

COUNCIL BUDGET - 2019/20 REVENUE AND CAPITAL MONTH 4 BUDGET MONITORING

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

HEADLINE INFORMATION

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 £374k is reported against 2019/20 General Fund revenue budgets as of July 2019 (Month 4), representing an improvement of £231k on the position reported to Cabinet at Month 2. Unallocated reserves are projected to total £32,942k 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></p> <p>Achieving Value for Money is an important element of the Council's Medium Term Financial Plan.</p>
Financial Cost	N/A
Relevant Policy Overview Committee	Corporate Service, Commerce & Communities
Ward(s) affected	All

RECOMMENDATIONS

That Cabinet:

1. Note the budget position as at July 2019 (Month 4) as outlined in Table 1.
2. Note the Treasury Management update as at July 2019 at Appendix F.
3. Continue the delegated authority up until the October 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 25 July 2019 and 26 September 2019 Cabinet meetings, detailed at Appendix G.

4. Accept an award of £48k from Transport for London in respect of the Bridge Assessment and Strengthening Programme.
5. Approve the release of funding of £52k from the Heathrow/HS2 Contingency Earmarked Reserve to support the activities of the Stop Heathrow Expansion Group.
6. Approve an uplift on the existing charge levied for parking bay suspensions from £15 per bay per day, to £31.
7. Approve the introduction of two new charges in relation to parking bay suspensions, i) £30 cancellation fee, and ii) £30 amendment fee, when a request to cancel or amend a suspension is received at, or less than, 7 days prior to a suspension coming into force.
8. Approve to charge an affordable rent of £219.39 per week in 2019/20 (inclusive of a meals service charge of £30 per week based on one tenant) for each of the 57 one bed-roomed flats at the HRA new build Park View Court, and approve to charge a meals service charge of £30 per week for each additional tenant in the property as detailed in Appendix E.
9. Approve to charge an affordable rent of £263.01 per week in 2019/20 (inclusive of a meals service charge of £30 per week based on one tenant) for each of the 3 two bed-roomed flats at the HRA new build Park View Court, and approve to charge a meals service charge of £30 per week for each additional tenant in the property as detailed in Appendix E.
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. Unit 7B, Hayes Bridge Retail Park £20k.
11. Approve an allocation of £26,800 from unallocated priority growth to fund improvements to South Ruislip station railway bridges.
12. Approve the grant payment of £69,660 to Addictions Recovery Community Hillingdon (ARCH) and the associated capital release, in respect of the Public Health England Alcohol Capital Fund partnership bid.
13. Welcome the motion approved by Council on 12 September which resolved "that [this Council's] offer to purchase Uxbridge Police Station for £5M, to enable continued use by local officers, made in the 2018 budget should be remade to The Mayor of London as soon as possible." and agrees to provide for this, should the Mayor of London accept, by virement from the projected underspend in the 2019/20 capital programme resulting from rephasing of project expenditure or by addition to the 2020/21 capital budget.
14. Ratify two contract special urgency decisions taken on the 26 July 2019 and 3 September 2019, as set out in Appendix H on the following matters:
 - a. Managed Service for the Supply and Distribution of Materials for the In-House Repairs Team and;
 - b. Appointment of Contractor for the Refurbishment of Council Libraries.

SUPPORTING INFORMATION

Reasons for Recommendations

1. The reason for **Recommendation 1** is to ensure that the Council achieves its budgetary objectives, providing Cabinet with an update on performance at Month 4 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. Transport for London have confirmed an allocation of £48k in 2019/20 for schemes at Yeading Lane and Trout Road bridges and also for fees in relation to officer duties supporting the London Bridge Engineering Group (LOBEG) **Recommendation 4** is to accept this funding.
4. **Recommendation 5** seeks Cabinet authority to allocate a sum of £52k from the Heathrow/HS2 Contingency Earmarked Reserve, which currently has an unallocated balance of £897k to the Stop Heathrow Expansion campaign group. This will fund a range of activities including public meetings, campaign materials and representation at various events and venues across the Borough.
5. Following a review into parking bay suspension charges, Cabinet are asked at **Recommendations 6 & 7** to approve the introduction of an amendment and cancellation charge (£30), and uplift of the existing charge from £15 to £31. Bay suspensions are typically authorised to ensure access to the road for essential utility/maintenance works, resulting in loss of income and reduced parking for residents. Recommendations will ensure the council recovers the cost of providing the service.
6. **Recommendations 8 & 9** Council in February 2018, as part of the HRA rent policy, agreed to delegate to the Leader and relevant Cabinet Member the authority to set affordable rent levels for newly acquired or built properties on a scheme-by-scheme basis. The Constitution enables Cabinet Members to also refer such a decision to the Cabinet to make. The HRA new build Park View Court was approved on the financial viability assumption that these properties would be charged an affordable rent. Further detail is given in Appendix E.
7. 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 £20k, in relation to a major development at Unit 7B, Hayes Bridge Retail Park.
8. **Recommendation 11** requests Cabinet to approve the release of £26,800 unallocated priority growth funding to meet the balance of costs relating to a lighting upgrade, wall cleaning and pigeon mitigation measures for the South Ruislip station railway bridges. This net sum is after consideration of any applicable TfL and Section 106 funding.
9. **Recommendation 12** - In April 2019, Cabinet noted the award of £69,660 from Public Health England following a successful partnership bid with ARCH to the Alcohol Capital Fund. The project is a Welfare Pathway for Street Homeless Dependent Drinkers and works will include the refurbishment of a dedicated welfare room, a FibroScan to complement physical health checks, and access to ICT for homeless and rough sleeping clients who are alcohol dependent. Funds are to be paid to ARCH who will implement the project.
10. **Recommendation 13** provides the necessary capital budget for the purchase of Uxbridge Police Station should the Mayor of London agree to the Councils offer to purchase.
11. **Recommendation 14** concerns two contractual decisions taken under special urgency provisions since the last Cabinet meeting, that now require ratification by the Cabinet as per the Council's Constitution. They are set out in Appendix H.

Alternative options considered

12. There are no other options proposed for consideration.

SUMMARY

REVENUE

13. General Fund revenue budgets are projected to underspend by £374k at Month 4, an improvement of £231k on the position reported at Month 2. An overspend of £305k is projected against Directorate Operating Budgets. An underspend across Corporate Operating Budgets of £677k offsets this pressure, with a slight over achievement against grant income of £2k being reported.
14. General Fund Balances are expected to total £32,942k 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 £7,402k from the opening balance of £40,344k.
15. The 2019/20 savings programme has been restated at £8,141k with the £832k funding requirement removed from the previous net total of £7,309k. £5,616k are either banked or classed as 'on track for delivery', with £2,525k classified as being higher risk or in the early stages of delivery. Ultimately, all £8,141k of the 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.
16. A surplus of £521k 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 from 2018/19. Any surplus realised at outturn will be available to support the General Fund budget in 2020/21.
17. The Dedicated Schools Grant is projecting an in-year overspend of £2,863k at Month 4. 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 £11,355k. Following new direction from the Department for Education, the Council submitted a Deficit Recovery Plan on 30 June 2019.

CAPITAL

18. At Month 4 the projected underspend against the 2019/20 General Fund Capital Programme is £16,239k, predominantly as a result of rephasing of project expenditure. The forecast outturn over the life of the programme to 2023/24 is an overspend of £280k. The planned investment will require £224,833k Prudential Borrowing, £238k lower than anticipated at budget setting in February 2018. This is partially as a result of increased grants and contributions and forecasts for capital receipts.

FURTHER INFORMATION

General Fund Revenue Budget

19. An underspend of £374k is reported across normal operating activities at Month 4, with the most significant gross pressures relating to Early Years Centres, Residual Education and ICT. These pressures are driving a £305k 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 movement is reported on Corporate Funding as the exact levels of grant funding for the year are confirmed.
20. The £7,309k of savings included in the 2019/20 General Fund revenue budget contained an £832k funding requirement, which has been removed to give a restated gross saving of £8,141k to be delivered. Currently £2,524k savings are banked, delivery is currently on track against £3,092k of savings, and £2,525k 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 4		Variance (As at Month 4) £'000	Variance (As at Month 2) £'000	Movement from Month 2 £'000
			Revised Budget £'000	Forecast Outturn £'000			
210,620	2,136	Directorate Operating Budgets	212,756	213,061	305	374	(69)
7,436	0	Corporate Operating Budgets	7,436	6,759	(677)	(521)	(156)
12,863	(2,789)	Development & Risk Contingency	10,074	10,074	0	0	0
(991)	653	Unallocated Budget Items	(338)	(338)	0	0	0
229,928	0	Sub-total Normal Activities	229,928	229,556	(372)	(147)	(225)
(222,152)	0	Corporate Funding	(222,152)	(222,154)	(2)	4	(6)
7,776	0	Net Total	7,776	7,402	(374)	(143)	(231)
(40,344)	0	Balances b/fwd	(40,344)	(40,344)			
(32,568)	0	Balances c/fwd 31 March 2020	(32,568)	(32,942)			

21. General Fund Balances are expected to total £32,942k 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

22. 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 4		Variance (As at Month 4) £'000	Variance (As at Month 2) £'000	Movement from Month 2 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
8,110 (1,207)	1 (1)	Chief Executive's Office	Expenditure	8,111	8,150	39	62	(23)
			Income	(1,208)	(1,207)	1	0	1
6,903	0		Sub-Total	6,903	6,943	40	62	(22)
19,069 (3,221)	67 (175)	Finance	Expenditure	19,136	19,186	50	25	25
			Income	(3,396)	(3,472)	(76)	(45)	(31)
15,848	(108)		Sub-Total	15,740	15,714	(26)	(20)	(6)
116,482 (43,966)	1,740 (881)	Residents Services	Expenditure	118,222	119,362	1,140	1,356	(216)
			Income	(44,847)	(45,731)	(884)	(1,054)	170
72,516	859		Sub-Total	73,375	73,631	256	302	(46)
148,761 (33,408)	1,449 (64)	Social Care	Expenditure	150,210	151,379	1,169	1,006	163
			Income	(33,472)	(34,606)	(1,134)	(976)	(158)
115,353	1,385		Sub-Total	116,738	116,773	35	30	5
210,620	2,136	Total Directorate Operating Budgets		212,756	213,061	305	374	(69)

