

COUNCIL BUDGET - 2019/20 REVENUE AND CAPITAL MONTH 2 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 - K

HEADLINES

Purpose of report	<p>This report provides the Council's forecast financial position and performance against the 2019/20 revenue budget and Capital Programme.</p> <p>A net in-year underspend of £143k is reported against 2019/20 General Fund revenue budgets as of May 2019 (Month 2), with unallocated reserves projected to total £32,711k at 31 March 2020.</p> <p>The latest positions on other funds and the Capital Programme are detailed within the body of this report.</p>
Contribution to our plans and strategies	<p>Putting our Residents First: <i>Financial Management</i> 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 May 2019 (Month 2) as outlined in Table 1.
2. Note the Treasury Management update as at May 2019 at Appendix E.
3. Continue the delegated authority up until the September 2019 Cabinet meeting to the Chief Executive to approve any consultancy and agency assignments over £50k, with final sign-off of any assignments made by the Leader of the Council. Cabinet are also asked to note those consultancy and agency assignments over £50k approved under delegated authority between the 20 June 2019 and 25 July 2019 Cabinet meetings, detailed at Appendix K.

4. Accept funding of £645k from High Speed Two (HS2) Limited in respect of the HS2 Road Safety Fund.
5. Approve the following grants from the Special Provision Capital Fund to Uxbridge College (£40k) and Moorcroft School (£250k) and the associated total capital release of £290k.
6. Accept £9k grant funding from Transport for London for the Borough Officer Training Programme
7. Accepts the £45.9k National Children's Bureau (NCB) funding for SENDIASS.
8. Agrees, with regard to card payments for Business Rates, that the Council remove the facility to pay by credit card and accept only debit cards.
9. As set out in Appendix G, approve a public consultation exercise on the following potential amendments to the Council's local Council Tax Reduction Scheme with a view to reforming the scheme with effect from April 2020:
 - a. Introduction of a Banding Scheme for Working Age Claimants, including a simplification of non-dependent deductions;
 - b. Reducing the capital limit for the scheme from £16k to £6k in line with Universal Credit, and;
 - c. Establishing a £1 minimum weekly award.
10. Approve acceptance of gift funding in relation to a Planning Performance Agreement in accordance with the provisions of Section 93 of the Local Government Act 2003 for:
 - a. Former Nestle Factory Site £50k
 - b. Airport Bowl, Bath Road £43k
 - c. Master Brewer Site, Hillingdon Circus £43k
11. Approve a new charging structure for the installation of vehicle crossovers as set out in Appendix H;
12. That Cabinet endorse the development of the commercial waste service and approve the revised fee structure as set out in Appendix I;
13. That Cabinet approve a new charge of £50 for Change of Name Deeds for the Registration Service, with additional copies at time of issue £10, at a later date £20.
14. That Cabinet ratify the special urgency contract decision taken on 2 July 2019 as set out in Appendix J.

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 2 against budgets approved by Council on 21 February 2019. 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 K reports back on use of this delegated authority previously granted by Cabinet.
3. **Recommendation 4** HS2 Ltd has awarded £645k from their Road Safety Fund for the construction of road safety schemes that mitigate against any potentially harmful impacts arising from HS2 construction traffic.
4. **Recommendation 5** The Special Provision grant payments are funded from the £4,950k Special Educational Needs and Disabilities (SEND) grant awarded to the Council from the

Department for Education. The proposed schemes are included in published plans. At Uxbridge College a social/sensory area will be provided and an additional classroom will be provided at Moorcroft School.

5. **Recommendation 6** Transport for London have awarded each London borough £9k grant funding to provide officers training on transport related courses and events.
6. **Recommendation 7** requests acceptance of the SENDIASS grant provided by the National Children's Bureau (NCB). The funding from the DfE, is passported via the NCB and paid on a Payment By Results basis with £10k that can be drawn down at the beginning of the year, and the remaining funding available in 2 tranches. The funding totals £45,900 to be used within the financial year 2019/20 and is comprised of five strands.
7. **Recommendation 8** Given the growing cost of card processing charges, primarily in relation to credit cards, it is recommended that the Council remove the facility to pay by credit card and accept only debit cards for Business Rates. Further detail is contained in Appendix F.
8. **Recommendation 9** seeks approval to launch a public consultation on reforms to the working age Council Tax Reduction (CTR) Scheme. The proposed reforms to the working age CTR Scheme are intended to mitigate the growing administrative burden associated with the rollout of Universal Credit, where interactions between the national benefit and the local scheme are resulting in higher numbers of changes in assessed awards and duplication of effort on the part of both claimant and the Council. The proposals are not designed to reduce the total funding being made available to claimants. The central reform is the move towards an income banding scheme, with similar schemes having been successfully rolled out during 2019/20 in 28 authorities across the country. Further detail on specific proposals and the rationale for reform are set out in Appendix G.
9. Gift funding has been offered by developers which if accepted by Cabinet will be utilised to fund dedicated staff to support this pre-application and application work. **Recommendation 10** seeks authority from Cabinet to approve the acceptance of £136k, in relation to a number of major developments.
10. As part of a recent review of the Council's vehicle crossover policies, fees and charges have been benchmarked against those of nearby local authorities. A number of revisions to the current charging structure are proposed, with **Recommendation 11** intended to ensure that the Council continues to recover costs associated with providing the service. Further details are set out in Appendix H.
11. As part of the recent BID Review of the Council's commercial waste collection service, fees and charges have been reviewed and benchmarked against those of nearby local authorities and the main private sector competitors. A number of revisions to existing fees and new fees for new features of the service are proposed. The existing fees and charges relating to the commercial waste service were last refreshed in 2015/16, with **Recommendation 12** intended to ensure that the Council recovers costs associated with providing both existing and new services. Further details are set out in Appendix I.
12. **Recommendation 13** The Registration Service receives a number of requests in respect of Change of Name Deeds. A Change of Name Deed is an acceptable document to prove that a person has changed their name. It is used in conjunction with a birth certificate and other supporting documents. The Passport Agency and other Government departments accept a name deed as documentary evidence to change a name on a passport or other formal documents. The intention is for the Registration Service to prepare and sign a document that will allow a person to formally use a different name. The Authority will keep a register of Change

of Names to allow a customer to request additional copies in the future. A number of Local Authorities offer this service already and the intention would be to charge £50 (inclusive of VAT). Additional copies at time of issue £10, at a later date £20. This is 10% less than other local authorities currently offering this service.

13. **Recommendation 14** There was executive decision taken under special urgency provisions since the last Cabinet meeting that now requires ratification by the Cabinet as per the Council's Constitution. This is set out in Appendix J.

Alternative options considered

14. There are no other options proposed for consideration.

SUMMARY

REVENUE

15. General Fund revenue budgets are projected to underspend by £143k at Month 2. An overspend of £374k is projected against Directorate Operating Budgets. An underspend across Corporate Operating Budgets of £521k offsets this pressure, with a slight under achievement against grant income of £4k being reported.
16. General Fund Balances are expected to total £32,711k at 31 March 2020, under the assumption that the balance of General Contingency and Unallocated Priority Growth monies are released in-year. This is a reduction of £7,633k from the opening balance of £40,344k.
17. Of the total £7,309k savings included in the 2019/20 budget, £4,264k are either banked or classed as 'on track for delivery', with £3,045k classified as being higher risk or in the early stages of delivery. Ultimately, all £7,309k savings are expected to be delivered in full, with any items with potential issues being covered by alternative in-year savings proposals and management actions.
18. A surplus of £574k is reported within the Collection Fund relating to favourable positions on both Council Tax and Business Rates, which is predominantly driven by a carry forward surplus. Any surplus realised at outturn will be available to support the General Fund budget in 2019/20.
19. The Dedicated Schools Grant is projecting an in-year overspend of £2,010k at Month 2. This overspend is predominantly due to continuing pressures in the cost of High Needs and results in a forecast carry forward cumulative deficit at 31 March 2020 of £10,502k. Following new direction from the Department for Education, the Council submitted a Deficit Recovery Plan on 30 June 2019.

CAPITAL

20. At Month 2 the projected underspend against the 2019/20 General Fund Capital Programme is £4,200k, predominantly as a result of re-phasing of project expenditure. The forecast outturn over the life of the programme to 2023/24 is no variance at this early stage of delivery. The planned investment will require £224,457k Prudential Borrowing, £614k lower than anticipated at budget setting in February 2018. This is partially as a result of lower estimated costs of transformation being forecast to be capitalised and increased forecasts for capital receipts.

FURTHER INFORMATION

General Fund Revenue Budget

21. An underspend of £143k is reported across normal operating activities at Month 2, with the most significant gross pressures relating to Waste Services and Early Years Centres. These pressures are driving a £374k pressure across Directorate Operating Budgets, which are offset by underspends against Interest and Investment Income and Levies and Other Corporate Budgets as detailed later in this report. A minor £4k pressure is reported on Corporate Funding as the exact level of grant funding for the year was not confirmed until after Cabinet and Council approved budgets in February 2019.
22. £7,309k of savings are included in the 2019/20 General Fund revenue budget. Currently £1,944k are banked, delivery is currently in progress against £2,320k of savings, £3,045k are either in the early stages of delivery or deemed higher risk although all savings are expected to ultimately be delivered in full.

Table 1: General Fund Overview

Original Budget £'000	Budget Changes £'000	Service	Month 2		Variance (As at Month 2) £'000
			Revised Budget £'000	Forecast Outturn £'000	
210,620	1,542	Directorate Operating Budgets	212,162	212,536	374
7,436	(201)	Corporate Operating Budgets	7,235	6,714	(521)
12,863	(2,789)	Development & Risk Contingency	10,074	10,074	0
(991)	1,448	Unallocated Budget Items	457	457	0
229,928	0	Sub-total Normal Activities	229,928	229,781	(147)
(222,152)	0	Corporate Funding	(222,152)	(222,148)	4
7,776	0	Net Total	7,776	7,633	(143)
(40,344)	0	Balances b/fwd	(40,344)	(40,344)	
(32,568)	0	Balances c/fwd 31 March 2020	(32,568)	(32,711)	

23. General Fund Balances are expected to total £32,711k at 31 March 2020 as a result of the forecast position detailed above. 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

24. 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 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 2		Variance (As at Month 2) £'000	
			Revised Budget £'000	Forecast Outturn £'000		
8,110	0	Chief Executive's Office	Expenditure	8,110	8,172	62
(1,207)	0		Income	(1,207)	(1,207)	0
6,903	0		Sub-Total	6,903	6,965	62
19,069	0	Finance	Expenditure	19,242	19,267	25
(3,221)	0		Income	(3,394)	(3,439)	(45)
15,848	0		Sub-Total	15,848	15,828	(20)
116,482	953	Residents Services	Expenditure	117,435	118,791	1,356
(43,966)	0		Income	(43,966)	(45,020)	(1,054)
72,516	953		Sub-Total	73,469	73,771	302
148,761	328	Social Care	Expenditure	149,089	151,997	2,908
(33,408)	261		Income	(33,147)	(36,025)	(2,878)
115,353	589		Sub-Total	115,942	115,972	30
210,620	1,542	Total Directorate Operating Budgets		212,162	212,536	374

25. An overspend of £62k is reported on Chief Executive's Office budgets at Month 2 as a result of the department being fully staffed where budgets are set to assume a level of turnover. Across Finance, a net underspend of £20k is projected as a result of staffing variances across the directorate with compensating variances on income from additional grant funding.
26. At this early stage in the financial year a net pressure of £302k is reported across Residents Services. A further £327k has been drawdown from earmarked reserves to Waste Services as a result of increased recycling costs and greater use of overtime as a result of a challenging recruitment environment for agency staff. Reserves have been allocated to sustain this priority service rather than take actions within the service to mitigate the pressure that may hit service standards. The overall Residents Services position is partially mitigated by an underspend across Administrative Technical & Business Services.
27. A net £30k pressure is reported across Social Care budgets, consisting of £417k overspend in Children Services resulting from £132k staffing pressures arising from agency costs alongside Translations and Interpretation costs. This position is partially offset by underspends including £395k across Provider and Commissioned Services, which is forecasting £524k overspend on Early Years Centres, mitigated by the new approach to managing the Better Care Fund capital grant.
28. 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 £1,933k for such costs, which will remain under review over the remainder of the year and have been excluded from reported monitoring positions. It is anticipated that these costs will be financed from a combination of Capital Receipts and Earmarked Reserves.

Progress on Savings

29. The savings requirement for 2019/20 is £6,609k. In addition, there are savings of £700k brought forward from 2018/19 which gives an overall total of £7,309k. Of this sum £4,264k are either banked or on track for delivery at this early stage of the year. £3,045k savings are in the early stages of delivery or potentially subject to greater risk to delivery, however, ultimately all £7,309k are expected to be delivered in full, with any items with potential issues being covered by alternative in-year savings proposals and management actions.

