03/2019	218	11	229
Educational Psychologist	15/08/2016	04/03/2019	31/03/2019	156	7	163
Educational Psychologist	01/03/2016	04/03/2019	31/03/2019	198	12	210
Child Protection Chair	01/07/2015	04/03/2019	31/03/2019	262	0	262
Social Worker	02/07/2017	04/03/2019	31/03/2019	95	6	101
Quality Assurance Officer	01/04/2018	04/03/2019	31/03/2019	61	0	61
Finance						
Benefit Officer	02/08/2017	18/02/2019	19/05/2019		11	74
Benefit Officer	03/04/2017	04/03/2019	02/06/2019		11	100