

COUNCIL BUDGET - 2019/20 REVENUE AND CAPITAL MONTH 10 BUDGET MONITORING

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

HEADLINE INFORMATION

Purpose of report	<p>This report provides the Council's forecast financial position and performance against the 2019/20 revenue budget and Capital Programme.</p> <p>A net in-year underspend of £1,769k is reported against 2019/20 General Fund revenue budgets as of January 2019 (Month 10), representing an improvement of £96k on the position reported to Cabinet at Month 9. Unallocated reserves are projected to total £34,337k 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 Services, Commerce and Communities
Ward(s) affected	All

RECOMMENDATIONS

That Cabinet:

1. Note the budget position as at January 2019 (Month 10) as outlined in Table 1.
2. Note the Treasury Management update as at January 2020 at Appendix E.
3. Continue the delegated authority up until the March 2020 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 13 February 2020 and 12 March 2020 Cabinet meetings, detailed at Appendix F.

4. Agree to the appropriation of land at the former Great Bentley garage site from the General Fund to the Housing Revenue Account to be developed as general needs housing.
5. Approve a virement of £55k from the General Fund capital contingency budget to the ICT Equipment capitalisation budget for the purchase of 20 electronic point of sale (EPOS) tills at libraries throughout the Borough.
6. Accepts the Environment Agency Grant of £25k for the implementation of minor flood alleviation measures at Pinn Meadows, Ruislip.
7. Confirm that the following Fees and Charges for services at Breakspear Crematorium are to be implemented for all service users with effect from 1 April 2020:
 - a. Scattering of Ashes: £57
 - b. Trees & Shrubs – Rose Trees including five year lease:£352
 - c. Trees & Shrubs – Ornamental Shrubs including ten year lease £433
 - d. Memorial Cards – 2 line entry: £47
 - e. Memorial Cards – 5 line entry: £68
8. 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 B&M Yiewsley (£47,900).

INFORMATION

Reasons for Recommendations

1. The reason for **Recommendation 1** is to ensure that the Council achieves its budgetary objectives, providing Cabinet with an update on performance at Month 10 against budgets approved by Council on 21 February 2020. An update on the Council's Treasury Management activities is signposted in **Recommendation 2**.
2. **Recommendation 3** is intended to enable continued delegation of approval for appointment of consultancy and agency appointments over £50k to the Chief Executive, with final sign-off from the Leader of the Council. In addition, Appendix F reports back on use of this delegated authority previously granted by Cabinet.
3. **Recommendation 4** The redevelopment of the former garage site at Great Bentley, West Drayton is included in the approved HRA capital programme to provide 2 x 2 bedroom semi-detached bungalows. Planning consent for the residential development was obtained earlier this year. The appropriation to the HRA will increase the supply of affordable housing and bring the site back into use representing value for money for both the General Fund and the HRA. The appropriation will be accounted for as a notional capital receipt at market value. The estimated land value of £276k, based on the proposed residential development within the HRA, is budgeted within the overall HRA capital programme.
4. **Recommendation 5** The purchase of 20 EPOS tills at various libraries throughout the Borough will provide residents with the option to make cashless payments and supports the wider libraries refurbishment programme. It is recommended to fund the purchase costs of £55k from the currently unallocated general contingency budget of £1,500k, as there is insufficient remaining funding in the ICT equipment budget approaching the end of the financial year.
5. **Recommendation 6** Accepts the Environment Agency Grant of £25k for the implementation of minor flood alleviation measures at Pinn Meadows, Ruislip.
6. **Recommendation 7** clarifies the level of Fees and Charges for Breakspear Crematorium. The level of charges set out in the recommendation reflect the outcome of a benchmarking exercise against nearest neighbours, with charges limited to 90% of this comparator group. The

proposed charges were correctly stated in the December 2019 consultation budget report but the figures were incorrectly stated in the February 2020 Cabinet draft report.

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 8** seeks authority from Cabinet to approve the acceptance of £48k, in relation to a major development on the site of B&M Yiewsley.