23. An overspend of £40k is reported on Chief Executive's Office budgets at Month 4 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 £26k is projected as a result of staffing variances across the directorate with compensating variances on income from additional grant funding.
24. At Month 4 a net pressure of £256k is reported across Residents Services. A reduction to the drawdown from earmarked reserves to Waste Services of £530k is reported, as a result of WLWA disbursement of reserves to boroughs, with Hillingdon receiving £331k at the end of July, with the balance of the savings arising from contract retendering. The overall Residents Services position is partially mitigated by an underspend across Administrative Technical & Business Services.
25. A net £35k pressure is reported across Social Care budgets, consisting of £123k underspend in Children Services resulting from a £346k staffing underspend offset by £444k non staffing pressures. The overspend on Early Years Centres has increased to £585k in Month 4 from the £524k reported in Month 2, this is mitigated by the new approach to managing the Better Care Fund capital grant.
26. The Council is permitted to finance the costs associated with service transformation from Capital Receipts, with both one-off implementation costs and the support for service transformation, including the BID team, being funded from this resource. Current projections include an estimate of £2,047k 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

27. 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. Within this position there are £832k of funding requirements, covering Troubled Families, Fleet and Parking Services.
28. For reporting from Month 4 onwards the savings have been adjusted to remove the £832k of funding requirements, giving a restated gross savings target of £8,141k with the aim of improving the transparency on the progress of savings.
29. Of this sum £5,616k are either banked or on track for delivery in full during 2019/20. £2,525k savings are in the early stages of delivery or potentially subject to greater risk to delivery, however, ultimately all £8,141k 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	(282)	(359)	(179)	(500)	(1,204)	(2,524)	31.0%
G On track for delivery	(105)	(221)	(853)	(1,593)	(320)	(3,092)	38.0%
A Potential significant savings shortfall or a significant or risky project which is at an early stage;	0	(150)	(664)	(830)	(881)	(2,525)	31.0%
R Serious problems in the delivery of the saving	0	0	0	0	0	0	0.0%
Total 2019/20 Savings	(387)	(730)	(1,696)	(2,923)	(2,405)	(8,141)	100.0%

Corporate Operating Budgets

30. Corporate Operating Budgets are currently forecasting a £677k favourable variance, which is an improvement of £156k on the Month 2 position with the Housing Benefit Subsidy continuing to be forecast to budget. 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 £326k 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. Housing Benefit remains on budget with no variance being reported. No material variances are reported across the remainder of Corporate Budgets, resulting in a headline underspend of £677k.

Table 4: Corporate Operating Budgets

Original Budget £'000	Budget Changes £'000	Service		Month 4		Variance (As at Month 4) £'000	Variance (As at Month 2) £'000	Movement from Month 2 £'000
				Revised Budget £'000	Forecast Outturn £'000			
0	0	Interest and Investment Income	Salaries	0	0	0	0	0
7,777	0		Non-Sal Exp	7,777	7,451	(326)	(186)	(140)
(87)	0		Income	(87)	(47)	40	40	0
7,690	0		Sub-Total	7,690	7,404	(286)	(146)	(140)
490	0	Levies and Other Corporate Budgets	Salaries	490	489	(1)	0	(1)
12,570	0		Non-Sal Exp	12,570	12,537	(33)	(18)	(15)
(12,289)	0		Income	(12,289)	(12,646)	(357)	(357)	0
771	0		Sub-Total	771	380	(391)	(375)	(16)
0	0	Housing Benefit Subsidy	Salaries	0	0	0	0	0
147,629	0		Non-Sal Exp	147,629	147,629	0	0	0
(148,654)	0		Income	(148,654)	(148,654)	0	0	0
(1,025)	0		Sub-Total	(1,025)	(1,025)	0	0	0
7,436	0	Total Corporate Operating Budgets		7,436	6,759	(677)	(521)	(156)

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 £'000	Budget Changes £'000	Service		Month 4		Variance (As at Month 4) £'000	Variance (As at Month 2) £'000	Movement from Month 2 £'000
				Revised Budget £'000	Forecast Outturn £'000			
1,072	0	Residents Services	Impact of Welfare Reform on Homelessness	1,072	1,099	27	0	27
1,972	(772)		Waste Disposal Levy & Associated Contracts	1,200	669	(531)	0	(531)
0	0		Development Control - Major Applications	0	150	150	0	150
1,885	0	Social Care	Asylum Service	1,885	1,263	(622)	0	(622)
3,273	(403)		Demographic Growth - Looked After Children	2,870	2,490	(380)	(196)	(184)
1,017	(367)		Demographic Growth - Children with Disabilities	650	650	0	196	(196)
277	0		Social Worker Agency Contingency	277	250	(27)	0	(27)
997	(259)		SEN transport	738	1,716	978	0	978
1,938	(988)		Demographic Growth - Adult Social Care	950	1,735	785	145	640
0	0		Additional BCF Income	0	(331)	(331)	0	(331)
(400)	0	Corp. Items	Additional Investment Income	(400)	(400)	0	0	0
832	0		General Contingency	832	783	(49)	(145)	96
12,863	(2,789)	Total Development & Risk Contingency		10,074	10,074	0	0	0

33. There was significant growth built into the Looked After Children budget in 2019/20 and this is currently reporting no variance on Development Risk and Contingency, a movement of £196k from Month 2. 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.
34. In Month 4 a call on General Contingency has been made relating to Income in Development Control of £150k, alongside the reduced call on Waste Contingency and a contribution to Contingency of the estimated Better Care Fund additional Income, it has been assumed that the net £49k pressure identified on specific contingency items will be funded from General Contingency. This leaves £783k provision to manage emerging issues over the remainder of this financial year. This position will be closely monitored.

Unallocated Priority Growth and HIP Initiatives

35. There is a budget of £450k Unallocated Priority Growth in 2019/20, which remains available to support investment in services. 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. £226k of projects have been approved for funding from HIP resources as at Month 4, with £104k underspend relating to projects completed in 2018/19, there is £796k available for future releases.

Schools Budget

36. At Month 4 the Dedicated Schools Grant position is an in-year overspend of £2,863k. 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 £11,355k.
37. 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

38. A £521k surplus is projected against the Collection Fund at Month 4, which is made up of a £41k deficit on Council Tax and a £562k 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

39. The Housing Revenue Account is currently forecasting a £11k favourable position, resulting in a drawdown of reserves of £1,234k. This results in a projected 2019/20 closing HRA General Balance of £17,026k. The use of reserves is funding investment in new housing stock.

Future Revenue Implications of Capital Programme

40. 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 £238k lower. The reduction in the borrowing requirement would result in a £13k per annum saving to revenue which represents a minor variance when set in the context of the current MTFE position on capital financing costs.

Appendix A – Detailed Group Forecasts (General Fund)

CHIEF EXECUTIVE'S OFFICE

41. The overall position for Chief Executive's Office at Month 4 is a forecast pressure of £40k which is an improvement on the Month 2 position of £22k. This reflects full staffing establishments across the group, which are partly offset by the implementation of the restructure within Human Resources at the start of the year
42. Income is forecast to achieve budgeted levels at Month 4 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 4		Variance (As at Month 4) £'000	Variance (As at Month 2) £'000	Movement from Month 2 £'000
				Revised Budget £'000	Forecast Outturn £'000			
1,479	0	Democratic Services	Salaries	1,479	1,497	18	19	(1)
1,721	0		Non-Sal Exp	1,721	1,721	0	0	0
(701)	(1)		Income	(702)	(701)	1	0	1
2,499	(1)		Sub-Total	2,498	2,517	19	19	0
1,900	(146)	Human Resources	Salaries	1,754	1,780	26	26	0
830	147		Non-Sal Exp	977	981	4	(6)	10
(230)	0		Income	(230)	(230)	0	0	0
2,500	1		Sub-Total	2,501	2,531	30	20	10
2,124	0	Legal Services	Salaries	2,124	2,114	(10)	23	(33)
56	0		Non-Sal Exp	56	57	1	0	1
(276)	0		Income	(276)	(276)	0	0	0
1,904	0		Sub-Total	1,904	1,895	(9)	23	(32)
5,503	(146)	Chief Executive's Office Directorate	Salaries	5,357	5,391	34	68	(34)
2,607	147		Non-Sal Exp	2,754	2,759	5	(6)	11
(1,207)	(1)		Income	(1,208)	(1,207)	1	0	1
6,903	0		Total	6,903	6,943	40	62	(22)

FINANCE

43. The overall position for Finance at Month 4 is a forecast underspend of £26k due mainly to vacancy management within Procurement and the benefit of additional external grant funding for revenues inspections partly offset by increased expenditure within the Fleet Service.