Table 3: Savings Tracker

2019/20 General Fund Savings Programme	CEOs	Finance	Residents Services	Social Care	Cross-Cutting	Total 2019/20 Savings	
	£'000	£'000	£'000	£'000	£'000	£'000	%
B Banked	(159)	(215)	(79)	(287)	(1,204)	(1,944)	26.6%
G On track for delivery	(228)	(365)	(493)	(1,234)	0	(2,320)	31.7%
A Potential significant savings shortfall or a significant or risky project which is at an early stage;	0	60	(894)	(1,010)	(1,201)	(3,045)	41.7%
R Serious problems in the delivery of the saving	0	0	0	0	0	0	0.0%
Total 2019/20 Savings	(387)	(520)	(1,466)	(2,531)	(2,405)	(7,309)	100.0%

Corporate Operating Budgets

30. Corporately managed expenditure includes revenue costs of the Council's Capital Programme, the net impact of Housing Benefit Subsidy arrangements on the Council, externally set levies and income arising from the provision of support services to other funds and ring-fenced budgets.
31. As a result of anticipated capital expenditure and associated borrowing being slipped from 2018/19, alongside proactive use of capital grants and alternative funding, a £186k underspend is reported on the revenue costs of debt financing. An ongoing review of the Council's balance sheet has identified up to £357k of historic credit balances which are expected to be written on during 2019/20, delivering a one-off windfall underspend. No material variances are reported across the remainder of Corporate Budgets.

Table 4: Corporate Operating Budgets

Original Budget	Budget Changes	Service	Month 2		Variance (As at Month 2)	
			Revised Budget	Forecast Outturn		
£'000	£'000		£'000	£'000	£'000	
0	0	Interest and Investment Income	Salaries	0	0	0
7,777	0		Non-Sal Exp	7,777	7,591	(186)
(87)	0		Income	(87)	(47)	40
7,690	0		Sub-Total	7,690	7,544	(146)
490	0	Levies and Other Corporate Budgets	Salaries	490	490	0
12,571	(200)		Non-Sal Exp	12,371	12,351	(20)
(12,289)	0		Income	(12,289)	(12,646)	(357)
772	(200)		Sub-Total	572	195	(377)
0	0	Housing Benefit Subsidy	Salaries	0	0	0
147,629	0		Non-Sal Exp	147,629	147,629	0
(148,654)	0		Income	(148,654)	(148,654)	0
(1,025)	0		Sub-Total	(1,025)	(1,025)	0
7,437	(200)	Total Corporate Operating Budgets		7,237	6,714	(523)

Development & Risk Contingency

32. For 2019/20 £12,863k was set aside to manage uncertain elements of budgets within the Development & Risk Contingency, which included £12,031k in relation to specific risk items and £832k as General Contingency to manage unforeseen issues.

Table 5: Development & Risk Contingency

Original Budget	Budget Changes	Service	Month 2		Variance (As at Month 2)	
			Revised Budget	Forecast Outturn		
£'000	£'000		£'000	£'000	£'000	
1,072	0	Residents Services	Impact of Welfare Reform on Homelessness	1,072	1,072	0
1,972	(772)		Waste Disposal Levy & Associated Contracts	1,200	1,200	0
1,885	0	Social Care	Asylum Service	1,885	1,885	0
3,273	(403)		Demographic Growth - Looked After Children	2,870	2,674	(196)
1,017	(367)		Demographic Growth - Children with Disabilities	650	846	196
277	0		Social Worker Agency Contingency	277	277	0
997	(259)		SEN transport	738	738	0
1,938	(988)	Demographic Growth - Adult Social Care	950	1,095	145	
(400)	0	Corp. Items	Additional Investment Income	(400)	(400)	0
832	0		General Contingency	832	687	(145)
12,863	(2,789)	Total Development & Risk Contingency		10,074	10,074	0

33. There was significant growth built into the Looked After Children budget in 2019/20 and this is currently reporting a £196k variance on Development Risk and Contingency, however, there is a compensating variance in Social Care Children with Disabilities of £196k reported at Month 2.
34. There is currently a reported pressure on the contingency relating to Adult Social Care Demographic Growth. In line with national trends there are signs that Hillingdon is starting to see a sustained increase in demand for Adult Social Care.

35. To date there have been no specific calls upon the £832k General Contingency, and it has been assumed that the net £145k pressure identified on specific contingency items will be funded from General Contingency. This leaves £687k provision to manage emerging issues over the remainder of this financial year.

Unallocated Priority Growth and HIP Initiatives

36. There is a budget of £450k Unallocated Priority Growth in 2019/20. This is available to support service areas. There is £200k of HIP Initiative funding included in the 2019/20 budget, funded from Earmarked Reserves, which is supplemented by £718k brought forward balances, to provide total resources of £918k. £188k of projects have been approved for funding from HIP resources as at Month 2, leaving £730k available for future releases.

Schools Budget

37. At Month 2 the Dedicated Schools Grant position is an in-year overspend of £2,010k. This is predominantly due to continuing pressures in the cost of High Needs. When the £8,492k deficit brought forward from 2018/19 is taken into account, the deficit to carry forward to 2019/20 is forecast at £10,502k.
38. Following new direction from the Department for Education, the Council was required to submit a Deficit Recovery Plan by 30 June 2019. The plan was jointly approved by Council and Schools Forum and supported the broader lobbying effort to secure additional resources to recognise the unfunded implications of the Children's & Families Act 2014.

Collection Fund

39. A £510k surplus is projected against the Collection Fund at Month 2, which is made up of a £37k deficit on Council Tax and a £547k surplus on Business Rates. At this early stage in the year, variances across both revenue streams are driven primarily by brought forward surpluses and deficits with no material variance projected against 2019/20 income levels.

Housing Revenue Account

40. The Housing Revenue Account is currently forecasting a £5k favourable position, resulting in a drawdown of reserves of £1,240k. This results in a projected 2019/20 closing HRA General Balance of £17,020k. The use of reserves is funding investment in new housing stock.

Future Revenue Implications of Capital Programme

41. Appendix D to this report outlines the forecast outturn on the 2019/20 to 2023/24 Capital Programme, with a balanced position over the five-year programme. Alongside marginal variances on Government Grant income and Capital Receipts, Prudential Borrowing is projected to be £614k lower. The reduction in the borrowing requirement would result in a £33k per annum saving to revenue which represents a minor variance when set in the context of the current MTFE position on capital financing costs.
42. The February Cabinet 2019 report detailed the £144,541k investment in assets linked to service delivery representing the most significant element of the £9,447k uplift in capital financing costs captured in the MTFE over the period to 2022/23. This sum will rise to a total cost of £11,788k from 2023/24 as the full borrowing requirement feeds through into revenue.

Appendix A – Detailed Group Forecasts (General Fund)

CHIEF EXECUTIVE'S OFFICE

43. The overall position for CEO at Month 2 is a forecast pressure of £62k reflecting currently full staffing establishments across the Service, which is being partly offset by the implementation of a restructure within Human Resources at the start of the year. Income is forecast to achieve budgeted levels at Month 2 and will be closely monitored through the year, following statutory uplifts to Fees and Charges within Democratic Services, to determine the impact of the changes upon demand.

Table 6: Chief Executive's Office Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 2		Variance (As at Month 2) £'000	
			Revised Budget £'000	Forecast Outturn £'000		
1,479	0	Democratic Services	Salaries	1,479	1,498	19
1,721	0		Non-Sal Exp	1,721	1,721	0
(701)	0		Income	(701)	(701)	0
2,499	0		Sub-Total	2,499	2,518	19
1,900	0	Human Resources	Salaries	1,900	1,926	26
830	0		Non-Sal Exp	830	824	(6)
(230)	0		Income	(230)	(230)	0
2,500	0		Sub-Total	2,500	2,520	20
2,124	0	Legal Services	Salaries	2,124	2,147	23
56	0		Non-Sal Exp	56	56	0
(276)	0		Income	(276)	(276)	0
1,904	0		Sub-Total	1,904	1,927	23
5,503	0	Chief Executive's Office Directorate	Salaries	5,503	5,571	68
2,607	0		Non-Sal Exp	2,607	2,601	(6)
(1,207)	0		Income	(1,207)	(1,207)	0
6,903	0		Total	6,903	6,965	62

FINANCE

44. The overall position for Finance at Month 2 is a forecast underspend of £20k. This is due to the benefit of additional external grant funding from the DWP offsetting managed vacancy factor related net salary pressures. The table below shows the position for each Service area within the Group.

Table 7: Finance Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 2		Variance (As at Month 2) £'000	
			Revised Budget £'000	Forecast Outturn £'000		
6,021	0	Exchequer and Business Assurance Services	Salaries	6,194	6,267	73
3,505	0		Non-Sal Exp	3,505	3,491	(14)
(2,683)	0		Income	(2,856)	(2,907)	(51)
6,843	0		Sub-Total	6,843	6,851	8
1,743	0	Procurement	Salaries	1,743	1,703	(40)
3,243	0		Non-Sal Exp	3,243	3,251	8
(93)	0		Income	(93)	(94)	(1)
4,893	0		Sub-Total	4,893	4,860	(33)
3,724	0	Corporate Finance	Salaries	3,724	3,714	(10)
136	0		Non-Sal Exp	136	144	8
(170)	0		Income	(170)	(163)	7
3,690	0		Sub-Total	3,690	3,695	5
489	0	Pensions, Treasury & Statutory Accounting	Salaries	489	489	0
208	0		Non-Sal Exp	208	208	0
(275)	0		Income	(275)	(275)	0
422	0		Sub-Total	422	422	0
11,977	0	Finance Directorate	Salaries	12,150	12,173	23
7,092	0		Non-Sal Exp	7,092	7,094	2
(3,221)	0		Income	(3,394)	(3,439)	(45)
15,848	0		Total	15,848	15,828	(20)

45. Vacancies within Procurement and Corporate Finance, alongside additional external grant funding within Exchequer and Business Assurance Services are offsetting the pressures within salaries as a result of MVF at this early stage in the year.
46. Corporate Finance is projecting an underspend at Month 2 of £5k but this does not include an emerging pressure relating to credit card payments on business rate payments with is outlined in Appendix F. This reported position assumes that recommendation 8 in this report is accepted to amend the policy on accepting credit cards, which will address this pressure.

RESIDENTS SERVICES

47. Residents Services directorate is showing a projected outturn overspend of £302k at Month 2, excluding pressure areas that have identified contingency provisions

Table 8: Residents Services Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 2		Variance (As at Month 2) £'000	
			Revised Budget £'000	Forecast Outturn £'000		
17,619	126	Infrastructure, Waste and ICT	Salaries	17,745	18,243	498
32,237	749		Non-Sal Exp	32,986	33,456	470
(10,590)	0		Income	(10,590)	(11,209)	(619)
39,266	875		Sub-Total	40,141	40,490	349
19,221	0	Housing, Environment, Education, Health & Wellbeing	Salaries	19,221	19,519	298
24,490	200		Non-Sal Exp	24,690	25,013	323
(18,024)	0		Income	(18,024)	(18,505)	(481)
25,687	200		Sub-Total	25,887	26,027	140
4,324	0	Planning, Transportation & Regeneration	Salaries	4,324	4,411	87
1,240	0		Non-Sal Exp	1,240	1,113	(127)
(4,534)	0		Income	(4,534)	(4,438)	96
1,030	0		Sub-Total	1,030	1,086	56
13,486	(122)	Administrative, Technical & Business Services	Salaries	13,364	13,281	(83)
3,865	0		Non-Sal Exp	3,865	3,755	(110)
(10,818)	0		Income	(10,818)	(10,868)	(50)
6,532	(122)		Sub-Total	6,411	6,168	(243)
54,650	4	Residents Services Directorate	Salaries	54,654	55,454	800
61,832	949		Non-Sal Exp	62,781	63,337	556
(43,966)	0		Income	(43,966)	(45,020)	(1,054)
72,515	953		Total	73,469	73,771	302

48. The overall variance is a result of pressures across Waste Services, Residual Education and ICT partially netted down by an underspend in Administrative, Technical and Business Services.
49. The Council's 2019/20 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 the following table. At Month 2 projected calls on contingency are forecast at the budgeted provision. The following table shows the breakdown for each contingency item.

Table 9: Development and Risk Contingency

Original Budget	Budget Changes	Development & Risk Contingency	Month 2		Variance (As at Month 2)
			Revised Budget	Forecast Outturn	
£'000	£'000		£'000	£'000	£'000
1,072	0	Impact of Welfare Reform on Homelessness	1,072	1,072	0
1,972	(772)	Waste Disposal Levy & Associated Contracts	1,200	1,200	0
3,044	(772)	Current Commitments	2,272	2,272	0

50. The call on the Waste contingency is in line with the budgeted provision of £1,200k, to fund estimated population driven increases in the cost of tonnages via the West London Waste Authority (WLWA) levy and associated waste disposal contracts. The first two months of 2019/20 have shown a 6% increase in residual waste volumes compared to the same period last year. Additionally, market conditions are affecting sales prices for recyclables, impacting on costs associated with the Council's contract with Biffa. Current projections indicate that these can be managed within the existing contingency sum with the position expected to become clearer as the year progresses and the impact of seasonal fluctuations and wider market factors become clearer.
51. The Month 2 data in the table below shows an increase in the use of Temporary Accommodation. The last three months has seen an increase in the number of Households in higher cost Bed & Breakfast placements, continuing the trend from the 4th quarter of 2018/19. The total number accommodated is currently above MTFE assumptions made by officers in modelling Supply and Demand, however, management actions to meet the MTFE targets are being implemented.