Alternative options considered

8. There are no other options proposed for consideration.

SUMMARY

REVENUE

9. General Fund revenue budgets are projected to underspend by £1,769k at Month 10, an improvement of £96k on the position reported at Month 9. This position consists of a £452k underspend against Directorate Operating Budgets, with a £704k underspend on Development and Risk Contingency and £613k variances across other corporately managed budgets including reduced borrowing costs from deferred capital expenditure and windfall credits from a review of the balance sheet. There remains £250k uncommitted General Contingency within the reported monitoring position to manage any emerging risks over the remainder of this financial year.
10. The position across service budgets reflects a small number of reported pressure items being offset through compensating underspends, primarily on staffing budgets. These pressure areas include ICT contract expenditure, Education functions, Early Years Centres and income from health partners to support Adult Social Care placements. Within Development and Risk Contingency, the previously reported pressure on Homelessness has reduced with further improvements on Asylum and Looked after Children. There have been additional calls on contingency in Month 10 in relation to Housing Legal Challenges.
11. General Fund Balances are expected to total £34,337k 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 £6,007k from the opening balance of £40,344k, an improvement on the planned release of £7,776k from reserves to support the 2019/20 budget.
12. Of the £8,141k savings being managed in year, £7,891k are either banked in full or classed as 'on track for delivery', while £250k classified as either higher risk or in the early stages of delivery. Within the position reported, £659k has moved in Month 10 from on track to being banked and £620k has moved from an early stage 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.
13. A surplus of £440k is reported within the Collection Fund relating to favourable positions on both Council Tax and Business Rates, which are predominantly driven by a carry forward surplus from 2018/19. This surplus will be available to support General Fund budgets in future years.
14. The Dedicated Schools Grant is projecting an in-year overspend of £5,349k at Month 10, a £189k adverse movement from Month 9. The overspend is predominantly due to continuing unfunded pressures in the cost of High Needs, and results in a forecast carry forward cumulative deficit at 31 March 2020 of £13,841k.

CAPITAL

15. At Month 10 the projected underspend against the 2019/20 General Fund Capital Programme is £23,560k, 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 £313k. The planned investment will require £223,968k Prudential Borrowing, £1,103k lower than originally in February 2019 and in line with the position approved by Cabinet and Council at budget setting in February 2020. This position is not expected to materially affect the revenue financing charges ultimately required to support planned investment.

FURTHER INFORMATION

General Fund Revenue Budget

16. An underspend of £1,769k is reported across normal operating activities at Month 10, an improvement of £96k on Month 9, which is primarily linked to an improvement in Directorate Operating budgets of £83k. There remain recurrent pressures relating to Early Years Centres, Education and ICT, which are offset primarily by staffing underspends to deliver a net £452k underspend on Directorate Operating Budgets.
17. Development Risk and Contingency is currently benefitting from three windfall income streams, consisting of additional Better Care Fund monies, Asylum Grant funding and a rebate from the West London Waste Authority, which are mitigating pressures on specific contingencies of £1,137k on SEN Transport, £750k on Adult Social Care placements, £475k Housing Legal Challenges and £571k on Development Control income.
18. Savings of £8,141k are being managed within the 2019/20 budget. Currently £7,357k savings are banked, delivery is currently on track against £534k of savings, and £250k are either in the early stages of delivery or deemed higher risk although all savings are expected to ultimately be delivered in full. This represents an improvement on the position at Month 9, with £659k being promoted from on track to being banked, and £620k moving from early stage of delivery.

Table 1: General Fund Overview

Original Budget £'000	Budget Changes £'000	Service	Month 10		Variance (As at Month 10) £'000	Variance (As at Month 9) £'000	Movement from Month 9 £'000
			Revised Budget £'000	Forecast Outturn £'000			
210,620	2,138	Directorate Operating Budgets	212,758	212,306	(452)	(369)	(83)
7,436	0	Corporate Operating Budgets	7,436	6,825	(611)	(606)	(5)
12,863	(2,789)	Development & Risk Contingency	10,074	9,370	(704)	(694)	(8)
(991)	651	Unallocated Budget Items	(340)	(340)	0	0	0
229,928	0	Sub-total Normal Activities	229,928	228,161	(1,767)	(1,669)	(96)
(222,152)	0	Corporate Funding	(222,152)	(222,154)	(2)	(2)	0
7,776	0	Net Total	7,776	6,007	(1,769)	(1,671)	(96)
(40,344)	0	Balances b/fwd	(40,344)	(40,344)			
(32,568)	0	Balances c/fwd 31 March 2020	(32,568)	(34,337)			

19. General Fund Balances are expected to total £34,337k at 31 March 2020 as a result of the forecast position detailed above, £2,673k higher than projected at budget setting in February 2019. The Council's Medium Term Financial Forecast 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 savings requirement over the medium term.

Directorate Operating Budgets

20. Directorate Operating Budgets represent the majority of the Council's investment in day-to-day services for residents, with more volatile or demand-led areas of activity tracked separately

through the Development and Risk Contingency. Further information on latest projections for each service is contained within Appendix A to this report, with salient risks and variances within this position summarised in the following paragraphs.