Table 7: Finance Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 4		Variance (As at Month 4) £'000	Variance (As at Month 2) £'000	Movement from Month 2 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
6,021	47	Exchequer and Business Assurance Services	Salaries	6,068	6,098	30	73	(43)
3,505	12		Non-Sal Exp	3,517	3,541	24	(14)	38
(2,683)	(174)		Income	(2,857)	(2,916)	(59)	(51)	(8)
6,843	(115)		Sub-Total	6,728	6,723	(5)	8	(13)
1,743	0	Procurement	Salaries	1,743	1,707	(36)	(40)	4
3,243	8		Non-Sal Exp	3,251	3,287	36	8	28
(93)	(1)		Income	(94)	(114)	(20)	(1)	(19)
4,893	7		Sub-Total	4,900	4,880	(20)	(33)	13
3,724	0	Corporate Finance	Salaries	3,724	3,713	(11)	(10)	(1)
136	0		Non-Sal Exp	136	144	8	8	0
(170)	0		Income	(170)	(167)	3	7	(4)
3,690	0		Sub-Total	3,690	3,690	0	5	(5)
489	0	Pensions, Treasury & Statutory Accounting	Salaries	489	488	(1)	0	(1)
208	0		Non-Sal Exp	208	208	0	0	0
(275)	0		Income	(275)	(275)	0	0	0
422	0		Sub-Total	422	421	(1)	0	(1)
11,977	47	Finance Directorate	Salaries	12,024	12,006	(18)	23	(41)
7,092	20		Non-Sal Exp	7,112	7,180	68	2	66
(3,221)	(175)		Income	(3,396)	(3,472)	(76)	(45)	(31)
15,848	(108)		Total	15,740	15,714	(26)	(20)	(6)

RESIDENTS SERVICES

44. Residents Services directorate is showing a projected outturn overspend of £256k at Month 4, excluding pressure areas that have identified contingency provisions. The overall variance is a result of pressures across Residual Education and ICT partially netted down by an underspend in Administrative, Technical and Business Services

Table 8: Residents Services Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 4		Variance (As at Month 4) £'000	Variance (As at Month 2) £'000	Movement from Month 2 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
17,619	9	Infrastructure, Waste and ICT	Salaries	17,628	18,065	437	498	(61)
32,237	768		Non-Sal Exp	33,005	33,609	604	470	134
(10,590)	(113)		Income	(10,703)	(11,405)	(702)	(619)	(83)
39,266	664		Sub-Total	39,930	40,269	339	349	(10)
19,221	574	Housing, Environment, Education, Health & Wellbeing	Salaries	19,795	19,977	182	298	(116)
24,490	333		Non-Sal Exp	24,823	24,923	100	323	(223)
(18,024)	(558)		Income	(18,582)	(18,711)	(129)	(481)	352
25,687	349		Sub-Total	26,036	26,189	153	140	13
4,324	25	Planning, Transportation & Regeneration	Salaries	4,349	4,355	6	87	(81)
1,240	181		Non-Sal Exp	1,421	1,473	52	(127)	179
(4,534)	(206)		Income	(4,740)	(4,742)	(2)	96	(98)
1,030	0		Sub-Total	1,030	1,086	56	56	0
13,486	(122)	Administrative, Technical & Business Services	Salaries	13,364	13,221	(143)	(83)	(60)
3,865	(28)		Non-Sal Exp	3,837	3,739	(98)	(110)	12
(10,818)	(4)		Income	(10,822)	(10,873)	(51)	(50)	(1)
6,532	(154)		Sub-Total	6,379	6,087	(292)	(243)	(49)
54,650	486	Residents Services Directorate	Salaries	55,136	55,618	482	800	(318)
61,832	1,254		Non-Sal Exp	63,086	63,744	658	556	102
(43,966)	(881)		Income	(44,847)	(45,731)	(884)	(1,054)	170
72,515	859		Total	73,375	73,631	256	302	(46)

45. 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 4, projected calls on contingency are forecast to be £354k less than the budgeted provision, a £354k favourable movement from Month 2. The following table shows the breakdown for each contingency item.

Table 9: Development and Risk Contingency

Original Budget	Budget Changes	Development & Risk Contingency	Month 4		Variance (As at Month 4)	Variance as at Month 2	Movement from Month 2
			Revised Budget	Forecast Outturn			
£'000	£'000		£'000	£'000	£'000	£'000	£'000
1,072	0	Impact of Welfare Reform on Homelessness	1,072	1,099	27	0	27
1,972	(772)	Waste Disposal Levy & Associated Contracts	1,200	669	(531)	0	(531)
0		Development Control – Income	0	150	150	0	150
3,044	(772)	Current Commitments	2,272	1,918	(354)	0	(354)

46. The call on the Waste contingency is £669k, to fund estimated population driven increases in the cost of tonnages via the West London Waste Authority (WLWA) levy and associated waste disposal contracts. This reflects a reduction of £531k compared with budget, comprising two key elements:
- The WLWA has recently disbursed excess reserves to boroughs, with Hillingdon having received £331k at the end of July.
 - The retendering of the Council's contract for the collection and processing of highways arising, bulky items and street litter has resulted in the appointment of a new supplier for that element relating to highways arisings and street sweepings, at a reduced cost.
47. The first four months of 2019/20 have seen 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 of the Council's mixed dry recycling contract with Biffa (with some additional risk arising as a result of high contamination levels) and significant costs have been incurred in relation to fly tipping clearance and disposal. Current projections indicate that these factors can be managed within the remaining contingency sum, with the position expected to become clearer as the year progresses and the impact of seasonal fluctuations and wider market factors on variable contracts emerges.
48. The Month 4 data in the table below shows the use of Temporary Accommodation. The first three months of the financial year saw an increase in the number of Households in higher cost Bed & Breakfast placements, continuing the trend from quarter four of 2018/19. At Month 4, there was a reduction in the use of Temporary Accommodation overall, the majority of which was from reduced B&B placements. The total number accommodated is still currently higher than budgeted for in 2019/20; however, management actions to meet the targets continue to be progressed.

Table 10: Housing Needs performance data

	May 19	June 19	July 19
All Approaches	283	236	254
Full Assessment Required	197	139	140
New into Temporary Accommodation (Homeless and Relief)	47	44	23
Households in Temporary Accommodation	490	507	471
Households in B&B	181	198	171

49. 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 £1,099k, £27k above the budgeted provision. The service is forecasting the number of clients in B&B accommodation will average 176 over the financial year. The cost of increased Bed and Breakfast use combined with a planned reduction in numbers through private sector placements has resulted in a greater call on accommodation budgets.
50. 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.
51. There has been a marked downturn in volumes of major planning applications submitted to the Council during the first quarter of 2019/20, with income over this period £150k lower than that secured in the first quarter of 2018/19. While there has been an increase during Month 4 back to normal levels of activity, it is unlikely that income over the remaining eight months will be sufficient to offset the pressure experienced in quarter one and therefore a pressure of £150k is reported against General Contingency. This major revenue stream will continue to be closely monitored over the remainder of this financial year.

Infrastructure, Waste and ICT (£339k overspend, £10k favourable movement)

52. At Month 4, there is a £339k forecast overspend, a favourable movement of £10k from Month 2, arising from a number of variances across 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.
53. Earmarked reserve drawdowns are offsetting the gross pressure on Waste Services of £365k. The projected underlying pressure reflects a staffing overspend of £777k due to additional agency usage within Street Cleansing, high levels of overtime and an unachievable managed vacancy factor owing to the need to cover permanent staff absences across frontline teams. The non-staffing pressure at Month 4 is £11k.
54. An overspend on Public Convenience costs owing to the timing of removal of several JCDecaux units, refuse sacks and staff training costs are largely netted down by a £311k underspend on the budget for a second CA site, given expectations that the current monthly waste weekend operation will increase to weekly with effect from the half year. Offsetting these pressures is an anticipated £423k income over-achievement, reflecting buoyant trade tipping activity at the New Years Green Lane CA site and an uplift in commercial waste fees and charges as the service starts to implement changes arising from the recent BID review.
55. ICT is reporting a net pressure of £375k. There is a forecast overspend on contract costs of £499k, partly netted down by a £125k staff costs underspend, arising as a result of vacancies whilst the service progresses a recently approved restructure and several officers having left the pension scheme. The service continues to review contracts and the impact of the cloud migration in order to manage down this pressure.
56. ASBET's forecast overspend is £34k at Month 4, reflecting an additional environmental services agency assignment and costs associated with the eviction of trespassers from Council owned green spaces under the remit of the borough wide injunction regarding prevention of encampments and fly tipping.
57. There is a forecast £58k underspend reported within the Corporate Communications, largely reflecting a number of vacancies as the service progresses recruitment following the implementation of last year's BID review.

Housing, Environment, Education, Health & Wellbeing (£153k overspend, £13k adverse movement)

58. At Month 4 there is an overspend position of £153k across the service. Pressures within the Residual Education function and Business Performance are being mitigated by underspends within the wider Housing Options and Standards team.
59. Green Spaces is forecasting a breakeven position against budget at Month 4, including a drawdown of £25k earmarked reserve from the Youth fund. This an adverse movement of £3k from Month 2. Non-staffing pressures are driven by the delay in the planned closure of Ruislip Golf course from May to September when the next phase of HS2 works commences; in addition, there are pressures in grounds maintenance for equipment maintenance and repair. The position is mitigated by additional income and HS2 compensation at Ruislip Golf course, underspends from hard to recruit vacant posts within Youth Centres, and forecast income anticipated to exceed targets at Battle of Britain Bunker and Visitor Center.
60. There continues to be a pressure within the Residual Education service. The delivery of these functions is currently being reviewed as part of a BID workstream.
61. The Housing Options, Homelessness and Standards team is projecting an underspend of £73k, this is as a result of increased enforcement income.

Planning, Transportation & Regeneration (£56k overspend, nil movement)

62. During 2019/20, external consultants have been commissioned to provide specialist technical support where posts have been vacant, accounting for the adverse variance across staffing and non-staffing expenditure of £58k. With the exception of Development Control income where a shortfall is reported against General Contingency, there are no material variances on income across the service.

Administrative, Technical & Business Services (£292k underspend, £49k favourable movement)

63. The £49k improvement on Month 2 primarily relates to staffing estimates, with revised recruitment assumptions in the Contact Centre and Technical Administration support teams. A minor adverse movement in non-staffing relates to increased laboratory testing activity at the Imported Food Office, with a view to generating additional future income through identification and reporting of at-risk products, for prospective inclusion on subsequent import testing lists.
64. The favourable non-staffing position reflects a rebate from the Council's Parking Enforcement supplier through effective contract management. An estimated overachievement of income in the service is largely due to the current the increase in high volume, high value testing of import products at the Imported Food Office.

SOCIAL CARE (£35k overspend, £5k adverse)

65. Social Care is projecting an overspend of £35k as at Month 4, a slight adverse movement of £5k on the Month 2 projections. Included in this position is an underspend in Children's Services and SEND staffing costs and a reduction in income from the CCG relating to a number of clients previously fully funded by the CCG for Continuing Health Care needs. Additionally, the service is managing a number of ongoing pressures including a £585k net pressure in the running costs of the Early Years Centres, ongoing pressures on the cost of Legal Counsel, the provision of Temporary Accommodation for Section 17 cases and the above inflation increase in the cost of agency staff in the SEN Transport Service.