Table 10: Housing Needs performance data

	March 19	April 19	May 19
All Approaches	237	231	283
Full Assessment Required	146	168	165
New into Temporary Accommodation (Homeless and Relief)	27	44	47
Households in Temporary Accommodation	461	476	490
Households in B&B	146	164	181

52. As in previous years, a contingency has been set aside in 2019/20 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 £1,072k, as per the budgeted provision. The service is still forecasting the number of clients in B&B accommodation will average 130 over the financial year and that the cost of the B&B provision will remain within budgeted levels. The Month 2 position is expected to be achieved through maintaining a high number of placements into the private sector and the continued close monitoring of unit costs, which can be supplemented by the use of the Housing Incentive earmarked reserves if necessary.
53. The Council will continue to closely monitor this risk, as following the introduction of the Homeless Reduction Act in April 2018, there are emerging pressures on the demand for Housing assistance. Further 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.

Infrastructure, Waste and ICT (£349k overspend)

54. At Month 2, there is a £349k 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.
55. An earmarked reserve drawdown of £1,100k is offsetting the gross pressure on Waste Services of £1,125k. The projected underlying pressure reflects a staffing overspend of £806k due to additional agency usage within Street Cleansing, high levels of overtime and unachievable managed vacancy factor owing to the need to cover permanent staff absences across front-line teams. There is a non-staffing pressure of £319k, largely associated with overspends on refuse sacks for green and garden waste and mixed dry recycling. Partly offsetting these is an anticipated income over-achievement, largely reflecting buoyant trade tipping activity at the New Years Green Lane CA site.
56. ICT is reporting a net pressure of £412k. There is a forecast overspend associated with contract costs of £499k, partly netted down by a £87k staff costs underspend, arising as a result of vacancies whilst the service progresses a recently approved restructure. The service continues to review contracts and the impact of the cloud migration in order to manage down this pressure.
57. ASBET is forecasting a pressure of £33k at Month 2, largely attributable to pressures associated with the continuation of an above-establishment environmental protection officer agency assignment, focused on planning applications, contaminated land enquiries and major construction projects.
58. There is a forecast £70k underspend reported within the Corporate Communications, £61k of which reflects a number of vacancies as the service progresses recruitment following the implementation of last year's BID review. The remaining favourable variance comprises anticipated printing underspends and a small over-achievement for advertising income.

Housing, Environment, Education, Health & Wellbeing (£140k overspend)

59. At Month 2 there is an overspend position of £140k across the service. A pressure within the Residual Education function is partially mitigated by underspends within Greenspaces and the wider Housing Options and Standards team.
60. Green Spaces is showing a forecast underspend against budget of (£3k) at month 2. Underlying staffing pressures are driven by the planned closure of Ruislip Golf Course in March due to construction of HS2 being postponed until September and general management vacancy factor pressure in Grounds Maintenance. The position is mitigated by additional income and HS2 compensation at Ruislip Golf course, hard to recruit vacant posts within Youth Centres, and forecast income to exceed targets at the Crematorium and Battle of Britain Bunker and Visitor Center.
61. The Residual Education function is projecting an overspend of £197k, linked to the cessation of the Education Services Grant in 2017-18. The delivery of these functions is currently being reviewed as part of a BID workstream.
62. The Housing Options, Homelessness and Standards team is projecting an underspend of (£77k). This is as a result of increased enforcement income in excess of current operational costs.

Planning, Transportation & Regeneration (£56k overspend)

63. A £143k overspend is being projected against staffing relating to agency costs above post budgets. A £127k favourable variance against non-staffing expenditure is largely due to an underspend against the Terraquest contract, mirroring the lower volumes of household applications seen in April and May.
64. A shortfall of £96k is projected against the budgeted £3,629k Development and Building Control revenue streams. As at Month 2, £376k or 10.35% of this forecast income has been banked, which is slightly lower than anticipated due to the phasing of major developments. This will 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.

Administrative, Technical & Business Services (£243k underspend)

65. The service is reporting a (£243k) underspend at Month 2, driven by a favourable variance on both staffing and non-staffing budgets. The non-staffing position primarily reflects a liquidated damages rebate from the Council's Parking Enforcement Contract. There is also a £50k overachievement of income reflecting an increase in import testing at Heathrow Airport.

SOCIAL CARE (£30k overspend)

66. Social Care is projecting an overspend of £30k as at Month 2 predominantly in non-staffing costs. Included within this position are a number of ongoing pressures that the service is managing relating to the cost of Agency Social Workers, the £524k net pressure of the running costs of the Early Years Centres, Legal Counsel, the provision of Temporary Accommodation for Section 17 cases and the impact of the review of all S117 client income.

Table 11: Social Care Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 2		Variance (As at Month 2) £'000	
			Revised Budget £'000	Forecast Outturn £'000		
18,442	2	Children's Services	Salaries	18,444	18,576	132
17,704	758		Non-Sal Exp	18,462	19,301	839
(7,656)	12		Income	(7,644)	(8,198)	(554)
28,490	772		Sub-Total	29,262	29,679	417
2,051	0	SEND	Salaries	2,051	1,961	(90)
186	0		Non-Sal Exp	186	176	(10)
(427)	0		Income	(427)	(411)	16
1,810	0		Sub-Total	1,810	1,726	(84)
7,720	0	Adult Social Work	Salaries	7,720	7,732	12
72,847	(691)		Non-Sal Exp	72,156	73,627	1,471
(21,829)	249		Income	(21,580)	(22,971)	(1,391)
58,738	(442)		Sub-Total	58,296	58,388	92
18,286	0	Provider and Commissioned Care	Salaries	18,286	17,855	(431)
11,525	259		Non-Sal Exp	11,784	12,769	985
(3,496)	0		Income	(3,496)	(4,445)	(949)
26,315	259		Sub-Total	26,574	26,179	(395)
46,499	2	Social Care Directorate Total	Salaries	46,501	46,124	(377)
102,262	326		Non-Sal Exp	102,588	105,873	3,285
(33,408)	261		Income	(33,147)	(36,025)	(2,878)
115,353	589		Total	115,942	115,972	30

SOCIAL CARE DEVELOPMENT AND RISK CONTINGENCY (£145k overspend)

67. The Council's 2019/20 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 across Adults and Children's, including Asylum seekers and SEN Transport. Table 14 sets out the Month 2 projected position for the Development and Risk Contingency, which is reporting a pressure of £145k.
68. The overspend is due to pressures in the costs of Children with Disabilities placements, where it is evident that the service is supporting more children with complex needs and the cost of Adult placements, where there does appear to be an underlying growth across Older People, Mental Health and Learning Disability placements, some of which is due to the delays in the opening of the Park View Extra Care facility. The service are also experiencing a slight change in SEN Transport requirements, where it appears that more single occupancy routes are being required, although no pressure is currently being reported.

Table 12: Social Care Development & Risk Contingency

Original Budget	Budget Changes	Development & Risk Contingency	Month 2		Variance (As at Month 2)
			Revised Budget	Forecast Outturn	
£'000	£'000		£'000	£'000	£'000
1,885	0	Asylum Service	1,885	1,885	0
3,273	(403)	Demographic Growth - Looked After Children	2,870	2,674	(196)
1,017	(367)	Demographic Growth - Children with Disabilities	650	846	196
277	0	Social Worker Agency Contingency	277	277	0
997	(259)	SEN Transport	738	738	0
1,938	(988)	Demographic Growth - Adult Social Care	950	1,095	145
9,387	(2,017)	Current Commitments	7,370	7,515	145

Asylum Service (Nil variance)

69. The service is projecting the full drawdown of £1,885k from the contingency as at Month 2, reflecting the difference between the true cost of providing support for Asylum Seeking children and the level of grant provided by the Home Office. The Council is experiencing an increase in the number of UASC, generally in the 13 to 14 year old age group, that the Council remains responsible for, who are not being transferred in accordance with the National Transfer Agreement, which was introduced in 2016. There is evidence to suggest that this agreement, which is voluntary, is not being adhered to by a significant number of Councils, making it more difficult for Councils to transfer UASC. In order to address this, the Home Office announced a change in the level of grant funding for under 16-17 year olds, which introduced one rate of funding for all under 18s, where the rate now stands at £114 per day, an increase of £23 per day for all UASC aged 16 to 17.

Demographic Growth - Looked After Children (£196k underspend)

70. The service is projecting a drawdown of £2,674k from the Contingency, an underspend of £196k as at Month 2. The budget for 2019/20 was increased by £2,870k, reflecting the significant growth in costs of providing support for Looked After Children, especially those in high cost Residential placements, where the Service has had to place children outside of the

Borough. This increase was also required to cover an increase in the average weekly unit cost of a placement, which increased from an average of £3,400 per week to £4,000 per week, as well as an increase in the length of stay in a placement due to the complex nature of the support required. It was also evident that the type of places needed are becoming increasingly harder to source as other Councils are trying to secure similar placements.

71. 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. Additionally, the service has started to implement new ways of working, with the use of a grant of £400k, to support vulnerable children and prevent them from entering the care system. As a result of this, the service is projecting a slight reduction in the total cost of placements as at Month 2.

Demographic Growth – Children with Disabilities (£196k overspend)

72. The service is projecting a drawdown of £846k from the Contingency, an overspend of £196k as at Month 2. This reflects that there continues to be 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 is planning a major review of the support being provided and the range of services on offer for Children with Disabilities, to identify opportunities to reduce the pressure.

Social Worker Agency (Children's) (Nil variance)

73. The service is projecting the full drawdown of £277k from the contingency as at Month 2. The required drawdown of funds 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. The service has worked with HR to identify different approaches, which has identified that the service would benefit by going out to tender for a specialist agency provision for qualified Social Workers and SEND staff, which is subject to a decision by Cabinet in July 2019.

Demographic Growth - SEN Transport (Nil variance)

74. The service is projecting the full drawdown of £738k from the SEN Transport contingency as at Month 2. This is required to cover the increase in the number of pupils that have an Education, Health and Care Plan (EHCP), and reflects that it is becoming more challenging to avoid having to procure single occupancy routes. The introduction of the new transport system is providing additional information, which will enable more accurate financial forecasting and modelling. As this system has only been fully operational for a short period of time, there is insufficient trend data available, but a quick review of what is available, indicates that there could be an emerging pressure in the cost of SEN Transport.

Demographic Growth - Adult Social Care (£145k overspend)

75. The service is projecting a drawdown of £1,095k from the Adult Social Care contingency, an overspend of £145k as at Month 2. However,, the latest data does indicate that there could be a greater pressure on this budget, as the trend data projections are showing signs of increased pressures across Older People, Mental Health and Learning Disability placements. Although this is a similar pattern to previous years, the majority of the opportunities to manage any projected pressures have now been factored into the base budget, providing limited scope to manage any significant pressures in the future.

DIRECTORATE OPERATING BUDGETS (£30k overspend)

Children's Services (£417k overspend)

76. The service is projecting an overspend of £417k, as at Month 2, which is due to the continued use of agency staff to cover Social Worker vacant posts and an overspend on the use of Translation and Interpretation services.

Special Educational Needs & Disabilities (£84k underspend)

77. The service is projecting an underspend of £84k as at Month 2, The majority of which relates to an underspend in the staffing budget, where the service put on hold staff recruitment, whilst it undertook a BID review, which has now concluded and has moved to the recruitment stage.

Adult Social Work (£92k overspend)

78. The service is projecting an overspend of £92k as at Month 2, which predominantly relates to an anticipated net reduction in the amount of income that would be generated following a review of all S117 client income, when compared to the saving proposal. This shortfall can be managed in year through one off management action. Based on the variances indicated in both non-staffing and income, it indicates that the relevant budgets need to be realigned to better match the projected income and expenditure levels.

Provider and Commissioned Care (£395k underspend)

79. The service is projecting an overspend of £395k as at Month 2. However, this position includes a projected overspend of £524k on the Early Years Centres, which is being mitigated by implementing the new approach to managing the Better Care Fund capital grant. The reported position reflects a £919k positive revenue impact in 2019/20.

Appendix B – Other Funds

SCHOOLS BUDGET

Dedicated Schools Grant (£2,010k overspend)

80. The Dedicated Schools Grant (DSG) outturn position is an in-year overspend of £2,010k at month 2. This overspend is due to continuing pressures in the cost of High Needs placements. When the £8,492k deficit brought forward from 2018/19 is taken into account, the deficit to carry forward to 2020/21 is £10,502k.

Table 13: DSG Income and Expenditure 2019/20

Original Budget	Budget Changes	Funding Block	Month 2		
			Revised Budget	Forecast Outturn	Variance
			£'000	£'000	£'000
(278,655)	0	Dedicated Schools Grant Income	(278,655)	(278,655)	0
215,155	0	Schools Block	215,155	215,155	0
24,621	0	Early Years Block	24,621	24,621	0
3,173	0	Central School Services Block	3,173	3,521	348
35,706	0	High Needs Block	35,706	37,368	1,662
0	0	Total Funding Blocks	0	2,010	2,010
0	0	Balance Brought Forward 1 April 2019	8,492	8,492	
0	0	Balance Carried Forward 31 March 2020	8,492	10,502	

Dedicated Schools Grant Income (nil variance)

81. The DSG will be adjusted in June to reflect the actual uptake of the free entitlement for eligible two, three and four year olds. This adjustment will be based on the January 2019 census and will include a retrospective change to the 2018/19 funding, as well as a recalculation of the 2019/20 Early Years block funding.