Table 2: Directorate Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 10		Variance (As at Month 10) £'000	Variance (As at Month 9) £'000	Movement from Month 9 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
8,110	0	Chief Executive's Office	Expenditure	8,110	8,128	18	18	0
(1,207)	(1)		Income	(1,208)	(1,222)	(14)	(14)	0
6,903	(1)		Sub-Total	6,902	6,906	4	4	0
19,069	56	Finance	Expenditure	19,125	19,224	99	107	(8)
(3,221)	(175)		Income	(3,396)	(3,558)	(162)	(159)	(3)
15,848	(119)		Sub-Total	15,729	15,666	(63)	(52)	(11)
116,482	2,149	Residents Services	Expenditure	118,631	118,784	153	218	(65)
(43,966)	(1,313)		Income	(45,279)	(45,441)	(162)	(156)	(6)
72,516	836		Sub-Total	73,352	73,343	(9)	62	(71)
148,761	668	Social Care	Expenditure	149,429	150,102	673	72	601
(33,408)	754		Income	(32,654)	(33,711)	(1,057)	(455)	(602)
115,353	1,422		Sub-Total	116,775	116,391	(384)	(383)	(1)
210,620	2,138	Total Directorate Operating Budgets		212,758	212,306	(452)	(369)	(83)

21. An overspend of £4k is reported on Chief Executive's Office budgets at Month 10, representing no change from Month 9. Across Finance, a net underspend of £63k is projected on the Month 10 a favourable movement of 11k on the previously reported position, reflecting a combination of vacancies and use of grant funding to support additional staff.
22. At Month 10, a net underspend of £9k is reported across Residents Services, representing an £71k favourable movement from Month 9 as a result of increased staffing underspends. The headline position includes a £416k pressure on ICT contract costs, £295k pressures across Education functions, which are partially offset through a combination of staffing underspends and other favourable variances. In addition, £310k is being released from Earmarked Reserves to support current levels of investment in waste services.
23. A net underspend of £384k is reported across Social Care budgets, with a favourable movement of £1k on Month 9 forecasts. There are a number of variances in the position including pressures relating to delays in securing additional health contributions towards placements meeting both social care and health needs, alongside the deficit on Early Years Centres transferred from the schools budget. These are being offset through additional Troubled Families Grant, settlement of a long running case in the Council's favour and more efficient use of the Better Care Fund.
24. The Council is permitted to finance the costs associated with service transformation from Capital Receipts, with both one-off implementation costs and the support for service transformation, including the BID team, being funded from this resource. Current projections include an estimate of £2,580k 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

25. The savings requirement for 2019/20 is £6,609k. In addition, there are savings of £700k brought forward from 2018/19 giving an net total of £7,309k. Within this position there are £832k of funding requirements, covering Troubled Families, Fleet and Parking Services. 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 delivery.
26. Of this sum, £7,357k are banked, with a further £534k on track for delivery in full during 2019/20. £250k savings are in the early stages of delivery or potentially subject to greater risk to delivery; however, ultimately all £8,141k 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. This represents an improvement on the position at Month 9, with £659k being promoted from on track to being banked, and £620k moving from early stage of delivery.

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	(387)	(651)	(1,601)	(2,663)	(2,055)	(7,357)	90.4%
G On track for delivery	0	(79)	(95)	(260)	(100)	(534)	6.6%
A Potential significant savings shortfall or a significant or risky project which is at an early stage;	0	0	0	0	(250)	(250)	3.1%
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

27. Corporate Operating Budgets are currently forecasting a £611k favourable variance, which is a favourable movement of £5k on the Month 9 position with the Housing Benefit Subsidy continuing to be forecast to budget. In addition to the favourable position on Corporate Operating Budget, Corporate Funding has a £2k favourable variance. Included in this report are updates to the unallocated growth, inflation and savings budgets.
28. 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 £288k 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 £600k.