Table 11: Social Care Operating Budgets

Original Budget £'000	Budget Changes £'000	Service		Month 4		Variance (As at Month 4) £'000	Variance (As at Month 2) £'000	Movement from Month 2 £'000
				Revised Budget £'000	Forecast Outturn £'000			
18,441	(804)	Children's Services	Salaries	17,637	17,291	(346)	132	(478)
17,704	791		Non-Sal Exp	18,495	18,939	444	438	6
(7,656)	(15)		Income	(7,671)	(7,892)	(221)	(153)	(68)
28,489	(28)		Sub-Total	28,461	28,338	(123)	417	(540)
2,051	104	SEND	Salaries	2,155	1,932	(223)	(90)	(133)
186	262		Non-Sal Exp	448	448	0	(10)	10
(427)	0		Income	(427)	(411)	16	17	(1)
1,810	366		Sub-Total	2,176	1,969	(207)	(83)	(124)
7,720	0	Adult Social Work	Salaries	7,720	7,719	(1)	11	(12)
72,847	409		Non-Sal Exp	73,256	73,559	303	(29)	332
(21,829)	224		Income	(21,605)	(21,579)	26	109	(83)
58,738	633		Sub-Total	59,371	59,699	328	91	237
18,286	116	Provider and Commissione d Care	Salaries	18,402	18,291	(111)	(431)	320
11,525	572		Non-Sal Exp	12,097	13,200	1,103	985	118
(3,496)	(273)		Income	(3,769)	(4,724)	(955)	(949)	(6)
26,315	415		Sub-Total	26,730	26,767	37	(395)	432
46,498	(584)	Social Care Directorate Total	Salaries	45,914	45,233	(681)	(378)	(303)
102,262	2,034		Non-Sal Exp	104,296	106,146	1,850	1,384	466
(33,408)	(64)		Income	(33,472)	(34,606)	(1,134)	(976)	(158)
115,352	1,386		Total	116,738	116,773	35	30	5

SOCIAL CARE DEVELOPMENT AND RISK CONTINGENCY (£403k overspend, £258k adverse)

66. 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 12 sets out the Month 4 projected position for the Development and Risk Contingency, which is reporting a pressure of £403k, an adverse movement of £258k on the Month 2 position, due to emerging pressures across Adult Placements and SEN Transport. These are being partially offset by significant improvements in the cost of Looked After Children placements, increased grant income for Unaccompanied Asylum Seeking Children and the estimated additional Better Care Fund Income.
67. The overspend is due to pressures in the cost of Adult placements, where there are indications of significant underlying growth across Older People, Mental Health and Learning Disability placements. The service have put in place a range of management actions, including a further review of all high cost placements, a review of all of the block contracts to maximise occupancy rates and a review of all external income. The service are also experiencing a change in SEN Transport requirements, where an increase in single occupancy or lower occupancy routes is being seen, due to a continued high level of growth in the number of children that have an Education, Health and Care Plan. The September 2019 data indicates that there are 17 additional children that have been placed in Independent and Non-Maintained Special schools, the majority of which will not be able to join existing routes.

Table 12: Social Care Development & Risk Contingency

Original Budget	Budget Changes	Development & Risk Contingency	Month 4		Variance (As at Month 4)	Variance (As at Month 2)	Movement from Month 2
			Revised Budget	Forecast Outturn			
£'000	£'000		£'000	£'000	£'000	£'000	£'000
1,885	0	Asylum Service	1,885	1,263	(622)	0	(622)
3,273	(403)	Demographic Growth - Looked After Children	2,870	2,490	(380)	(196)	(184)
1,017	(367)	Demographic Growth - Children with Disabilities	650	650	0	196	(196)
277	0	Social Worker Agency Contingency	277	250	(27)	0	(27)
997	(259)	SEN Transport	738	1,716	978	0	978
1,938	(988)	Demographic Growth - Adult Social Care	950	1,735	785	145	640
0	0	Additional BCF Income	0	(331)	(331)		(331)
9,387	(2,017)	Current Commitments	7,370	7,773	403	145	258

Asylum Service (£622k underspend, £622k improvement)

68. The service is projecting a drawdown of £1,263k from the contingency as at Month 4, an improvement of £622k on the Month 2 position, due to a recalculation of the expected level of grant income that will be received. This follows the recent announcement that the funding rate for all UASC aged 16 to 17 will be increased from £91 per day to £114 per day with effect from 1 April 2019.

Demographic Growth - Looked After Children (£380k underspend, £184k improvement)

69. The service is projecting a drawdown of £2,490k from the Contingency, an underspend of £380k as at Month 4 and an improvement of £184k on the Month 2 position. Based on current

activity levels, the number of placements appears to be quite stable, with only minor movements each month. It is, however, noted that the budget for 2019/20 was increased by £2,870k, reflecting the significant growth in costs of providing support for Looked After Children in 2018/19, especially those in high cost Residential placements outside of the Borough. This also reflected an increase in the average weekly unit cost of a placement, which has continued into the current financial year. It is still very evident that the type of places needed are becoming increasingly harder to source as other local authorities are trying to secure similar placements and has resulted in the Council placing a number of children in the Council's own Children's Homes.

70. 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. Alongside this, the service has started to implement new ways of working, with the targeted use of a £400k grant, to support vulnerable children and prevent them from entering the care system. Early Indications are that this is having a significant impact on supporting young people and families to remain in their existing environment rather than being bought into the care system and could partly explain why the number of High Cost Placements has stabilised.

Demographic Growth – Children with Disabilities (Nil variance, £196k improvement)

71. The service is projecting the full drawdown of £650k from the Contingency, an improvement of £196k on the Month 2 position. It is evident 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. As a result, 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 cost of placements.

Social Worker Agency (Children's) (£27k underspend, £27k improvement)

72. The service is projecting a drawdown of £250k from the contingency as at Month 4, an improvement of £27k on the Month 2 position, due to a shift in the cost and use of agency Social Workers. 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 for an agency worker, as the recruitment of Social Workers continues to be very competitive. At its meeting on 22 July 2019, Cabinet agreed to enter into a contract with Sanctuary Ltd for a specialist agency provision for qualified Social Workers and SEND staff. Based on the new rates proposed in this new contract, the premium cost of an agency worker reduces from on average of approximately £18k to £13k. This position will be closely monitored as the Social Care market remains highly competitive

Demographic Growth - SEN Transport (£978k overspend, £978k adverse)

73. The service is projecting a drawdown of £1,716k from the SEN Transport contingency as at Month 4, an adverse movement of £978k on the Month 2 position. This reflects the continued growth in the number of children that have an Education, Health and Care Plan (EHCP), which is currently running at approximately 10% per annum and that it is becoming more challenging to avoid having to procure single occupancy or lower occupancy routes as children are being placed further away. It is now evident that the demographic growth is significantly higher than anticipated when the budgets were set in February 2019.
74. The latest data suggests that there has been a net increase in costs of £491k between September 2018 and May 2019 relating to new routes, and an additional cost of £177k for Passenger Assistants. Further analysis indicates that the average cost per route per day has increased from £117 in September 2018 to £135 in June 2019, an increase of £18 which equivalent to 15.4%. A further 17 children are currently indicated to be starting a new SEN

placement in an Independent or Non-maintained special school in September 2019 and it is highly likely that these children will not be able to be placed on an existing route. Therefore the month 4 forecast includes a further £327k to reflect that the service will need to procure more single occupancy or lower level of occupancy routes.

Demographic Growth - Adult Social Care (£785k overspend, £640k adverse)

75. The service is projecting a drawdown of £1,735k from the Adult Social Care contingency, an overspend of £785k as at Month 4 and an adverse movement of £640k on the Month 2 position. The overspend is due to pressures in the cost of Adult placements, where there are indications of significant underlying growth across Older People, Mental Health and Learning Disability placements. The service have put in place a range of management action, including a further review of all high cost placements, a review of all of the block contracts to maximise occupancy rates and a review of all external income to mitigate some of the gross pressure emerging.

DIRECTORATE OPERATING BUDGETS (£35k overspend, £5k adverse)

Children's Services (£123k underspend, £540k improvement)

76. The service is projecting an underspend of £123k, as at Month 4, an improvement of £540k on the Month 2 position where the service has a high number of vacant posts, predominantly across the Early Intervention and Prevention services, which will be subject to a BID review. The salary budget is projecting an underspend of £346k, which also reflects the success of the recruitment of Newly Qualified Social Workers. There remains challenges in recruiting Senior Social Workers and the service will explore the best approach to addressing this over the coming months.

Special Educational Needs & Disabilities (£207k underspend, £124k improvement)

77. The service is projecting an underspend of £207k as at Month 4, an improvement of £124k on the Month 2 position. The majority of this 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 (£328k overspend, £237k adverse)

78. The service is projecting an overspend of £328k as at Month 4, an adverse movement of £237k on the Month 2 position. This relates to a reduction in the amount of income that the Council is forecast to receive from a number of clients funded fully or partially from the CCG, as they met the Continuing Health Care (CHC) threshold, where a recent assessment has indicated that these clients have a reduced CHC need. A review of all S117 clients (including those not previously funded by the CCG), has indicated that there will be a shortfall in the additional income generated when compared to the saving proposal. This shortfall will be managed in year through one-off management action.

Provider and Commissioned Care (£37k underspend, £432k adverse)

79. The service is projecting an underspend of £37k as at Month 4, an adverse movement of £432k on the Month 2 position, due to an increase in the projected staffing costs and an increase in non-staffing costs. This position includes a projected overspend of £585k on the Early Years Centres and an overspend of £222k on SEN Transport agency staffing costs, which is being mitigated by implementing the new approach to managing the Better Care Fund capital grant, where the reported position reflects a £919k positive revenue impact in 2019/20.