Schools Block (Nil variance)

82. The Schools Block includes all funding paid directly to mainstream schools as part of their delegated budget share, including the funding recouped by the ESFA and paid to mainstream academies.
83. There is also a 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.

Early Years Block (Nil variance)

84. Two year old funding will be adjusted in July to reflect the number of children accessing the entitlement based on the January 2019 census.
85. The 3 and 4 year old funding for both the universal and the additional free entitlement will also be adjusted in July following the January 2019 census. There is an expectation that the funding allocation will increase as the number of children accessing the additional free entitlement has

increased significantly over the past year. The projections will be revised once the impact of the funding adjustments is known.

Central School Services Block (£348k overspend)

86. There is a £316k 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. As a result of this the local authority are working with the provider to review the number of commissioned places.
87. There is also a projected overspend in the Admissions team, where the additional workload, as a result of the growth in the secondary pupil population, along with a secondment covering a maternity, has resulted in a cost pressure.

High Needs Block (£1,662k overspend)

88. There continues to be significant pressure in the High Needs Block in 2019/20, with an overspend of £1,662k being projected at month 2. Putting this into context, the Department for Education recently released the latest SEN 2 Data analysis, which indicates that across England the number of pupils with a plan has grown from a baseline of 287,290 plans in 2016/17 to 353,995 plans in 2018/19, an increase of 66,705 plans over the two year period, equivalent to an increase of 23%. Additionally, the proportion of the pupil population that have a plan has increased from 3.31% in 2016/17 to 4.1% in 2018/19. There is an expectation that this trend will continue into 2019/20.
89. There is a projected overspend in expenditure on the placement of pupils with SEN in independent or non-maintained schools. Due to a lack of capacity in-borough, there is a requirement to place pupils in more costly school placements, resulting in additional pressure on the High Needs block.
90. There was a further increase in the cohort of post-16 SEN placements in 2018/19. This increase is expected to continue in the current year, though at this stage the projection does not include detail of all September 2019 placements, as the full cost implication is not yet known.
91. There has been an increase in the number of mainstream schools applying for exceptional SEN funding to address the needs of pupils before and during the EHCP process. The increase is a consequence of the increasing complexity being seen in some cases with schools needing additional resource in order to maintain the placement in mainstream provision.
92. In addition to the cost of pupils with an EHCP, the High Needs Block is now funding Extra Support Funding (ESF) 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 ESF in 2019/20 is £270k.

School Academy Conversions

93. The Academies Act 2010, allows schools to convert to academy status and by doing so will receive funding directly from the Education & Skills Funding Agency (ESFA). Schools can convert at any point in the year, once they have converted, a number of adjustments are required to realign the DSG income budget and the amount delegated to maintained schools.

The local authority has not been made aware of any academy conversions planned for the current financial year. In Hillingdon, the last time that a school converted to an academy was in September 2017, when two schools converted.

Maintained School Balances & Budgets

94. A review of balances at the end of the 2018/19 financial year identified two schools which ended the year in deficit. Any schools that fall into deficit are subject to more focused monthly monitoring by LA officers to ensure that everything possible is being done to address the situation.
95. Maintained schools ended the 2018/19 financial year with a cumulative closing surplus balance of £12.3m (revenue & capital). This was a £2.2m increase from the previous year total. Despite the relatively healthy total balance, there is a wide spread with a number of schools having low balances that are expected to experience financial difficulties in 2019/20 due to reductions in pupil numbers and funding not keeping up with actual year-on-year increases in costs.
96. The table below provides an update on the financial position of schools maintained by the Council (this excludes academy schools), based on school outturns for 2017/18 and 2018/19.

Table 14

School Type	Total Number of Schools	Number of Schools In Deficit 2018/19	Value of Deficit 2018/19 £000	Number of Schools In Deficit 2017/18	Value of Deficit 2017/18 £000
Nursery	1	0	0	0	0
Primary	49	1	13	3	83
Secondary	2	1	3,233	1	2,475
Special	2	0	0	0	0
Total	54	2	3,246	4	2,558

97. The majority of schools (91%) submitted budgets for the 2019/20 financial year with an in-year deficit, resulting in an anticipated budgeted reduction in school revenue balances of £6.0m for 2019/20. This is a concern as the use of balances is one-off and continued in-year deficits are unsustainable in the medium term. The table below summarises the budgeted revenue balances position for maintained schools. However, based on the outturn position and the trend over the last few years, it is highly likely that the reported position for Primary schools will not be as high as those reported.

Table 15

School Type	Total Number of Schools	Value of Balances 01/04/2019 £000	Budgeted Balances 31/03/2020 £000	In-year Movement 2019/20 £000
Nursery	1	180	157	(23)
Primary	49	11,989	6,677	(5,312)
Secondary	2	(2,878)	(3,407)	(529)
Special	2	1,860	1,736	(124)
Total	54	11,151	5,163	(5,988)

98. There are also three maintained schools that have been unable to set a balanced budget for 2019/20, where the local authority has agreed for them to set a licenced deficit budget. The

Schools Finance team will continue to work with all maintained schools to monitor budgets for 2019/20, with particular focus on those schools that are in financial difficulty or have low balances.

99. There are currently 20 maintained schools that are RAG risk rated red as a consequence of their current financial position and are therefore being more closely monitored. Two of these schools have set a deficit budget with the remainder having set a balanced budget but with very low balances, meaning that any significant unplanned change in expenditure could result in the school being in a deficit position. In addition, there are a number of schools which are of concern as they are currently projecting to be in deficit by the end on 2020/21. These schools will also be closely monitored and given support to identify areas of the budget that may need to be reviewed in order that a balanced budget can be set for next year.
100. Red rated schools are all subject to monthly monitoring (the Scheme for Financing Schools requires schools to submit quarterly monitoring reports to the local authority), and closer scrutiny by the Schools Finance team officers, with some receiving additional support and guidance with budget and cash-flow monitoring.

COLLECTION FUND

101. A surplus of £510k is reported within the Collection Fund relating to favourable positions on both Business Rates, which is predominantly driven by a carry forward surplus within Council Tax and Business Rates. Any surplus realised at outturn will be available to support the General Fund budget in 2021/21.
102. The Council is participating in the 75% Business Rates Retention Pilot Pool for London, which provides scope for retaining additional growth while guaranteeing the level of income the Council would have received under the existing 50% Retention system. Business Rates projections below reflect this guaranteed minimum level of surplus, with any additional funds available from the pool to be captured separately in budget setting reports as appropriate.

Table 16: Collection Fund

Original Budget £'000	Budget Changes £'000	Service	Month 2		Variance (As at Month 2) £'000	
			Revised Budget £'000	Forecast Outturn £'000		
(125,113)	0	Council Tax	Gross Income	(125,113)	(125,212)	(99)
10,613	0		Council Tax Support	10,613	10,607	(6)
(734)	0		B/fwd Surplus	(734)	(592)	142
(115,234)	0		Sub-Total	(115,234)	(115,197)	37
(110,560)	0	Business Rates	Gross Income	(110,560)	(112,628)	(2,068)
(5,286)	0		Section 31 Grants	(5,286)	(4,419)	867
51,960	0		Less: Tariff	51,960	51,960	0
8,549	0		Less: Levy	8,549	9,785	1,236
(302)	0		B/fwd Surplus	(302)	(884)	(582)
(55,639)	0	Sub-Total	(55,639)	(56,186)	(547)	
(170,873)	0	Total Collection Fund	(170,873)	(171,383)	(510)	

103. At Month 2 a deficit of £37k is projected against Council Tax, predominantly as a result of the shortfall against the brought forward surplus of £142k, offset by the forecast £99k over achievement of income. Within this position, potential volatility in Discounts, Exemptions and the Council Tax Reduction Scheme continue to be closely monitored.
104. A £547k net surplus is reported across Business Rates at Month 2. Growth in the rating base is expected to deliver a £35k post-levy deficit, which is off-set by the brought forward surplus of £582k and deliver a net £547k surplus. Within this position, potential volatility in respect of Reliefs and Appeals continues to be closely monitored.

Appendix C – HOUSING REVENUE ACCOUNT

105. The Housing Revenue Account (HRA) is currently forecasting a drawdown of reserves of £1,240k, which is £5k more favourable than the budgeted position. The 2019/20 closing HRA General Balance is forecasted to be £17,020k. The use of reserves is funding investment in new housing stock. The table below presents key variances by service area:

Table 17: Housing Revenue Account

Service	Month 1		Variance (+ adv / - fav)
	Revised Budget	Forecast Outturn	Variance (As at Month2)
	£'000	£'000	£'000
Rent Income	(56,186)	(56,186)	0
Other Income	(5,224)	(5,224)	0
Net Income	(61,410)	(61,410)	0
Housing Management	13,118	13,228	110
Tenant Services	4,435	4,444	9
Repairs	5,234	5,242	8
Planned Maintenance	4,403	4,271	(132)
Capital Programme Funding	18,820	18,820	0
Interest & Investment Income	15,385	15,385	0
Development & Risk Contingency	1,260	1,260	0
Operating Costs	62,655	62,650	(5)
(Surplus) / Deficit	1,245	1,240	(5)
General Balance 01/04/2019	(18,260)	(18,260)	0
General Balance 31/03/2020	(17,015)	(17,020)	(5)

Income

106. As at Month 2 both the rental income and other income is forecast to break even.

107. The number of RTB applications received in the first two months of 2019/20 was 31 compared to 29 for the same period in 2018/19, an increase of 7%. There have been 8 RTB completions in the first two months of 2019/20 and this is four times that of the same period in 2018/19 which was 2 sales. The 2019/20 RTB sales forecast for the year is the same as the budget at 60 sales.

Expenditure

108. The Housing management service is forecast to overspend by £110k mainly due to increased forecast expenditure on salaries including pressures on the vacancy management factor.

109. Tenant services is forecast to overspend by £9k on salaries.

110. The repairs budget is forecast to overspend by £8k due to salaries, whilst the planned maintenance budget is forecast to underspend by £132k due to reduced forecast expenditure on planned maintenance remedial works.

111. The overall forecasts for the capital programme funding, interest and investment income, and the development and risk contingency budget are break even.

HRA Capital Expenditure

112. The HRA capital programme is set out in the following table. The 2019/20 revised budget is £73,418k. This includes the original budget of £65,066k and re-phasing of £50k from 2018/19 into future years (April Cabinet) and re-phasing of £8,302k from 2018/19 into future years (June Cabinet). The 2019/20 forecast expenditure is £61,243k with a net variance of £12,175k, £12,416k due to re-phasing and a cost overspend of £241k.

Table 18: HRA Capital Expenditure

Programme	2019/20 Original Budget	2019/20 Revised Budget	2019/20 Forecast	2019/20 Cost Variance Forecast V Revised Budget	2019/20 Project Re-Phasing	Total Project Budget 2019-24	Total Project Forecast 2019-24	Total Project Variance 2019-24
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Major Projects (Note 1)								
New General Needs Housing Stock	35,550	39,022	33,979	241	(5,284)	143,374	143,615	241
New Build - Shared Ownership	9,895	10,029	5,480	0	(4,549)	14,796	14,796	0
New Build - Supported Housing Provision	3,535	3,961	2,628	0	(1,333)	6,420	6,420	0
Total Major Projects	48,980	53,012	42,087	241	(11,166)	164,590	164,831	241
HRA Programmes of Work								
Works to stock programme	14,205	15,255	14,005	0	(1,250)	57,001	57,001	0
Major Adaptations to Property	1,800	2,489	2,489	0	0	10,204	10,204	0
ICT	81	162	162	0	0	162	162	0
HRA General Contingency	0	2,500	2,500	0	0	2,500	2,500	0
Total HRA Programmes of Work	16,086	20,406	19,156	0	(1,250)	69,867	69,867	0
Total HRA Capital	65,066	73,418	61,243	241	(12,416)	234,457	234,698	241

Note 1: see Annex A for a detailed breakdown of the major projects by scheme

Major Projects

113. The 2019/20 Major Projects programme revised budget is £53,012k including re-phasing of £4,032k from 2018/19 into 2019/20. The forecast expenditure is £42,087k, with a re-phasing of £11,166k in 2019/20, and a cost variance of £241k during the period 2019-2024.

New General Needs Housing Stock

114. The 2019/20 General Needs Housing Stock revised budget is £39,022k. There is a forecast re-phasing of £5,284k across the General Needs programme partly due to the commencement of some projects being later than initially expected.

115. To date 22 buybacks have been or are pending approval with each acquisition at different stages of completion. The potential buybacks are estimated to cost up to £6,671k. This will be funded from the New General Needs Housing Stock uncommitted acquisitions budget. A further 6 buybacks approved in 2018/19 are due to complete by the end of the first quarter in 2019/20.

116. Approval has also now been received for the purchase of 7 new properties on the Coleridge Way development for a combined acquisition cost of £3,289k inclusive of SDLT.