Appendix B – Other Funds

SCHOOLS BUDGET

Dedicated Schools Grant (£2,863k overspend, £853k adverse)

80. The Dedicated Schools Grant (DSG) outturn position is an in-year overspend of £2,863k at Month 4, an adverse movement of £853k on the Month 2 position. This overspend is due to continuing pressures in the cost of High Needs and alternative provision placements. When the £8,492k deficit brought forward from 2018/19 is taken into account, the cumulative deficit carry forward to 2020/21 is £11,355k.

Table 13: DSG Income and Expenditure 2019/20

Original Budget	Budget Changes	Funding Block	Month 4			Variance (at Month 2)	Movement from Month 2
			Revised Budget	Forecast Outturn	Variance		
			£'000	£'000	£'000		
(278,655)	(414)	Dedicated Schools Grant Income	(279,069)	(279,069)	0	0	0
215,155	0	Schools Block	215,155	215,075	(80)	0	(80)
24,621	107	Early Years Block	24,928	24,916	(12)	0	(12)
3,173	14	Central School Services Block	3,187	3,742	555	348	207
35,706	293	High Needs Block	35,799	38,199	2,400	1,662	738
0	0	Total Funding Blocks	0	2,863	2,863	2,010	853
0	0	Balance Brought Forward 1 April 2019	8,492	8,492			
0	0	Balance Carried Forward 31 March 2020	8,492	11,355			

Dedicated Schools Grant Income (nil variance, no change)

81. The DSG has been adjusted to reflect the actual uptake of the free entitlement for eligible two, three and four year olds. This adjustment was based on the January 2019 census and includes a retrospective change to the 2018/19 funding, as well as a recalculation of the 2019/20 Early Years block funding. This has resulted in an increase to the Early Years block allocation following an uptake in the number of eligible children accessing the additional hours free entitlement. There has also been an amendment to the High Needs block allocation following confirmation of the import/export adjustment for 2019/20 which updates funding to reflect the local authority in which pupils with SEND are resident.

Schools Block (£80k underspend, £80k favourable)

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.
84. Schools Forum took the decision to withhold growth contingency allocations for two schools due to insufficient projected pupil growth in September 2019. Based on projected Reception class numbers for September, it is therefore anticipated that there will be an underspend

relating to this allocation, however, officers are still in negotiation with one school on the level of diseconomies of scale funding that is being requested, which could significantly affect this position

Early Years Block ((£12k underspend, £12k favourable)

85. Two year old funding has been adjusted to reflect the number of children accessing the free entitlement recorded on the January 2019 census. This has resulted in a decrease in funding of £140k relating to 2019/20. This potentially could cause an additional pressure in the Early Years block if the number of children accessing the free entitlement increases, as any funding adjustment will be based on numbers recorded in the January 2020 census.
86. The 3 and 4 year old funding for both the universal and the additional free entitlement has also been adjusted in July following the January 2019 census. As anticipated the funding allocation has increased as the number of children accessing the additional free entitlement has increased significantly over the past year. There was also a retrospective adjustment relating to 2018/19, however, this was lower than anticipated.

Central School Services Block (£556k overspend, £208k adverse)

87. The overspend is as a result of an increase in the number of young people accessing alternative provision. The Council 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 Council is working with the provider to review the number of commissioned places.
88. 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.
89. In addition, there is a continuing pressure on the educational contribution towards placements for looked after children. These placements are generally high cost out of borough residential placements, and if the setting is providing education, a proportion of the cost is funded from the DSG

High Needs Block (£2,400k overspend £738k adverse)

90. There continues to be significant pressure in the High Needs Block in 2019/20, with an increase in the number of pupils with SEN resulting in an overspend of £2,400k being projected at month 4. 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 23%. 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.
91. There is a projected overspend in expenditure on the placement of pupils with SEN in independent or non-maintained schools. Due to a continuing lack of capacity in-borough, there is a requirement to place pupils in more costly school placements, with seventeen children commencing new placements in Independent special schools from September 2019. This is resulting in significant additional pressure on the High Needs block.

92. 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.
93. 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.
94. 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 £325k.

COLLECTION FUND

95. A surplus of £521k is reported within the Collection Fund relating to a favourable position on 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 2020/21.
96. 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 4		Variance (As at Month 4) £'000	Variance (As at Month 2) £'000	Movement from Month 2 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
(125,113)	0	Council Tax	Gross Income	(125,113)	(125,254)	(141)	(99)	(42)
10,613	0		Council Tax Support	10,613	10,653	40	(6)	46
(734)	0		B/fwd Surplus	(734)	(592)	142	142	0
(115,234)	0		Sub-Total	(115,234)	(115,193)	41	37	4
(110,633)	0	Business Rates	Gross Income	(110,633)	(112,723)	(2,090)	(2,068)	(22)
(5,286)	0		Section 31 Grants	(5,286)	(4,499)	787	867	(80)
51,960	0		Less: Tariff	51,960	51,960	0	0	0
8,549	0		Less: Levy	8,549	9,872	1,323	1,236	87
(302)	0		B/fwd Deficit	(302)	(884)	(582)	(582)	0
(55,712)	0	Sub-Total	(55,712)	(56,274)	(562)	(547)	(15)	
(170,946)	0	Total Collection Fund		(170,946)	(171,467)	(521)	(510)	(11)

97. At Month 4 a deficit of £41k is projected against Council Tax, which is an adverse movement of £4k from Month 2, the movement includes an improvement in Gross Income of £42k, offset by an adverse movement of £46k in Council Tax Support. The deficit is predominantly as a result of the shortfall against the brought forward surplus of £142k, offset by the net forecast variance of £101k within the current year's activity. Within this position, potential volatility in Discounts, Exemptions and the Council Tax Reduction Scheme continue to be closely monitored.
98. Council Tax Discounts are running marginally higher than expected, with a pressure in the Collection Fund of £182k, this is due to the Single Persons Discount review being conducted later than in previous years; the outcomes of the review are now expected to hit the Collection Fund by the end of September.
99. A £562k surplus is reported across Business Rates at Month 4, which is a favourable movement of £15k from Month 2; the favourable movement is being driven by both an improvement in Gross Rates and Section 31 Grants totalling £102k, being offset by an increase in the pressure on the Levy Adjustment of £87k. The net surplus is driven by growth in Gross Rates due to a number of new developments in the borough being brought into rating. Within this position, potential volatility in respect of Reliefs and Appeals continues to be closely monitored.

Appendix C – HOUSING REVENUE ACCOUNT

100. The Housing Revenue Account (HRA) is currently forecasting a drawdown of reserves of £1,234k, which is £11k more favourable than the budgeted position, with a favourable movement of £6k on Month 2. The 2019/20 closing HRA General Balance is forecast to be £17,026k. 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 4		Variance (+ adv / - fav)		
	Revised Budget	Forecast Outturn	Variance (As at Month 4)	Variance (As at Month 2)	Movement from Month 2
	£'000	£'000	£'000	£'000	£'000
Rent Income	(56,186)	(55,568)	618	0	618
Other Income	(5,224)	(5,367)	(143)	0	(143)
Net Income	(61,410)	(60,935)	475	0	475
Housing Management	13,230	13,215	(15)	110	(125)
Tenant Services	4,411	4,499	88	9	79
Repairs	5,294	5,287	(7)	8	(15)
Planned Maintenance	4,255	3,703	(552)	(132)	(420)
Capital Programme Funding	18,820	18,637	(183)	0	(183)
Interest & Investment Income	15,385	15,568	183	0	183
Development & Risk Contingency	1,260	1,260	0	0	0
Operating Costs	62,655	62,169	(486)	(5)	(481)
(Surplus) / Deficit	1,245	1,234	(11)	(5)	(6)
General Balance 01/04/2019	(18,260)	(18,260)	0	0	0
General Balance 31/03/2020	(17,015)	(17,026)	(11)	(5)	(6)

Income

101. As at Month 4 the rental income is forecast to under recover by £618k, an adverse movement of £618k on Month 2 which reflects updated assumptions on stock movements and the timing of when new stock is likely to be rented to tenants. Other Income is forecast to over recover by £143k, a favourable movement of £143k on Month 2 due to an increase in leaseholders' charges relating to 2018/19 actuals and 2019/20 estimates.

102. The number of RTB applications received in the first four months of 2019/20 was 64 compared to 58 for the same period in 2018/19, an increase of 10%. There have been 14 RTB completions in the first four months of 2019/20 compared to 16 for the same period in 2018/19. The 2019/20 RTB sales forecast for the year is the same as the budget at 60 sales.

Expenditure

103. The Housing management service is forecast to underspend by £15k, a favourable movement of £125k on Month 2 mainly due to a re-alignment of budgets on running costs e.g. utilities, and favourable staffing movements of £23k relating to delays in recruiting staff.

104. Tenant services is forecast to overspend by £88k, an adverse movement of £79k on Month 2 relating to increased forecast expenditure on running costs.

105. The repairs budget is forecast to underspend by £7k, a favourable movement of £15k on Month 2 due to increased forecast income from tenants' rechargeable works of £42k, redundancy costs of £8k and increase in running costs of £19k.
106. The planned maintenance budget is forecast to underspend by £552k, a favourable movement of £420k on Month 2. This is due to reduced forecast spend on service contracts of £130k, the reprofiling of the external decorations programme of £400k and a re-alignment of budget of £110k from planned maintenance to repairs to fund repairs void pressures.
107. As at Month 4 the forecast for the capital programme funding is an underspend of £183k and this is funding the overspend on interest and investment income of £183k, which is the interest payable to MHCLG on the 2019/20 quarter 1 repayable RTB 1-4-1 capital receipts.

HRA Capital Expenditure

108. The HRA capital programme is set out in the table below. The 2019/20 revised budget is £73,419k. The 2019/20 forecast expenditure is £60,095k with a net variance of £13,324k of which £13,365k due to rephasing and a net cost overspend of £41k. The net movement from Month 2 is a reduction of £1,148k due to a reduction in costs of £200k and an increase in rephasing of £948k.