117. 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.
118. 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. The project is, however, expected to be within the approved budget.
119. 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. Tenders have now been returned for both schemes with officers evaluating the submissions that have been received. Approval to appoint the preferred contractor will be sought imminently.
120. The planning application for the Belmore site is to be resubmitted following the need for re-consultation after a petition being lodged. Demolition works across all the aforementioned sites in preparation for the main works is now fully complete.
121. The development at Nelson Road comprising the build of 6 units of new General Needs Housing is progressing to plan with Cabinet approval being sought to appoint a contractor.
122. The £756k budget for the development at Great Benty comprising the build of 2 bungalows includes £276k to appropriate the site back to the Council Housing Revenue Account. Additionally there is a forecast cost overspend of £241k with respect to the appropriation of Bartram Close.

New Build - Shared Ownership

123. The New Build Shared Ownership 2019/20 revised budget is £10,029k. The forecast expenditure is £5,480k with a projected re-phasing of £4,549k. This is predominantly stemming from the later than anticipated construction commencement date with respect to the Woodside and Belmore developments.
124. The new build shared ownership budget comprises schemes being delivered across five sites. These are expected to deliver 99 units in total.
125. The Woodside Day Centre redevelopment is progressing although the final agreement with the GP providers with respect to the Heads of Terms remains outstanding. The appointed architects have completed the design of the scheme with tenders to be sought upon legal agreements being in place with the GP provider and the Council.

New Build - Supported Housing

126. The Supported Housing Programme comprises the build of 160 mixed client group units across three different sites. The 2019/20 revised budget is £3,961k with an anticipated re-phasing of £1,333k.
127. The scheme at Parkview will run beyond its target completion date and is now expected to be completed in July. Liquidated damages continue to be held against the contractor although this is now subject to a legal adjudication process.

128. 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 currently under review and is a contributing factor towards the aforementioned re-phasing.
129. The scheme at Grassy Meadow completed last year and the final account position has now been agreed with the main contractor.

HRA Programmes of Work

130. The Works to Stock revised budget is £15,255k and this includes the 2018/19 budget re-phasing of £1,050k. The forecast expenditure is £14,005k with a re-phasing variance of £1,250k across various work streams due to the validation, procurement and consultation timetables required to deliver these works e.g. roofing £500k, windows £500k and structural programme £250k.
131. The major adaptations revised budget is £2,489k and this includes the 2018/19 budget re-phasing of £689k. The budget is forecast to be fully spent.
132. The HRA ICT revised budget is £162k and this includes the 2018/19 budget re-phasing of £81k. The budget is forecast to be fully spent.
133. The HRA General Contingency revised budget is £2,500k and this includes the 2018/19 budget re-phasing of £2,500k. The budget is forecast to be fully spent.

HRA Capital Receipts

134. There have been 8 Right to Buy sales of council dwellings as at the end of May 2019 for a total gross sales value of £1,557k and a further 52 sales are forecast to bring the yearly total to 60, totalling £11,678k in 2019/20.
135. 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. However,, it is expected that these monies will be paid back to the HRA in due course as Hillingdon Council has opted in to the Mayor of London's Right to Buy Ring-Fence Offer, whereby Right to Buy 1-4-1 capital receipts and interest returned to MHCLG, is re-routed back to individual councils through the GLA as a grant.
136. During 2019/20, the £11,042k receipts generated in 2016/17 could potentially become repayable unless the following expenditure profile is achieved: Q1 £11,710k, Q2 £5,675k, Q3 £8,960k and Q4 £10,462k. Cumulative expenditure on 1 for 1 replacement from previous quarters above the minimum requirement can be carried forward.
137. The cumulative spend requirement for 2019/20 Q1 will be reported in the 2019/20 Month 3 budget monitoring report.

Annex A: HRA Capital Expenditure – Major Projects breakdown by scheme

Prior Years	Scheme	Unit Numbers	2019/20 Total Revised Budget	2019/20 Total Revised Forecast	2019/20 Variance	2019/20 Cost Variance	Proposed Re-phasing	Total Project Budget 2019-2024	Total Project Forecast 2019-2024	Total Project Variance 2019-2024
£'000			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
1,347	Acol Crescent Development	33	5,504	5,566	62	0	62	6,223	6,223	(0)
2,486	Housing Programme	7	35	35	(0)	0	(0)	35	35	(0)
262	Belmore Allotments	81	5,075	1,594	(3,481)	0	(3,481)	10,556	10,556	(0)
271	Maple and Poplar Day Centre	34	3,398	2,425	(973)	0	(973)	4,949	4,949	0
181	Willow Tree	11	2,488	1,326	(1,162)	0	(1,162)	2,761	2,761	0
84	Housing Programme - Tranche 4	14	2,286	390	(1,896)	0	(1,896)	2,617	2,617	(0)
107	Nelson Road	6	1,685	1,385	(300)	0	(300)	1,949	1,949	0
0	Great Benty (Note 1)	2	756	675	(81)	0	(81)	756	756	(0)
0	Coleridge Way Acquisition	7	3,289	3,289	0	0	0	3,289	3,289	0
0	Acquisitions Including Buybacks	TBC	10,747	10,747	0	0	0	60,756	60,756	0
0	Internal Developments	TBC	11,195	11,195	0	0	0	61,204	61,204	0
0	Bartram Close (Note 2)	N/A	0	241	241	241	0	0	241	241
343	Woodside Development	20	2,594	591	(2,003)	0	(2,003)	3,077	3,077	0
20,149	Grassy Meadow	88	990	990	0	0	0	990	990	0
12,746	Parkview	60	2,641	1,638	(1,003)	0	(1,003)	2,641	2,641	(0)
3	Yiewsley	12	330	0	(330)	0	(330)	2,787	2,787	0
37,979		375	53,012	42,087	(10,925)	241	(11,166)	164,590	164,831	241
4,120	New General Needs Housing Stock	116	39,022	33,979	(5,043)	241	(5,284)	143,374	143,615	241
960	New Build - Shared Ownership	99	10,029	5,480	(4,549)	0	(4,549)	14,796	14,796	0
32,899	New Build - Supported Housing	160	3,961	2,628	(1,333)	0	(1,333)	6,420	6,420	(0)
37,979		375	53,012	42,087	(10,925)	241	(11,166)	164,590	164,831	241

Note 1: Includes £276k appropriation cost for the Great Benty Site

Note 2: Includes £241k appropriation cost for Bartram Close

Appendix D - GENERAL FUND CAPITAL PROGRAMME

138. As at Month 2 an under spend of £4,200k is reported on the 2019/20 General Fund Capital Programme of £108,237k due to re-phasing of project expenditure into future years. The forecast outturn variance over the life of the 2019/20 to 2023/24 programme is to break even.
139. General Fund Capital Receipts of £8,351k are forecast for 2019/20 with a surplus of £703k in total forecast receipts to 2023/24.
140. Overall, Prudential Borrowing required to support the 2019/20 to 2023/24 capital programmes is forecast to be under budget by £614k. This is due to a combined forecast surplus of £203k on other sources of funding (capital receipts and CIL), and an increase in grants and contributions of £411k.

Capital Programme Overview

141. Table 19 below sets out the latest forecast outturn on General Fund capital projects, with project level detail contained in annexes A - D to this report. Forecasts for future years include capital projects and programmes of work approved by Cabinet and Council in February 2019.

Table 19: General Fund Capital Programme Summary

	Total Project Budget 2019-2024	Total Project Forecast 2019-2024	Total Project Variance 2019-2024
	£'000	£'000	£'000
Schools Programme	52,607	52,607	-
Self Financing Developments	79,490	79,490	-
Main Programme	114,682	114,682	-
Programme of Works	151,813	151,813	-
General Contingency	7,500	7,500	-
Total Capital Programme	406,092	406,092	-

142. The revised budget has increased by £37,708k from the original budget approved by Council in February 2019, due mainly to carrying forward of £36,213k unspent expenditure budgets from 2018/19 to continue various schemes and programmes. The budget re-phasing was approved at Cabinet in June 2019. The budget also includes additional Special Educational Needs and Disabilities (SEND) grant and Transport for London funding awarded since the original budget was set.
143. The Schools programme includes works on two primary schools expansions that are close to completion. The new building expansions at Hillside and Warrender primary schools are complete including external works. Further adaptation works of the existing building at Hillside primary school are in progress and expect to be complete by September 2019. Two secondary schools expansions are currently in progress with works at Vyners Secondary School expected to be complete by the end of this year and Ruislip High in the summer of 2020. The Department for Education have awarded Hillingdon with an additional £1,356k SEND grant funding taking total funding to £4,950k over three years. Plans for utilising this have recently been published and implementation will commence in 2019/20.

144. The Self-Financing development programme includes £50,000k prudential borrowing to finance the housing company Hillingdon First with work commencing on the first identified residential development site in South Ruislip. The programme also includes two major mixed residential developments at the former Belmore Allotments and Yiewsley pool sites. Architects have undertaken design work on the Yiewsley site redevelopment, which includes discounted market sale housing and the provision of a new library and community centre. A revised planning application has been submitted for the mixed residential scheme at the former Belmore Allotments site.
145. The Main programme includes major schemes such as the re-provision of Hillingdon Outdoor Activity Centre, for which options are being considered, and new Yiewsley leisure centre which is linked to the overall Yiewsley development plan. Works to enhance the Rural Activities Garden Centre are planned to commence this financial year. Crossrail related measures in Hayes will continue into next year.
146. Programmes of Works include £3,000k for the new libraries refurbishment programme which is expected to commence in September 2019. There is a further £8,000k in 2019/20 for new Highways works in addition to funding carried forward from 2018/19 for works completing early this financial year. New programmes include the street lighting replacement programme totalling £2,876k over the next five years, and £1,040k for replacement of car parking pay and display machines over two years.
147. There are £1,500k contingency funds per annum over the period 2019-24 available as and when risk issues emerge.

Capital Financing - General Fund

148. Table 20 below outlines the latest financing projections for the capital programme, with a favourable medium term variance of £614k reported on Prudential Borrowing.

Table 20: General Fund Capital Programme Financing Summary

	Revised Budget 2019/20 £'000	Forecast 2019/20 £'000	Variance £'000	Total Financing Budget 2019-2024 £'000	Total Financing Forecast 2019-2024 £'000	Total Variance £'000
Council Resource Requirement	73,250	69,659	(3,591)	297,672	297,261	(411)
Financed By Prudential Borrowing						
Self Financing	22,000	21,150	(850)	77,946	77,946	-
Invest to Save projects	3,670	3,670	-	8,090	8,090	-
Service Delivery	34,782	32,488	(2,294)	139,035	138,421	(614)
Total Borrowing	60,452	57,308	(3,144)	225,071	224,457	(614)
Financed By Other Council Resources						
Capital Receipts	8,298	8,351	53	47,101	47,804	703
CIL	4,500	4,000	(500)	25,500	25,000	(500)
Total Council Resources	73,250	69,659	(3,591)	297,672	297,261	(411)

Grants & Contributions	34,987	34,378	(609)	108,420	108,831	411
Capital Programme	108,237	104,037	(4,200)	406,092	406,092	-

149. Forecast capital receipts in 2019/20 amount to £8,351k after financing transformation costs. This amount includes £3,500k for the disposal of a site in South Ruislip to Hillingdon First and £1,942k General Fund share of Right to Buy (RTB) sales based on a forecast 60 RTB sales this year. The favourable variance of £703k is due to forecast transformation costs to be funded from capital receipts being lower than the original budget estimate. The forecast for one site has been reduced because a smaller number of residential units are required to obtain planning consent. The agreed sale price for another site is slightly lower than the original valuation included in the budget estimate.
150. Year to date a total of £8k Community Infrastructure Levy (CIL) receipts (after administration fees) have been invoiced or received this financial year. The monthly profile of CIL income varies depending on the timing and scale of developments with planning permission proceeding throughout the year. The forecast for 2019/20 is reduced by £500k due to the low level of receipts year to date. Budgeted eligible activity exceeds the CIL forecast with spend on Highways investment, community assets through the Chrysalis Programme and other major community infrastructure such as schools meeting the criteria for application of CIL monies.
151. Forecast grants and contributions are £340k higher than the revised budget due to the recently confirmed 2019/20 Schools Conditions Allocation of £2,140k being higher than the original budget estimate set before the announcement. There are £7,500k assumed Basic Needs grant for the period 2021-24 in the financing budget that are not yet confirmed. An amount of £71k shopkeepers' contributions are included in the forecast as their contribution towards the rollout of further shopfront improvement schemes across the borough.
152. A favourable variance of £614k is reported on prudential borrowing due to the forecast increase in capital receipts available for capital financing and additional grants and contributions.

ANNEX A - Schools Programme

Prior Year Cost	Project	2019/20 Revised Budget	2019/20 Forecast	2019/20 Cost Variance	Forecast Re-phasing	Total Project Budget 2019-2024	Total Project Forecast 2019-2024	Total Project Variance 2019-2024	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										
137,159	Former Primary School Expansions	10	10	0	0	10	10	0	10	0	0
12,952	New Primary Schools Expansions	3,359	3,072	0	(287)	3,592	3,592	0	1,398	2,144	50
5,097	Secondary Schools Expansions	14,040	13,777	0	(263)	40,688	40,688	0	21,704	18,984	0
0	Additional Temporary Classrooms	600	300	0	(300)	4,000	4,000	0	4,000	0	0
0	Schools SRP	2,610	2,610	0	0	3,958	3,958	0	0	3,874	84
45,742	Secondary Schools Replacement	119	119	0	0	119	119	0	119	0	0
0	Meadow School	240	240	0	0	240	240	0	240	0	0
200,950	Total Schools Programme	20,978	20,128	0	(850)	52,607	52,607	0	27,471	25,002	134

ANNEX B - Self Financing Developments

Prior Year Cost	Project	2019/20 Revised Budget	2019/20 Forecast	2019/20 Cost Variance	2019/20 Forecast Re-phasing	Total Project Budget 2019-2024	Total Project Forecast 2019-2024	Total Project Variance 2019-2024	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										
68	Yiewsley Site Development	2,000	1,150	0	(850)	22,946	22,946	0	22,946	0	0
0	Belmore Allotments Development	0	0	0	0	4,605	4,605	0	3,061	0	1,544
0	Housing Company Financing	20,000	20,000	0	0	50,000	50,000	0	50,000	0	0
0	Woodside GP Surgery	0	0	0	0	1,939	1,939	0	1,939	0	0
68	Total Main Programme	22,000	21,150	0	(850)	79,490	79,490	0	77,946	0	1,544

ANNEX C - Main Programme

Prior Year Cost	Project	2019/20 Revised Budget £'000	2019/20 Forecast £'000	2019/20 Cost Variance £'000	2019/20 Forecast Re-phasing £'000	Total Project Budget 2019-24 £000	Total Project Forecast 2019-24 £000	Total Project Variance 2019-24 £000	Project Forecast Financed by:		
									Council Resources £000	Government Grants £000	Other Cont'ns £000
	Community, Commerce and Regeneration										
7,294	Hayes Town Centre Improvements	1,980	980	0	(1,000)	1,980	1,980	0	306	318	1,356
542	Inspiring Shopfronts	253	253	0	0	353	353	0	282	0	71
3,092	Gateway Hillingdon	58	58	0	0	58	58	0	58	0	0
1,466	Uxbridge Change of Heart	530	530	0	0	530	530	0	530	0	0
27	Uxbridge Cemetery Gatehouse	134	134	0	0	547	547	0	547	0	0
0	New Museum	500	250	0	(250)	5,632	5,632	0	4,882	0	750
0	New Theatre	1,000	500	0	(500)	44,000	44,000	0	42,950	0	1,050
57	Battle of Britain Underground Bunker	997	997	0	0	997	997	0	997	0	0
0	Botwell Leisure Centre Football Pitch	0	0	0	0	200	200	0	200	0	0
0	Yiewsley and West Drayton Pool	1,300	1,300	0	0	32,000	32,000	0	31,512	0	488
723	Hillingdon Outdoor Activity Centre	3,537	3,537	0	0	25,777	25,777	0	0	0	25,777
23	RAGC Expansion	540	540	0	0	1,391	1,391	0	1,391	0	0
2	1 & 2 Merrimans Housing Project	544	544	0	0	619	619	0	619	0	0
10,879	Projects Completing in 2019/20	598	598	0	0	598	598	0	598	0	0
24,105	Total Main Programme	11,971	10,221	0	(1,750)	114,682	114,682	0	84,872	318	29,492

ANNEX D - Programme of Works

Prior Year Cost	Project	2019/20 Revised Budget	2019/20 Forecast	2019/20 Cost Variance	Forecast Re-phasing	Total Project Budget 2019-2024	Total Project Forecast 2019-2024	Total Project Variance 2019-2024	Project Forecast Financed by:		
									Council Resources	Government Grants	Other Cont'ns
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
N/A	Leader's Initiative	329	329	0	0	1,129	1,129	0	1,129	0	0
N/A	Chrysalis Programme	1,124	1,124	0	0	5,124	5,124	0	5,124	0	0
N/A	Playground Replacement Programme	250	250	0	0	750	750	0	750	0	0
N/A	Libraries Refurbishment Programme	1,000	1,000	0	0	3,000	3,000	0	3,000	0	0
N/A	Leisure Centre Refurbishment	500	250	0	(250)	3,101	3,101	0	3,101	0	0
N/A	Devolved Capital to Schools	716	716	0	0	1,653	1,653	0	0	1,586	67
N/A	School Building Condition Works	4,336	3,836	0	(500)	10,736	10,736	0	2,164	7,600	972
N/A	Civic Centre Works Programme	2,686	2,686	0	0	5,428	5,428	0	5,428	0	0
N/A	Corporate Technology and Innovation	4,289	4,289	0	0	8,645	8,645	0	8,645	0	0
N/A	Property Works Programme	1,805	1,805	0	0	4,527	4,527	0	4,327	200	0
N/A	Car Park Pay & Display Machines	520	520	0	0	1,040	1,040	0	1,040	0	0
N/A	Highways Structural Works	11,537	11,537	0	0	43,537	43,537	0	41,263	0	2,274
N/A	Road Safety	189	189	0	0	789	789	0	789	0	0
N/A	Transport for London	4,640	4,640	0	0	18,532	18,532	0	0	17,786	746
N/A	Disabled Facilities Grant	2,852	2,852	0	0	14,560	14,560	0	0	14,560	0
N/A	PSRG / LPRG	100	100	0	0	500	500	0	250	250	0
N/A	Equipment Capitalisation - Social Care	1,172	1,172	0	0	5,860	5,860	0	0	5,860	0
N/A	Equipment Capitalisation - General	921	921	0	0	3,721	3,721	0	3,721	0	0
N/A	Bowls Club Refurbishments	1,034	1,034	0	0	1,034	1,034	0	1,034	0	0
N/A	CCTV Programme	503	503	0	0	1,153	1,153	0	1,153	0	0
N/A	Youth Provision	1,425	1,425	0	0	1,425	1,425	0	1,425	0	0
N/A	Harlington Road Depot Improvements	439	439	0	0	639	639	0	639	0	0
N/A	Purchase of Vehicles	7,585	7,585	0	0	10,765	10,765	0	10,765	0	0
N/A	Street Lighting Replacement	547	547	0	0	2,876	2,876	0	2,876	0	0
N/A	Environmental/Recreational Initiatives	889	889	0	0	889	889	0	849	40	0
N/A	Section 106 Projects	400	400	0	0	400	400	0	0	0	400

	Total Programme of Works	51,788	51,038	0	(750)	151,813	151,813	0	99,472	47,882	4,459

Appendix E – Treasury Management Report as at 31 May 2019

Table 21: Outstanding Deposits – Average Rate of Return 0.65%

	Actual (£m)	Actual (%)	Benchmark (%)
Up to 1 Month	47.7	76.08	80.00
1-2 Months	0.0	0.00	0.00
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	47.7	76.08	80.00
Strategic Funds	15.0	23.92	20.00
Total	62.7	100.00	100.00

153. Deposits are held with UK institutions or overseas institutions, all of which hold a minimum A-Fitch (or lowest equivalent) long-term credit rating and AAA rated Money Market funds. UK deposits are currently held in Lloyds Bank plc, Handelsbanken UK plc and the Debt Management Account Deposit Facility (DMADF). There is also an allocation to Strategic Pooled Funds.
154. The average rate of return on day-to-day operational treasury balances is 0.65%. As part of the Council's investment strategy for 19/20 the Council continues to hold a total of £15m 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.
155. 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 cashflow, it is not possible to fully protect Council funds from bail-in risk. At the end of May, 65% of the Council's total funds have exposure to bail-in risk compared to a March benchmark average of 55% in the Local Authority sector (latest benchmark provided quarterly by the Council's treasury advisors Arlingclose). The Council's exposure reduces to 0.01% once instant access facilities are removed from the bail-in total.
156. Liquidity was maintained throughout May by placing surplus funds in instant access accounts, making short-term deposits with the DMADF and securing a new £10m PWLB loan. Deposit maturities with the DMADF were scheduled to match cash outflows and where required, funds were withdrawn from instant access facilities.

Table 22: Outstanding Debt - Average Interest Rate on Debt: 3.30%

	Actual (£m)	Actual (%)
General Fund		
PWLB	52.38	19.22
Long-Term Market	15.00	5.51
Temporary	20.00	7.34
HRA		
PWLB	152.07	55.82
Long-Term Market	33.00	12.11
Total	272.45	100.00

157. There were no scheduled debt repayments or early debt repayment opportunities during May. Gilts yields decreased significantly this month, which made it the optimum time to take out a

new £10m, 15 year, EIP PWLB loan. With the ongoing need to take further borrowing and with restrictive premiums, early repayment of debt remains unfeasible.

158. There were no breaches of the Prudential Indicators or non-compliance with the Treasury Management Policy and Practices. In order to maintain liquidity for day-to-day business operations during June, cash balances will be placed in instant access accounts and short-term deposits. In addition, opportunities to lock in a further £20m of borrowing will be monitored.

Appendix F

BUSINESS CASE FOR REDUCING CARD PROCESSING COSTS IN RELATION TO BUSINESS RATE PAYMENTS

SUMMARY

160. This appendix provides an update on the rising cost of card processing charges following the abolition of surcharging from January 2018, identifying the majority of cost increases are attributable to larger Business Rates payments previously discouraged by the surcharge. In order to mitigate this emerging pressure, it is recommended that the Council no longer accept Credit Card payments in relation to Business Rates only.

BACKGROUND

161. Card processing costs represent a growing cost for the Council as card payments become the preferred method of payment. UKFinance report that there were 1.6 billion debit and credit card transactions in the UK in January 2019, 12.2% more than a year ago. These transactions had a total value of £60.9 billion, 4.6% higher year-on-year.¹ This data includes transactions on both UK-issued cards and cards issued overseas.

162. The Council historically surcharged on credit card payments for Council Tax and Business Rates, however, following the implementation of the second Payment Service Directive (PSD2) into UK law, and its application from 13 January 2018 it became unlawful for the Council to surcharge. As a result, there has been an increase in credit card payments in these areas. In particular, Business Rates in terms of both volumes rising by 43% in 2018/19 and more starkly in the average value of payments rising by 264% in the same year.

Table 23: Credit Card Payment Values and Volumes – Business Rates

	2016/2017	2017/2018	2018/2019	% Increase 16/17 to 17/18	% Increase 17/18 to 18/19
Total Value	£163k	£183k	£957k	12%	422%
Average Value	£782	£971	£3532	24%	264%
Volume	209	189	271	-10%	43%

163. This increase in volumes and values translates into higher card processing charges for the Council. Charges for card processing were £148k in 2016/2017, £152k in 2017/2018 and £199k in 2018/2019, with this uplift primarily due to the growing use of credit cards for Business Rates payments since surcharging was abolished.

INFORMATION

164. Card charges comprise three elements; the Merchant Services Providers' transaction charge, the Scheme fee (imposed by MasterCard and Visa) and the Interchange fee (the fee paid by the retailer's bank to the cardholder's bank). Interchange fee levels vary depending on the type of card and its' associated risk. The interchange fee is usually a percentage and can be as high as 2%. As a comparison, the interchange fee on a MasterCard consumer debit card is 0.2% whereas the charge for a MasterCard corporate card can reach 1.9%.

¹ <https://www.ukfinance.org.uk/data-and-research/data/cards/card-spending>

165. In August 2018, the Council processed a card payment for Business Rates for £125,436. The payment made on a MasterCard Corporate Fleet card, carried an Interchange charge of 1.9%. This cost the Council £2,383 in interchange fees alone.
166. The use of credit cards to make payments has increased significantly in 2018/2019 which can in part be attributed to the removal of the surcharge on credit card payments for Council Tax and Business Rates. Table 24 shows a relatively stable number and value of card payments over the last three years across the Council but shows an increase in credit card (CC) payments of 51% in value and 16% of volume in 2018/2019:

Table 24: Card payments across the Council in total and by Credit Card

	2016/2017	2017/2018	2018/2019	% Increase 16/17 to 17/18	% Increase 17/18 to 18/19
Total Value All	£33m	£34m	£37m	3%	7%
Total Value CC	£3m	£4m	£6m	33%	51%
Total Volume All	191k	197k	197k	3%	0%
Total Volume CC	18k	19k	22k	3%	16%

167. The table below shows the cost of card processing with an increase of £48k (32%) in 2018/2019.

Table 25: Cost of Card Processing

	Total Cost	Increase	% Increase
2016/2017	£148k		
2017/2018	£151k	£3k	2%
2018/2019	£199k	£48k	32%

168. Table 26 shows the total number of credit card payments taken for Business Rates in 2018/2019 and the number of payees representing only 1% of the 8345 Rates accounts currently live in the Northgate system.

Table 26: Number of Payees

No. of payments	271
No. of payees	100

169. Other London boroughs and local councils have applied limitations on card payments for Business Rates. Bexley and Wandsworth only accept debit cards, the City of London does not accept any cards and South Bucks also only accepts debit cards. Feedback from the London Revenues Group is that other London Boroughs are experiencing increased costs since the facility to surcharge was removed.
170. The cost of processing a cheque is £0.06 and a direct debit is £0.01. Cash processing is free under the current bank contract however, there is a higher employee cost for processing cash and a collection cost. The average cost of processing a card payment in 2018/2019 was £1.01.

CARD SCHEME INDUSTRY RULES

171. The Council must adhere to the Card Scheme Industry Rules which form part of the contract with its' Merchant Services provider. It is therefore not possible to impose any minimum or maximum transaction value for card payments.

RECOMMENDATION

172. Given the growing cost of card processing charges, primarily in relation to credit cards, it is recommended that for card payments, the Council remove the facility to pay by credit card and accept only debit cards for Business Rates.