Table 18: HRA Capital Expenditure

Programme	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	Movement 2019-24
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Major Projects (Note 1)								
New General Needs Housing Stock	39,025	33,323	241	(5,943)	143,374	143,615	241	0
New Build - Shared Ownership	10,028	4,983	0	(5,045)	14,798	14,798	0	0
New Build - Supported Housing Provision	3,960	2,463	(200)	(1,297)	6,418	6,218	(200)	(200)
Total Major Projects	53,013	40,769	41	(12,285)	164,590	164,631	41	(200)
HRA Programmes of Work								
Works to stock programme	17,755	17,064	0	(691)	59,501	59,501	0	0
Major Adaptations to Property	2,489	2,100	0	(389)	10,204	10,204	0	0
ICT	162	162	0	0	162	162	0	0
Total HRA Programmes of Work	20,406	19,326	0	(1,080)	69,867	69,867	0	0
Total HRA Capital	73,419	60,095	41	(13,365)	234,457	234,498	41	(200)
Movement on Month 2	0	(1,148)	(200)	(948)	0	(200)	(200)	(200)

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

Major Projects

109. The 2019/20 Major Projects programme revised budget is £53,013k. The forecast expenditure is £40,769k, with a rephasing of £12,285k forecast in 2019/20, and a cost variance of £41k during the period 2019-2024. This represents an increase in rephasing of £1,119k and a reduction in cost overspend of £200k compared to the Month 2 position.

New General Needs Housing Stock

110. The 2019/20 General Needs Housing Stock revised budget is £39,025k. There is a forecast rephasing of £5,943k across the General Needs programme partly due to the commencement of some projects being later than initially expected.
111. To date 27 buybacks have been or are pending approval with each acquisition at different stages of completion. The potential buybacks are estimated to cost up to £8,583k. The cost of the buybacks will be funded from the New General Needs Housing Stock uncommitted acquisitions budget.
112. The forecast includes the approved purchase of 7 new properties on the Coleridge Way development for a combined acquisition cost of £3,289k inclusive of SDLT. The legal exchange is now complete and deposit has been paid.
113. 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 with completion expected in the first quarter of next year.
114. 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 expected to be completed within the approved budget.
115. Approval to appoint the contractor is in the process of submission for the redevelopment of the former Willow Tree depot into general needs housing and works are expected to start on site shortly. Tenders have been under evaluation for the main contractor for the development at Maple and Poplar Day Centre.
116. Planning permission has been obtained for the mixed residential development at the former Belmore Allotments site following the need for re-consultation after a petition being lodged. The tendering process for the appointment of the construction works contractor is expected to commence shortly.
117. In July, Cabinet approved the appointment of a contractor for the construction of six general needs housing units at Nelson Road and works are expected to start on site in October 2019.
118. 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

119. The New Build Shared Ownership 2019/20 revised budget is £10,028k. The forecast expenditure is £4,983k with a projected rephasing of £5,045k. This is predominantly stemming from the later than anticipated construction commencement date with respect to the Woodside and Belmore developments.
120. The new build shared ownership budget comprises schemes being delivered across five sites. These are expected to deliver 109 units in total.
121. Planning permission has been received for the former Woodside day centre development. 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

122. The Supported Housing Programme comprises the build of 160 mixed client group units across three different sites. The 2019/20 revised budget is £3,960k with an anticipated rephasing of £1,297k, including the approved scheme at Yiewsley which is currently under review.
123. The scheme at Parkview has run beyond its target completion date and is now expected to be completed in October 2019. Liquidated damages continue to be held against the contractor, although this along with other aspects of the project, remain subject to a legal adjudication process. Although most of the construction build of the housing units are complete, external works remain in progress.
124. The scheme at Grassy Meadow completed last year and the final account position has now been agreed with the main contractor. There is a projected underspend of £200k following a partial release of the remaining contingency.

HRA Programmes of Work

125. The Works to Stock revised budget is £17,755k. The forecast expenditure is £17,064k with a rephasing variance of £691k, across various work streams due to the validation, procurement and consultation timetables required to deliver these works. The increase in forecast expenditure from Month 2 is due to ongoing remedial and fire safety works at Packet Boat House.
126. The major adaptations revised budget is £2,489k and there is forecast rephasing of £389k as the budget is partly uncommitted at this stage of the financial year.
127. The HRA ICT revised budget is £162k and the budget is forecast to be fully spent.

HRA Capital Receipts

128. There have been 14 Right to Buy sales of council dwellings as at the end of July 2019 for a total gross sales value of £2,840k and a further 46 sales are forecast to bring the yearly total to 60, totalling £11,678k in 2019/20.
129. 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. It is, however, 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.
130. 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.
131. The cumulative spend requirement for 2019/20 Q1 was not met. The Q1 target cumulative expenditure was £11,710k and the actual expenditure was £7,437k, resulting in a shortfall of expenditure of £4,273k and of this, 30% is repayable to MHCLG i.e. £1,282k as well as interest charges of £183k.

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	5,560	56	0	56	6,223	6,223	0
2,486	Housing Programme	7	35	35	(0)	0	(0)	35	35	(0)
262	Belmore Allotments	86	5,075	1,580	(3,495)	0	(3,495)	10,556	10,556	(0)
271	Maple and Poplar Day Centre	34	3,398	2,430	(968)	0	(968)	4,949	4,949	0
181	Willow Tree	10	2,488	1,332	(1,156)	0	(1,156)	2,761	2,761	0
84	Housing Programme - Tranche 4	14	2,286	456	(1,830)	0	(1,830)	2,617	2,617	(0)
107	Nelson Road	6	1,938	922	(1,016)	0	(1,016)	2,201	2,201	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	10,942	10,942	0	0	0	60,951	60,951	0
0	Bartram Close (Note 2)	N/A	0	241	241	241	0	0	241	241
343	Woodside Development	20	2,594	97	(2,497)	0	(2,497)	3,077	3,077	0
20,149	Grassy Meadow	88	990	790	(200)	(200)	0	990	790	(200)
12,746	Parkview	60	2,641	1,673	(968)	0	(968)	2,641	2,641	(0)
3	Yiewsley	12	330	0	(330)	0	(330)	2,787	2,787	0
37,979		379	53,013	40,769	(12,244)	41	(12,285)	164,590	164,631	41
4,120	New General Needs Housing Stock	110	39,025	33,323	(5,703)	241	(5,944)	143,374	143,615	241
960	New Build - Shared Ownership	109	10,028	4,983	(5,044)	0	(5,044)	14,798	14,798	0
32,899	New Build - Supported Housing	160	3,960	2,463	(1,497)	(200)	(1,297)	6,418	6,218	(200)
37,979		379	53,013	40,769	(12,244)	41	(12,285)	164,590	164,631	41

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

132. As at Month 4 an under spend of £16,239k is reported on the 2019/20 General Fund Capital Programme of £109,099k, due mainly to rephasing of project expenditure into future years. The forecast outturn variance over the life of the 2019/20 to 2023/24 programme is an over spend of £280k.
133. General Fund Capital Receipts of £8,251k are forecast for 2019/20, with a surplus of £659k in total forecast receipts to 2023/24.
134. Overall, Prudential Borrowing required to support the 2019/20 to 2023/24 capital programmes is forecast to be under budget by £238k. This is due to a combined forecast surplus of £159k on other sources of funding (capital receipts and CIL), and an increase in grants and contributions of £359k, partially offset by net cost over spend of £280k.

Capital Programme Overview

135. 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. Forecast 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	Movement
	£'000	£'000	£'000	£'000
Schools Programme	52,607	52,607	-	-
Self Financing Developments	79,490	79,490	-	-
Main Programme	114,682	114,982	300	300
Programme of Works	152,675	152,655	(20)	(20)
General Contingency	7,500	7,500	-	-
Total Capital Programme	406,954	407,234	280	280
Movement	862	1,142	280	

136. The revised budget has increased by £862k due in part to £645k road safety funding awarded by HS2 accepted by July Cabinet. The revised budget also includes £70k capital grant funding recently received from Public Health England for improvements to alcohol treatment services. The funds are to be paid to ARCH who will manage the project. There have also been new Section 106 funded scheme allocations.
137. The Schools programme includes works on two primary schools expansions at Hillside and Warrender primary schools. The new buildings are complete including external works and final accounts with the contractor are under negotiation. 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. The new building at Vyners Secondary School is expected to be complete by October half term and the re-modelling of the existing school by the end of this year. Works at Ruislip High are underway and expected to be completed in the summer of 2020.

138. The Department for Education have awarded Hillingdon with an additional £1,356k SEND grant funding taking total funding to £4,950k over three years. July Cabinet approved grant payments to two schools totalling £290k for the provision of extra SEND places.
139. The Self-Financing development programme includes £50,000k prudential borrowing to finance the housing company Hillingdon First with construction work in progress at the 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 sites redevelopment, which includes discounted market sale housing and the provision of a new library and community centre. Options for the type of residential developments at each site are under review. A revised planning application has recently been approved for the mixed residential scheme at the former Belmore Allotments site.
140. The Main programme includes major schemes such as the re-provision of Hillingdon Outdoor Activity Centre, for which options are being considered and works are not anticipated to commence on site this year. A forecast over spend of £300k is reported on the Gateway Hillingdon town centres project, due to construction costs of a rain garden in Eastcote being higher than initial design estimates. Works in phases to enhance the Rural Activities Garden Centre are planned to commence this financial year and will continue into next year.
141. Programmes of Works include £3,000k for the new libraries refurbishment programme that is expected to commence later this year at Ruislip Manor and Charville libraries and be completed at all other sites within two years. There are numerous schemes in various stages of progress within the Schools Conditions Building Programme and Civic Centre Works Programmes with some projects continuing into next year. An under spend of £20k is forecast on private sector renewal grants as there are few commitments so far this financial year.
142. There are £1,500k contingency funds per annum over the period 2019-24 available as and when risk issues emerge.

Capital Financing - General Fund

143. Table 20 below outlines the latest financing projections for the capital programme, with a favourable medium term variance of £238k 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	Movement
Council Resource Requirement	73,250	62,051	(11,199)	297,672	297,593	(79)	332
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	24,980	(9,802)	139,035	138,797	(238)	376
Total Borrowing	60,452	49,800	(10,652)	225,071	224,833	(238)	376
Financed By Other Council Resources							
Capital Receipts	8,298	8,251	(47)	47,101	47,760	659	(44)
CIL	4,500	4,000	(500)	25,500	25,000	(500)	-
Total Council Resources	73,250	62,051	(11,199)	297,672	297,593	(79)	332
Grants & Contributions	35,849	30,809	(5,040)	109,282	109,641	359	(52)
Capital Programme	109,099	92,860	(16,239)	406,954	407,234	280	280
Movement	862	(11,177)	(12,039)	862	1,142	280	

144. Forecast capital receipts in 2019/20 amount to £8,251k after financing transformation costs. This amount includes £1,942k General Fund share of Right to Buy (RTB) sales based on a forecast 60 RTB sales this year and sales of several former garage sites planned to be auctioned this financial year. The favourable variance of £659k is mainly due to forecast transformation costs to be funded from capital receipts being lower than the original budget estimate. There is an adverse movement of £44k as one identified receipt is no longer expected to be completed.
145. As at the end of July, a total of £52k Community Infrastructure Levy (CIL) receipts (after administration fees) have been invoiced or received this financial year, however income in respect of two large developments is anticipated shortly. 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.
146. Forecast grants and contributions are £359k higher than the revised budget, mainly 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. The reduction from Month 2 of £52k is partly due to a lower Section 106 contribution than previously anticipated for energy efficiencies within the Hillside primary school expansion.

147. The adverse movement of £376k reported on prudential borrowing is mainly due to the forecast expenditure overspend of £300k within the main programme and reduction in capital receipts and S106 financing.

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	2,880	0	(479)	3,592	3,592	0	1,430	2,144	18
5,097	Secondary Schools Expansions	14,040	11,747	0	(2,293)	40,688	40,688	0	21,704	18,984	0
0	Additional Temporary Classrooms	600	100	0	(500)	4,000	4,000	0	4,000	0	0
0	Schools SRP	2,610	1,300	0	(1,310)	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	16,396	0	(4,582)	52,607	52,607	0	27,503	25,002	102

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	358	300	0	58	358	300	358	0	0
1,466	Uxbridge Change of Heart	530	530	0	0	530	530	0	530	0	0
27	Uxbridge Cemetery Gatehouse	134	45	0	(89)	547	547	0	547	0	0
0	New Museum	500	125	0	(375)	5,632	5,632	0	4,882	0	750
0	New Theatre	1,000	250	0	(750)	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	850	0	(2,687)	25,777	25,777	0	0	0	25,777
23	RAGC Expansion	540	340	0	(200)	1,391	1,391	0	1,391	0	0
2	1 & 2 Merrimans Housing Project	544	200	0	(344)	619	619	0	619	0	0
10,879	Projects Completing in 2019/20:	598	559	0	(39)	598	598	0	598	0	0
24,105	Total Main Programme	11,971	6,787	300	(5,484)	114,682	114,982	300	85,172	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	750	0	(250)	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	759	759	0	0	1,696	1,696	0	0	1,586	110
N/A	School Building Condition Works	4,358	3,070	0	(1,288)	10,758	10,758	0	2,164	7,600	994
N/A	Civic Centre Works Programme	2,686	2,000	0	(686)	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	1,500	0	(305)	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	5,294	4,922	0	(372)	19,186	19,186	0	0	18,440	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	80	(20)	0	500	480	(20)	250	230	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	Public Health England Alcohol Fund	70	70	0	0	70	70	0	0	70	0
N/A	Bowls Club Refurbishments	1,034	1,013	0	(21)	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	1,416	0	(9)	1,425	1,425	0	1,425	0	0

N/A	Harlington Road Depot Improvements	439	339	0	(100)	639	639	0	639	0	0
N/A	Purchase of Vehicles	7,585	5,362	0	(2,223)	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	800	0	(89)	889	889	0	849	40	0
N/A	Section 106 Projects	473	463	0	(10)	473	473	0	0	0	473
	Total Programme of Works	52,650	47,027	(20)	(5,603)	152,675	152,655	(20)	99,472	48,586	4,597

APPENDIX E – 2019/20 AFFORDABLE RENT CHARGE FOR PARK VIEW COURT

1. Hillingdon Council signed a Right To Buy (RTB) agreement with the Government in 2013 which had the expectation that Councils would deliver affordable homes part funded from 1-4-1 RTB receipts. The intention was that these properties would be charged an affordable rent. The intention behind this flexibility is to generate additional capacity for investment in new affordable housing.
2. Affordable rent allows local authorities to set rents at levels that are typically higher than social rents, and properties let on affordable rent terms fall within the definition of social housing.
3. Properties let on affordable rent terms should be made available at a rent of **up to 80% of the gross market rents inclusive of service charges**. In addition, an affordable rent should be **no lower than the potential formula rent for the property**.
4. Housing for vulnerable and older people often includes a range of services to support the particular needs of the client group. When setting an affordable rent level for housing for these client groups, the gross market rent comparable should be based on similar types of service provision.
5. The Park View Court is a Housing Revenue Account (HRA) new build in the Uxbridge area (UB8 3XG) and comprises of 57 one bed-roomed self-contained flats and 3 two bed-roomed self-contained flats. In addition to the rent and property service charges, the tenants will be provided with enhanced tenancy management support and meals.
6. The Head of Property and Estates has assessed the market place for comparables for the Park View Court properties to determine the valuation of the gross market rents inclusive of service charges. The service charges also include enhanced tenancy management and meals, which is relevant for the Park View Court development.
7. The total gross market rent inclusive of service charges is valued at £302.61 per week per one bed-roomed property. **The affordable rent maximum charge is £242.09 (80% of gross market rents)**. In order to provide a margin of safety in case market rents reduce **the recommended affordable rent is £219.39 per week (72.5% of gross market rents)** and this includes a meals charge of £30 for one tenant. For each additional tenant in a property there will be an additional meals charge of £30 per week.
8. The total gross market rent inclusive of service charges is valued at £362.77 per week per two bed-roomed property. **The affordable rent maximum charge is £290.22 (80% of gross market rents)**. In order to provide a margin of safety in case market rents reduce **the recommended affordable rent is £263.01 per week (72.5% of gross market rents)** and this includes a meals charge of £30 for one tenant. For each additional tenant in a property there will be an additional meals charge of £30 per week.
9. Under the formula rent methodology the rent charge the one bed-roomed self-contained flats would be £98.89 per week, the services charges £39.26 per week and the meals charge £30 per week, giving an overall total charge of £168.15 per week. The affordable rent cannot be lower than this.
10. Under the formula rent methodology the rent charge the two bed-roomed self-contained flats would be £113.95 per week, the services charges £39.26 per week and the meals charge £30 per week, giving an overall total charge of £183.21 per week. The affordable rent cannot be lower than this.

11. The table below summarises the rents inclusive of service charges mentioned in this Appendix.

Table 1: Summary of rents inclusive of service charges (one bedroom)

Park View Court Rents	£ per week per property	£ per week per property
	(1 tenant)	(2 tenants)
Gross Market Rent	302.61	332.61
Affordable Rent - Maximum	242.09	272.09
Recommended Affordable Rent	219.39*	249.39*
Affordable Rent – Minimum (i.e. Total charge under formula rent)	£168.15	£198.15

*The £219.39 per week charge for one tenant includes a meals charge of £30. The £249.39 per week charge for two tenants includes a meals charge of £60 (£30*2).

Table 2: Summary of rents inclusive of service charges (two bedroom)

Park View Court Rents	£ per week per property	£ per week per property
	(1 tenant)	(2 tenants)
Gross Market Rent	362.77	392.77
Affordable Rent - Maximum	290.22	320.22
Recommended Affordable Rent	263.01*	293.01*
Affordable Rent – Minimum (i.e. Total charge under formula rent)	£183.21	£213.21

*The £263.01 per week charge for one tenant includes a meals charge of £30. The £293.01 per week charge for two tenants includes a meals charge of £60 (£30*2).

Appendix F – Treasury Management Report as at 31 July 2019

Table 21: Outstanding Deposits – Average Rate of Return 0.66%

Period	Actual (£m)	Actual (%)	Benchmark (%)
Call Accounts and MMF's*	15.4	50.66	70.00
Up to 1 Month Fixed-Term Deposits	0.0	0.00	
Over 1 Month Fixed-Term Deposits	0.0	0.00	0.00
Total	15.4	50.66	70.00
Strategic Pooled Funds	15.0	49.34	30.00
Total	30.4	100.00	100.00

*Money Market Funds

148. Deposits are held with UK 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. There is also an allocation to Strategic Pooled Funds.
149. The average rate of return on day-to-day operational treasury balances is 0.66%. 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.
150. The Council aims to minimise its exposure to bail-in risk by utilising bail-in exempt instruments and institutions whenever possible. However, with average balances being lower than historic levels, the majority of funds need to be held in instant access facilities to manage daily cashflow. It is therefore not possible to fully protect Council funds from bail-in risk. At the end of July, 100% of the Council's day-to-day operational treasury investments had exposure to bail-in risk compared to a June benchmark average of 61% in the Local Authority sector (latest benchmark provided quarterly by the Council's treasury advisors Arlingclose). The Council's exposure reduces to 3.25% once instant access facilities are excluded from the total bail-in percentage.
151. Liquidity was maintained throughout July by placing surplus funds in instant access accounts and making short-term deposits with the DMADF. 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: 3.21%

	Actual (£m)	Actual (%)
General Fund		
PWLB	51.63	20.51
Long-Term Market	15.00	5.96
Temporary	0	0
HRA		
PWLB	152.07	60.42
Long-Term Market	33.00	13.11
Total	251.70	100.00

152. There were no scheduled debt repayments during July. Gilt yields fell further this month, which reduced the cost of potential new borrowing. However as additional borrowing was not required for cashflow purposes it was delayed to avoid unnecessary interest costs. With the ongoing need to take further borrowing and with restrictive premiums, early repayment of debt remains unfeasible.