APPENDIX G REVIEW OF WORKING AGE COUNCIL TAX REDUCTION SCHEME FOR 2020/21 SUMMARY

173. The ongoing rollout of Universal Credit will adversely affect the operation and administration of the local Council Tax Reduction (CTR) Scheme for working age claimants, increasing duplication of effort on the part of the claimant and increasing the administrative burden on the Council. In order to mitigate this growing burden on both claimants and the Council, a number of proposals for reform of the local CTR Scheme have been developed while maintaining the overall level of support provided to working age claimants at £7.8m per annum. This report outlines these proposals, and seeks approval to undertake a public consultation during autumn 2019 with a view to implementing reforms from April 2020.

RECOMMENDATIONS

That Cabinet:

Approve a public consultation exercise on the following potential amendments to the Council's local Council Tax Reduction Scheme with a view to reforming the scheme with effect from April 2020:

- a) Introduction of a Banding Scheme for Working Age Claimants, including a simplification of non-dependent deductions;
- b) Reducing the capital limit for the scheme from £16k to £6k in line with Universal Credit, and;
- c) Establishing a £1 minimum weekly award.

Reasons for Recommendation and Alternative Options Considered

174. The proposed reforms to the working age CTR Scheme are intended to mitigate the growing administrative burden associated with the roll of Universal Credit, where interactions between the national benefit and the local scheme are resulting in higher numbers of changes in assessed awards and duplication of effort on the part of both claimant and the Council. The central reform is the move towards an income banding scheme, with similar schemes having been successfully rolled out during 2019/20 in 28 authorities across the country.

175. The Council could opt to maintain the current scheme for working age CTR claims, which would remove the requirement to design, implement and consult upon a new scheme. However, this will, from a claimants perspective, maintain an overly complex scheme that can result in frequent changes in a claimants council tax liability which can be difficult to understand.

176. There is also scope to limit roll out of the new scheme in 2020/21 to those CTR claimants in receipt of Universal Credit, with further claimants transferring to the new scheme as migration to Universal Credit is completed. At present, this would see 1,440 of the 9,468 claims migrating although it is likely that this figure would rise by 1 April 2020. However,, this would result in 3 schemes being run in parallel (1 for Universal Credit claimants, 1 for non-Universal Credit claimants and one for pensioners) and would result in people transferring between schemes as the move to Universal Credit over the next few years.

BACKGROUND

177. Local Council Tax Reduction (CTR) Schemes were introduced in April 2013 as a replacement to the former Council Tax Benefit regime, with a nationally determined offer for pensioners and local authorities granted autonomy to deliver a local scheme for working age claimants. Local schemes, including that operated in Hillingdon, were modelled on Council Tax Benefit, which itself had been closely aligned to the Housing Benefit system – minimising duplication of effort for both the Council and claimants entitled to both forms of support.

178. The current CTR offer for working age claimants provides for up to 90% reduction in the Council Tax liability for a household defined as vulnerable, or 75% for other households, with the exact level of reduction assessed on the basis of household income and a formulaic assessment of the cost of living. This assessment requires verification of the earnings, and in some cases living expenses and other information, for the claimant, their partner and any non-dependent adults living within the household. Currently, 9,468 working age households are in receipt of CTR at an annual cost of £7.8m.
179. At present, a number of working age CTR claimants are also in receipt of Housing Benefit which continues to be administered by the local authority on behalf of the Department for Work and Pensions (DWP). As the majority of information required from claimants to support a CTR application mirrors the requirements of the Housing Benefit scheme, the claimant is therefore able to provide information once in order to receive both entitlements.
180. Housing Benefit is one of six legacy benefits being combined into Universal Credit, with administration being managed centrally by DWP rather than through local authorities. Hillingdon went live with full service Universal Credit on 24 October 2018, after which date all new claims for support with housing costs are routed through Universal Credit while the Council managed the existing caseload. Latest indications are that managed migration of remaining Housing Benefit claims from the Council will be completed between 2020 and 2024.
181. Currently, 1,440 of the 9,468 working age CTR claimants are also in receipt of Universal Credit with this number set to rise through both natural turnover of claims and the managed migration from Housing Benefit. These claimants are being asked to provide similar information to both DWP and the Council, with the Council no longer able to capitalise on economies of scale in assessing both entitlements in parallel.
182. In addition to duplication of effort between DWP and the Council, combining legacy benefits into Universal Credit has led to greater volatility in income for claimants which under the current CTR scheme necessitates the Council reassessing an individual's entitlement. This represents both an additional administrative burden on the Council and can result in frequent changes to a household's Council Tax liability.

PROPOSALS FOR REFORM

183. In order to address the above issues arising from the roll out of Universal Credit, a number of proposals for the reform of Hillingdon's CTR scheme have been developed for initial public consultation for implementation from April 2020. These proposals are intended to maintain the aggregate level of support provided to local working age households at £7.8m per annum while reducing duplication of effort on the part of the claimant and the administrative burden on the Council. There are three distinct elements to these reforms, which are expanded upon below:
- a. Introduction of a Banding Scheme for Working Age Claimants, including a simplification of earnings disregards;
 - b. Reducing the capital limit for the scheme from £16k to £6k in line with Universal Credit, and;
 - c. Establishing a £1 minimum weekly award.
184. These reforms will not impact upon pensioners receiving CTR support, who would remain subject to the existing nationally defined scheme. Proposed reforms to working age support have been developed to maintain the overall level of support granted at approximately £150k per week or £7.8m per annum, although the move towards a simplified system and lowering of the capital limit has scope to impact upon individual claimants' awards.

Introduction of a Banding Scheme for Working Age Claimants

185. The central element of proposed reforms for April 2020 is the introduction of an income banding scheme, whereby the level of support provided to a household will be assessed on the basis of weekly income against a series of bandings depending on the composition of the household. This draft banding grid being consulted upon for April 2020 implementation is set out below.

Table 27: Proposed Banding Scheme

Household Type:	Based on weekly income amount								CTRS Reduction
	Single		Couples		Family 1 Child		Family 2 or more Children		
CTR Banding	Lower Limit	Upper Limit	Lower Limit	Upper Limit	Lower Limit	Upper Limit	Lower Limit	Upper Limit	
Band 1	£0.00	£125.00	£0.00	£220.00	£0.00	£340.00	£0.00	£520.00	100%
Band 2	£0.00	£240.00	£0.00	£300.00	£0.00	£400.00	£0.00	£600.00	90%
Band 3	£0.00	£90.00	£0.00	£130.00	£0.00	£150.00	£0.00	£260.00	75%
Band 4	£90.01	£120.00	£130.01	£170.00	£150.01	£210.00	£260.01	£340.00	55%
Band 5	£120.01	£150.00	£170.01	£210.00	£210.01	£270.00	£340.01	£420.00	35%
Band 6	£150.01	£180.00	£210.01	£250.00	£270.01	£330.00	£420.01	£500.00	15%

186. The Banding Scheme will be grouped in two categories, with the majority of claimants with a vulnerable status being allocated to Band 2 and Band 1 being utilised for those meeting the existing criteria for 100% relief. All claimants not meeting the eligibility criteria for vulnerable will be assigned to a band between 3 and 6 on the basis of household income.
187. Under the current system, households will receive a discount of between 0% and 75% (90% for those classed as vulnerable), with the specific level of discount varying due to changes individual circumstances. Under the banding scheme, so long as income received by the household remains within the thresholds of their band, minor changes in income will not result in a changes in CTR entitlement. This is expected to significantly reduce the impact of frequent changes in Universal Credit entitlement on the level of CTR being provided.
188. In moving to a banding scheme, it is not proposed to change to types of income judged relevant to the assessment of CTR entitlement, for example specific disability benefits such as Personal Independence Payment or Disability Living Allowance, and support for housing costs through either Housing Benefit or Universal Credit continuing to be disregarded. In addition, the current system of earning disregards will be retained, which ensure that initial earnings do not translate into immediate loss of income in order to provide an additional incentive for work. This approach is intended to minimise disruption for individual households in moving to the new scheme.
189. Within the current scheme a number of non-dependent disregards are in place, scaling back the level of CTR support provided in cases where other members of the household are deemed to be contributing towards the Council Tax liability. At present, there are a range of specific deductions on CTR support ranging from zero to £19.50 per week, as part of the broader simplification of the scheme it is proposed to set all non-dependent disregards to £2 per week. This is intended to remove the requirement to gather information on the status of non-dependent residents and therefore reduce the administrative burden for both claimants and the Council.
190. It is proposed to maintain the current definition of a vulnerable household, with all those meeting this criteria being entitled to a reduction of up to 90% of their Council Tax liability. While under the current scheme tapering mechanisms reduce entitlement for vulnerable households with higher income, a banding scheme would effectively provide a 90% reduction to all households meeting these criteria regardless of their earnings. It is therefore proposed to introduce an income threshold above which a household would be ineligible for CTR support, it is currently proposed to set this at the same level for all households – both vulnerable and non-vulnerable.

It is proposed to set this level of income at 20% above the upper threshold for non-vulnerable households within the scheme.

Reducing the capital limit for the scheme from £16k to £6k

191. Under the current CTR scheme, households with capital of less than £16k (excluding the value of their home) are entitled to support, with those holding between £6k and £16k subject to a taper – reducing the level of support for every £1 above £6k. This approach requires independent verification of savings by the Council where those receiving Universal Credit will have already provided this information to the DWP. By lowering the limit for capital to £6k and abolishing the taper, this additional verification work will no longer be required as information shared by DWP would be sufficient to identify whether households meet the threshold.

Establishing a £1 minimum weekly award

192. The final proposal is to establish a £1 minimum weekly award in order to avoid cases whereby households are rebilled for a marginal change in their Council Tax liability. This is intended to reduce administrative costs and provide greater stability for the individual claimant.

Impact Assessment of Proposed Reforms

193. The above proposals have been developed to deliver a simpler, less administratively burdensome CTR scheme while maintaining both the current level of investment in the scheme and avoiding significant levels of redistribution between claimants. The following table provides an overview of the impact of the above changes on the 9,468 households currently in receipt of CTR support, analysed by household type and vulnerable status.

Table 28: Impact Assessment of Proposed Banding Scheme

Household Type	Number of Claims	Current Award (£)	Proposed Award (£)	Variance (£)	Variance (%)
Single	3,622	58,091.24	58,153.77	62.53	0.11%
Couples	503	9,951.60	9,748.52	-203.08	-2.04%
Family 1 Child	1,861	27,647.78	28,173.66	525.88	1.90%
Family 2 or more Children	3,482	54,054.30	54,241.70	187.40	0.35%
Total	9,468	149,744.92	150,317.64	572.72	0.38%

194. Alongside this high level overview, a comprehensive Equalities Impact Assessment is being undertaken with a first draft to be completed in advance of the public consultation exercise, before being finalised for presentation to Cabinet for consideration alongside final proposals for reform in December 2019 as part of the annual budget setting process.

TIMETABLE FOR CONSULTATION AND IMPLEMENTATION

195. In order to implement a reformed scheme for April 2020, proposed revisions to the CTR Scheme would need to be approved by full Council alongside the Council Tax Base in January 2019, based on recommendations from Cabinet which would normally be agreed as part of the Consultation Budget on the agenda for December 2019. It is therefore proposed to complete a public consultation exercise on proposed reforms during autumn 2019, with outcomes available to inform Cabinet decision making.
196. Alongside the public consultation, work is underway with the Council's Revenues and Benefits ICT systems provider to ensure functionality is in place

Appendix H - Fees and Charges for vehicle crossover installations

197. A new charging structure, summarised in the table below, is proposed further to those contained in Appendix 8 to the budget report to February Cabinet. The revisions result from a recent review of the Council's vehicle crossover policies and charges.
198. Residents wishing to drive across a footway or verge, which is part of the highway maintainable at public expense, may apply to the Highway Authority for a vehicle crossover under the provisions of section 184 of the Highways Act 1980. Kerbs are dropped from their normal height to form a ramp and the footway is strengthened to take the weight of a private light goods vehicle.

Ad-hoc crossovers

199. Currently, a non-refundable application fee of £72 for administration and site assessment is charged up to the point of approval/refusal. A new supervision fee of £50 per successful application is now proposed, reflecting the cost to the Council of liaising with applicants, dealing with queries/appeals, supervising works, return site visits, certification of works for payment, quality checks for compliance with specification, providing utility maps and placing the work permits. Applicants also pay the full construction costs associated with the crossover, these being variable dependent on size.

Crossovers installed during planned works

200. As part of planned footway works, the Council notifies residents prior to work commencing, that they may apply to have a standard single crossover (or extension) constructed at a reduced rate of £350 (which would ordinarily cost £700 to £1,000 if undertaken standalone). It is proposed that the £72 non-refundable application fee should also be applied in these instances to cover administration and site assessment costs by an engineer (the application may not be approved). It is further proposed that if approved, a 50% discount on the full construction cost is applied, rather than the fixed £350 payment in order to cover the additional payment to the contractor for crossovers constructed as part of planned works plus the Council's supervision and administration costs.