153. 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 August, cash balances will be placed in instant access accounts and short-term deposits. In addition opportunities to take further borrowing will be monitored and taken if required.

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

155. 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
Chief Executive's Office and Finance Directorate						
Benefit Officer	3/8/2015	29/07/2019	27/10/2019	205	30	235
Benefit Officer	03/04/2017	10/06/2019	08/09/2019	100	14	114
Senior Lawyer ASC & ECS (Child Protection)	26/11/2018	29/07/2019	25/01/2020	84	56	141
Fixed Term Financial Assessment Officer	01/06/2018	01/06/2019	29/05/2020	35	37	72
Residents Services						
Housing Options and Homeless Prevention Officer	24/02/2014	29/07/2019	20/10/2019	1,135	10	1,145
Major Applications (PPA) Planner	03/01/2017	12/08/2019	10/11/2019	184	22	206
Programme Manager (HOAC)	06/11/2017	12/08/2019	10/11/2019	122	23	146
Programme Manager (Planned Works)	27/11/2017	12/08/2019	10/11/2019	141	22	163
Housing Options and Homeless Prevention Officers	08/01/2018	09/09/2019	01/12/2019	53	10	63
Senior Land Contamination Officer	18/11/2018	16/09/2019	15/12/2019	58	19	77
Education Review Project Manager	09/09/2019	09/09/2019	08/03/2020	0	77	77
Media & Campaigns Officer	23/07/2018	09/09/2019	29/11/2019	69	17	87
Social Care						
Support Worker	03/04/2017	01/08/2019	30/09/2019	79	6	85
Support Worker	03/10/2016	01/08/2019	30/09/2019	67	4	71
Support Worker	03/04/2017	01/08/2019	30/09/2019	66	5	71
Care Worker	06/07/2016	01/08/2019	30/09/2019	88	5	93
Social Worker	26/07/2017	01/08/2019	30/09/2019	145	12	158
Approved Mental Health Worker	05/02/2018	01/08/2019	30/09/2019	77	9	86
AMHP	03/09/2018	01/08/2019	30/09/2019	76	15	91
Approved Mental Health Worker	01/06/2015	01/08/2019	30/09/2019	277	10	287

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
Care Worker	05/06/2017	01/08/2019	30/09/2019	-	4	4
Care Worker	06/03/2017	01/08/2019	30/09/2019	68	5	73
Support Worker	04/04/2016	01/08/2019	30/09/2019	94	5	99
Social Worker/Senior Social Worker	02/10/2017	01/08/2019	30/09/2019	124	12	136
Advanced Social Work Practitioner	30/04/2018	01/08/2019	30/09/2019	90	-	90
Social Worker	05/06/2017	01/08/2019	30/09/2019	129	10	139
Social Worker	16/04/2018	01/08/2019	30/09/2019	90	-	90
Social Worker	29/10/2018	01/08/2019	30/09/2019	6	12	18
Social Worker	04/06/2018	01/08/2019	30/09/2019	78	0	78
Social Worker / Senior Social Worker	04/09/2017	01/08/2019	30/09/2019	137	13	150
Social Worker	04/06/2018	01/08/2019	30/09/2019	97	15	112
Advanced Social Work Practitioner	30/04/2018	01/08/2019	30/09/2019	100	0	100
Night Care Worker	04/06/2017	01/08/2019	30/09/2019	60	5	65
Service Manager	30/07/2018	01/08/2019	30/09/2019	120	-	120
Head of Mental Health and Learning Disability	29/10/2018	01/08/2019	30/09/2019	85	23	108
AMHP	04/02/2019	01/08/2019	30/09/2019	0	13	13
Nursery Practitioner	01/10/2017	01/08/2019	30/09/2019	59	5	65
Early Years Practitioner	12/09/2014	01/08/2019	30/09/2019	65	2	67
Early Years Practitioner	24/02/2014	01/08/2019	30/09/2019	79	2	81
Early Years Practitioner	06/02/2017	01/08/2019	30/09/2019	61	5	66
Early Years Practitioner	25/03/2016	01/08/2019	30/09/2019	69	5	74
Nursery Officer	05/09/2016	01/08/2019	30/09/2019	63	5	68
Early Years Practitioner	23/02/2015	01/08/2019	30/09/2019	95	5	100
Service Development & Quality Assurance Officer	01/04/2013	01/08/2019	30/09/2019	0	20	20
Social Worker (CHC)	03/01/2017	01/08/2019	30/09/2019	123	9	132
Programme Lead-Urgent & Emergency Care	01/03/2018	01/08/2019	30/09/2019	215	27	242
Team Manager	17/07/2017	01/08/2019	30/09/2019	207	19	226

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
Senior Social Worker	01/04/2013	01/08/2019	30/09/2019	175	14	189
Social Worker	06/04/2017	01/08/2019	30/09/2019	90	14	104
Social Worker	23/10/2017	01/08/2019	30/09/2019	124	12	136
Social Worker	13/11/2016	01/08/2019	30/09/2019	178	0	178
Social Worker	16/12/2016	01/08/2019	30/09/2019	202	14	216
Social Worker	21/08/2016	01/08/2019	30/09/2019	204	14	218
Social Worker	05/09/2014	01/08/2019	30/09/2019	371	0	371
Social Worker	10/07/2017	01/08/2019	30/09/2019	134	14	148
Social Worker	07/11/2016	01/08/2019	30/09/2019	213	14	227
Social Worker	04/05/2015	01/08/2019	30/09/2019	264	12	276
Social Worker	13/04/2015	01/08/2019	30/09/2019	306	14	320
Social Worker	01/04/2013	01/08/2019	30/09/2019	234	14	248
Social Worker	11/07/2016	01/08/2019	30/09/2019	226	14	240
Social Worker	01/08/2015	01/08/2019	30/09/2019	256	16	272
Team Manager	27/03/2017	01/08/2019	30/09/2019	201	16	217
Social Worker	27/10/2016	01/08/2019	30/09/2019	196	14	210
Social Worker	01/12/2016	01/08/2019	30/09/2019	152	13	165
Educational Psychologist	04/02/2019	01/08/2019	30/09/2019	59	0	59
Social Worker	14/08/2017	01/08/2019	30/09/2019	137	0	137
Educational Psychologist	04/02/2019	01/08/2019	30/09/2019	11	25	36
Educational Psychologist	15/11/2015	01/08/2019	30/09/2019	291	17	308
Special Needs Officer	01/12/2016	01/08/2019	30/09/2019	168	13	181
Social Worker	11/08/2014	01/08/2019	30/09/2019	396	14	410
Social Worker	01/01/2013	01/08/2019	30/09/2019	416	14	430
Social Worker	01/04/2013	01/08/2019	30/09/2019	210	14	224
Social Worker	26/08/2016	01/08/2019	30/09/2019	197	13	210
Support Worker	20/12/2015	01/08/2019	30/09/2019	94	7	101

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
Social Worker	04/07/2016	01/08/2019	30/09/2019	248	14	262
Social Worker	03/07/2016	01/08/2019	30/09/2019	244	16	260
Social Worker	21/11/2016	01/08/2019	30/09/2019	186	14	200
Social Worker	01/01/2013	01/08/2019	30/09/2019	411	14	425
Senior Social Worker	29/06/2017	01/08/2019	30/09/2019	177	14	191
Senior Social Worker	05/10/2015	01/08/2019	30/09/2019	222	0	222
Education Health and Care Officer	01/07/2017	01/08/2019	30/09/2019	94	11	105
Principal Educational Psychologist	01/08/2015	01/08/2019	30/09/2019	241	25	266
Senior Educational Psychologist	15/08/2016	01/08/2019	30/09/2019	210	25	235
Educational Psychologist	01/03/2016	01/08/2019	30/09/2019	261	27	288
Social Worker	02/07/2017	01/08/2019	30/09/2019	127	14	141
Independent Domestic Violence Advocate	01/10/2018	01/08/2019	30/09/2019	41	9	50
Senior Social Worker	30/04/2012	01/08/2019	30/09/2019	224	14	238
Practice Improvement Practitioner	08/05/2014	01/08/2019	30/09/2019	173	15	188
Child Protection Chair	01/07/2015	01/08/2019	30/09/2019	127	17	144
Social Worker	01/04/2018	01/08/2019	30/09/2019	102	14	116

Appendix H

Recent Cabinet level contract decisions taken under urgency provisions

In the absence of a Cabinet meeting during the summer, the Leader of the Council, with relevant Cabinet Members, took two contract decisions which would have ordinarily be reserved to the Cabinet to take given that proposed contract values exceeded £500k.

The Constitution provides for the Leader of the Council 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 below:

26 July 2019 – Special Urgency Decision – Managed Service for the Supply and Distribution of Materials for the In-House Repairs Team

RESOLVED: That the Leader of the Council and Cabinet Member for Finance, Property and Business Services agree:

- 1. The direct award via a framework to Grafton Merchanting GB Limited for the provision of a managed service for the supply and distribution of materials for the in-house repairs team to the London Borough of Hillingdon for a three year period from 1 October 2019 to 30 September 2022 and at the estimated value of £706K per annum.**
- 2. Furthermore, that this includes the provision to extend the contract for a one year period, subject to the approval of the Leader of the Council and Cabinet Member for Finance Business and Property Services, in consultation with the Corporate Director of Residents Services.**

This decision provided for a direct award for materials services, following the integration of the Housing Repairs Service and Facilities Management into a combined function and a review of the provision of associated services.

3 September 2019 - Special Urgency Decision - Appointment of Contractor for the Refurbishment of Council Libraries

RESOLVED: That the Leader of the Council and Cabinet Members for Central Services, Culture & Heritage and Finance, Property and Business Services accept the tender from Greyline Builders Ltd for the refurbishment of the London Borough of Hillingdon's libraries at the value of £2,647,135.

This decision enabled the appointment of a contractor to commence works to refurbish or re-build the Borough's libraries, which were last completed in 2014 as part of a major programme. This will ensure that Hillingdon's libraries continue be in a good condition, as well as valued community facilities into the next decade.

BACKGROUND PAPERS

Decision Notices: 26 July 2019 and 3 September 2019