Table 29

Type of Fee / Charge	Current Charge	Proposed Charge	Change
Non-refundable application fee (ad-hoc crossovers)	£72	£72	N/A
Non-refundable application fee (planned works crossovers)	N/A	£72	New charge
Supervision fee (ad-hoc crossovers)	N/A	£50	New charge
Construction fee – average size (ad-hoc crossovers)	£945	£945	N/A
Construction fee – average size (planned works crossovers)	£350	£472.50 (50% of full crossover construction cost)	Revised charge to cover additional contractor costs and the Council's supervision time

Appendix I – Fees and Charges for the Council’s Commercial Waste Service

201. Several new fees and charges and amendments to existing fees and charges are proposed further to those contained in Appendix 8 to the budget report to February Cabinet. All new and amended fees and charges (as summarised in the table below) result from a recently approved BID review of the Council’s commercial waste collection service, due to be implemented from October 2019.
202. The Council currently operates a chargeable general waste and dry mixed recycling service, available to all businesses within the borough. Businesses are offered a choice of sack collection or the hire of different sized containers. Following the BID review, the proposed service developments include the measures below:
 1. Introduction of a mid-sized container to make the service more accessible to all users and align the service offer with private sector companies.
 2. Introduction of coloured sacks for general waste to ensure consistency in the size of sacks collected and to assist enforcement officers in identifying businesses which are fly-tipping (as commercial waste should no longer be present in any other sacks)
 3. Introduction of coloured sacks for recycling, increasing accessibility of the service by allowing flexibility based on the needs of business and the amount of recycling generated
203. It is anticipated that these developments will enable the Council to provide a more competitive commercial waste, offering greater choice, flexibility and accessibility for existing and new customers.

Table 30

Type of Fee / Charge	Current Charge	Proposed Charge	Percentage Change
Black sack provided by customer	£2.50 each	Not offered	Service to cease
940 litre capacity bulk container.	£17.50 each hire & empty	Not offered	Service to cease
1,100 litre capacity bulk container	£19.50 each hire & empty	£19.50 each hire & empty	No change
	£15.50 (20.5% discount) per container for 4 or more	£15.60 (20% discount) per container for 4 or more	0.6%
1,280 litre capacity bulk container.	£22.00 each hire & empty	£22.00 each hire & empty	No change
		£17.60 (20% discount per container for 4 or more)	-20% (volume discount)
1,100 litre capacity bulk container for recycling (mixed paper, cardboard, cans, glass bottles and plastic bottles)	£5.00 each hire & empty	£8.00 each hire & empty	60%
Container reinstatement fee following removal due to late payment.	£61.00 per site	£65.00 per site	6.6%
Hire charge for supply of 940 litre bulk container for domestic/ charity collection purposes	£27.55 per 3 months	This size is no longer available for new commercial waste or charity customers but retained for existing customers at £27.55 per 3 months	N/A
Hire charge for supply of 1,100 litre bulk container for domestic/ charity collection purposes.	£32.00 per 3 months	£32.00 per 3 months	N/A
Hire charge for supply of 1,280 litre bulk container for domestic/ charity collection purposes	£36.88 per 3 months	£36.88 per 3 months	N/A

1,100 litre recycling container, hire only	£14.00 per 3 months	£14.00 per 3 months	N/A
Special one-off collections (by arrangement).	From £55.00	From £55.00	N/A
360 litre capacity container	Not offered	£9.00 each hire & empty	New fee
75 litre coloured waste sack.	Not offered	£130 per roll (52 sacks)	New fee
75 litre coloured recycling sack	Not offered	£62.40 per roll (52 sacks)	New fee

Appendix J

Recent decisions taken under urgency provisions

204. There is one executive decision taken below where the proposed contract value was in excess of £500k and in accordance with the Council's Constitution, this would ordinarily require collective Cabinet approval. However, the Leader of the Council has the authority to take contract decisions on behalf of Cabinet where it is deemed urgent. In compliance with Procurement Standing Orders, these decisions are now reported to Cabinet for ratification.

Housing Revenue Account Works to Stock Programme 2019/20: Appointment of a Works Contractor 1,3,5 & 7 Lundy Drive (New build and Refurbishment) Capital Release 18

DECISION MADE ON 2 JULY 2019:

205. **That the Leader of the Council and Cabinet Member for Finance, Property and Business Services accept the tender from RETURN PROPERTY SERVICES LIMITED for residential development and refurbishment works to numbers. 1, 3, & 7 Lundy Drive, Hayes at a value of £706,226.79 and to accept increasing the size of numbers 1 & 3 Lundy Drive from two bedroom to three bedroom units at an additional cost of £7,146.03. The combined cost would be £713,372.82;**

Decisions were also made, but not for Cabinet to ratify to:

- Accept the tender from RETURN PROPERTY SERVICES LIMITED for residential development and refurbishment works to number 5 Lundy Drive Hayes at a value of £65,560 which is to be recovered from the freeholder's insurers; and
- Agree to the capital release request of £931k from the 2019/20 HRA Works to Stock - Lundy Drive work-stream budget of £1,000k.

206. These decisions enabled the authorisation for a Design and Build contract and a Professional Services contract to carry out urgent demolition, re-build and refurbishment works at No.1, 3, 5 and 7 Lundy Drive caused by fire, smoke and the subsequent firefighting caused by water damage in April 2017. Cabinet Member approval was also given to the release of capital funds to meet the cost of delivering the project.

207. *The detailed report relating to this was considered in Part II, private, as it contained information relating to the financial or business affairs of any particular person (including the authority holding that information) and the public interest in withholding the information outweighs the public interest in disclosing it (exempt information under paragraph 3 of part 1 of Schedule 12A to the Local Government [Access to Information] Act 1985 as amended.*

BACKGROUND PAPERS

Decision Notices: 2 July 2019

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

208. The following Agency staff costing over £50k have been approved under delegated powers by the Chief Executive in consultation with the Leader and are reported here for information.

Table 31: Consultancy and agency assignments

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
Residents Services						
Housing Options and Homeless Prevention Officers	24/09/2018	08/07/2019	29/09/2019	41	10	51
Housing Options & Homeless Prevention Officers (x3)	30/07/2018	22/07/2019	13/10/2019	93	31	124
CCTV Programme Manager	25/06/2016	01/07/2019	04/08/2019	167	6	173
Private Sector Housing Officer	01/03/2018	24/06/2019	22/09/2019	59	17	76
Interim Pre-Applications Manager	04/06/2018	01/07/2019	27/09/2019	112	26	138
Air Quality Officer	21/09/2015	01/07/2019	27/09/2019	94	10	104
Programme Manager	27/11/2017	24/06/2019	22/09/2019	141	22	163
Programme Manager (HOAC)	06/11/2017	24/06/2019	22/09/2019	122	23	146
Development Surveyor	06/11/2017	23/04/2019	21/07/2019	163	27	190
Development Surveyor	06/11/2017	15/07/2019	13/10/2019	190	29	219
Private Sector Housing Team Manager	01/02/2018	22/07/2019	20/10/2019	151	33	184
Major Application (PPA) Planner	20/03/2017	28/04/2019	28/07/2019	233	26	259
Head of Programme Development	01/01/2019	01/07/2019	30/12/2019	112	77	189
Education Strategy & Quality Assurance Manager	29/04/2015	28/07/2019	01/12/2019	569	55	624
Senior School Improvement Advisor	07/03/2016	28/07/2019	03/11/2019	329	50	379
Senior School Improvement Advisor	07/03/2016	28/07/2019	03/11/2019	236	26	262
Social Care						
Support Worker	03/04/2017	01/07/2019	28/07/2019	76	3	79
Support Worker	03/10/2016	01/07/2019	28/07/2019	65	2	67
Support Worker	03/04/2017	01/07/2019	28/07/2019	64	2	66
Care Worker	06/07/2016	01/07/2019	28/07/2019	86	2	88
Social Worker	26/07/2017	01/07/2019	28/07/2019	140	6	145

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
Approved Mental Health Worker	05/02/2018	01/07/2019	28/07/2019	73	4	77
AMHP	03/09/2018	01/07/2019	28/07/2019	70	6	76
Approved Mental Health Worker	01/06/2015	01/07/2019	28/07/2019	273	5	277
Care Worker	06/03/2017	01/07/2019	28/07/2019	66	2	68
Support Worker	04/04/2016	01/07/2019	28/07/2019	92	2	94
Social Worker/Senior Social Worker	02/10/2017	01/07/2019	28/07/2019	119	5	124
Advanced Social Work Practitioner	30/04/2018	01/07/2019	28/07/2019	90	-	90
Social Worker	05/06/2017	01/07/2019	28/07/2019	125	5	129
Social Worker/Senior Social Worker	16/04/2018	01/07/2019	28/07/2019	90	-	90
Social Worker	29/10/2018	01/07/2019	28/07/2019	0	6	6
Advanced Social Work Practitioner	04/06/2018	01/07/2019	28/07/2019	73	5	78
Night Care Worker	04/09/2017	01/07/2019	28/07/2019	132	6	137
Service Manager	04/06/2018	01/07/2019	28/07/2019	91	6	97
Head of Mental Health and Learning Disability	30/04/2018	01/07/2019	28/07/2019	94	6	100
Nursery Practitioner	04/06/2017	01/07/2019	28/07/2019	58	2	60
Early Years Practitioner	30/07/2018	01/07/2019	28/07/2019	120	-	120
Early Years Practitioner	29/10/2018	01/07/2019	28/07/2019	74	10	85
Early Years Practitioner	01/10/2017	01/07/2019	28/07/2019	57	2	59
Early Years Practitioner	12/09/2014	01/07/2019	28/07/2019	63	1	64
Nursery Officer	24/02/2014	01/07/2019	28/07/2019	77	1	78
Early Years Practitioner	06/02/2017	01/07/2019	28/07/2019	59	2	61
Social Worker (CHC)	25/03/2016	01/07/2019	28/07/2019	67	2	69
Programme Lead-Urgent & Emergency Care	05/09/2016	01/07/2019	28/07/2019	61	2	63
Team Manager	17/07/2017	01/07/2019	28/07/2019	199	8	175
Senior Social Worker	01/04/2013	01/07/2019	28/07/2019	169	6	90
Social Worker	06/04/2017	01/07/2019	28/07/2019	84	6	124
Social Worker	23/10/2017	01/07/2019	28/07/2019	119	5	178
Social Worker	13/11/2016	01/07/2019	28/07/2019	178	0	202
Social Worker	16/12/2016	01/07/2019	28/07/2019	196	6	204

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
Social Worker	21/08/2016	01/07/2019	28/07/2019	198	6	371
Social Worker	05/09/2014	01/07/2019	28/07/2019	371	0	134
Social Worker	10/07/2017	01/07/2019	28/07/2019	128	6	213
Social Worker	07/11/2016	01/07/2019	28/07/2019	207	6	264
Social Worker	04/05/2015	01/07/2019	28/07/2019	259	5	306
Social Worker	13/04/2015	01/07/2019	28/07/2019	300	6	234
Social Worker	01/04/2013	01/07/2019	28/07/2019	228	6	226
Social Worker	11/07/2016	01/07/2019	28/07/2019	220	6	256
Social Worker	01/08/2015	01/07/2019	28/07/2019	249	7	201
Team Manager	27/03/2017	01/07/2019	28/07/2019	194	7	196
Social Worker	27/10/2016	01/07/2019	28/07/2019	190	6	59
Social Worker	14/08/2017	01/07/2019	28/07/2019	137	0	11
Educational Psychologist	04/02/2019	01/07/2019	28/07/2019		11	291
Educational Psychologist	15/11/2015	01/07/2019	28/07/2019	283	8	168
Special Needs Officer	01/12/2016	01/07/2019	28/07/2019	162	6	396
Social Worker	11/08/2014	01/07/2019	28/07/2019	390	6	416
Social Worker	01/01/2013	01/07/2019	28/07/2019	410	6	210
Social Worker	01/04/2013	01/07/2019	28/07/2019	204	6	197
Social Worker	26/08/2016	01/07/2019	28/07/2019	191	6	94
Support Worker	20/12/2015	01/07/2019	28/07/2019	91	3	248
Social Worker	04/07/2016	01/07/2019	28/07/2019	242	6	244
Social Worker	03/07/2016	01/07/2019	28/07/2019	237	7	186
Social Worker	21/11/2016	01/07/2019	28/07/2019	180	6	411
Social Worker	01/01/2013	01/07/2019	28/07/2019	405	6	177
Senior Social Worker	29/06/2017	01/07/2019	28/07/2019	171	6	222
Senior Social Worker	05/10/2015	01/07/2019	28/07/2019	222	0	94
Education Health and Care Officer	01/07/2017	01/07/2019	28/07/2019	89	5	241
Principal Educational Psychologist	01/08/2015	01/07/2019	28/07/2019	230	11	210
Senior Educational Psychologist	15/08/2016	01/07/2019	28/07/2019	199	11	261
Educational Psychologist	01/03/2016	01/07/2019	28/07/2019	249	12	127
Social Worker	02/07/2017	01/07/2019	28/07/2019	121	6	224
Senior Social Worker	30/04/2012	01/07/2019	28/07/2019	218	6	173
Practice Improvement Practitioner	08/05/2014	01/07/2019	28/07/2019	167	6	127
Child Protection Chair	01/07/2015	01/07/2019	28/07/2019	120	7	102
Social Worker	01/04/2018	01/07/2019	28/07/2019	96	6	175