Table 4: Corporate Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 10		Variance (As at Month 10) £'000	Variance (As at Month 9) £'000	Movement from Month 9 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
0	0	Interest and Investment Income	Salaries	0	0	0	0	
7,777	0		Non-Sal Exp	7,777	7,489	(288)	(288)	
(87)	0		Income	(87)	(47)	40	40	
7,690	0		Sub-Total	7,690	7,442	(248)	(248)	
490	0	Levies and Other Corporate Budgets	Salaries	490	492	2	2	
12,570	0		Non-Sal Exp	12,570	12,562	(8)	(3)	
(12,289)	0		Income	(12,289)	(12,646)	(357)	(357)	
771	0		Sub-Total	771	408	(363)	(358)	
0	0	Housing Benefit Subsidy	Salaries	0	0	0	0	
147,629	0		Non-Sal Exp	147,629	147,629	0	0	
(148,654)	0		Income	(148,654)	(148,654)	0	0	
(1,025)	0		Sub-Total	(1,025)	(1,025)	0	0	
7,436	0	Total Corporate Operating Budgets		7,436	6,825	(611)	(606)	(5)

Development & Risk Contingency

29. 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. With £2,789k released to service budget, £10,074k remains available to manage the full range of issues facing the council. As at Month 10, a £704k underspend is reported against this sum, representing a £8k improvement on Month 9, while retaining £250k General Contingency to manage any emerging issues.

Table 5: Development & Risk Contingency

Original Budget £'000	Budget Changes £'000	Service	Month 10		Variance (As at Month 10) £'000	Variance (As at Month 9) £'000	Movement from Month 9 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
1,072	0	Residents Services	Impact of Welfare Reform on Homelessness	1,072	619	(453)	(390)	(62)
1,972	(772)		Waste Disposal Levy & Associated Contracts	1,200	100	(1,100)	(1,181)	81
0	0		Development Control - Major Applications	0	571	571	571	0
0	0		Housing Legal Challenges	0	475	475	450	25
1,885	0	Social Care	Asylum Service	1,885	695	(1,186)	(1,186)	(4)
3,273	(403)		Demographic Growth - Looked After Children	2,870	2,700	(122)	(122)	(48)
1,017	(367)		Demographic Growth - Children with Disabilities	650	895	245	245	0
277	0		Social Worker Agency Contingency	277	221	(56)	(56)	0
997	(259)		SEN transport	738	1,875	1,137	1,137	0
1,938	(988)		Demographic Growth - Adult Social Care	950	1,700	750	750	0
0	0		Additional BCF Income	0	(331)	(331)	(331)	0
(400)	0	Corp. Items	Additional Investment Income	(400)	(400)	0	0	0
832	0		General Contingency	832	250	(582)	(582)	0
12,863	(2,789)	Total Development & Risk Contingency		10,074	9,370	(704)	(694)	(8)

30. Within Residents Services, Development Risk and Contingency is showing a reported underspend of £507k, a movement of £44k from Month 9 linked to improvements in Homelessness being offset by movements on Waste Disposal and Housing Legal Challenges. The overall underspend includes a £330k rebate from the West London waste Authority.
31. Within Social Care there is forecast a £1,186k reduced call on contingency in Asylum Service due to an uplift in grant income following a Home Office review of funding rates and the Month 10 favourable movement of £4k of increased income relating to rental income as more UASC contribute towards their rental costs. There was significant growth built into the Looked After Children budget in 2019/20 and this has seen a favourable movement in Month 10, which delivers an underspend of £122k against contingency.
32. Social Worker Agency Contingency has a £221k call on contingency, £56k less than budget, reflecting assumed recruitment to permanent posts and changes to agency arrangements. Adult Placements has a £1,700k call on contingency, which is £750k over contingency budget.

This reflects the increase in the number of placements particularly in Mental Health. This position is partially funded through a contribution to contingency from additional Better Care Fund grant announced in July 2019.

33. SEN Transport is reporting a £1,875k call on contingency, £1,137k higher than the budgeted amount. This is reflecting the continued growth in the number of children that have an Education, Health and Care Plan (EHCP), which is currently running at approximately 11%, and is reflected in the MTFE for 2020/21.
34. The above specific calls on contingency result in a net underspend of £222k, with a further £582k underspend projected against General Contingency to deliver an overall favourable variance of £704k. Within this position, there remains £250k General Contingency available to respond to emerging risks and issues, which if not required would further improve General Balances at outturn.

Unallocated Priority Growth and HIP Initiatives

35. There was a budget of £250k Unallocated Priority Growth in 2019/20, following allocation of £40k for CCTV in the Borough and £60k for Little Britain Lake Patrol Officers, there remains £150k available to support new investment in services.
36. In addition, £200k of HIP Initiative funding was included in the 2019/20 budget and supplemented by £718k brought forward balances, to provide total resources of £918k. £356k of projects have been approved for funding from HIP resources, with £104k underspend relating to projects completed in 2018/19, there is £680k available for future releases.

Schools Budget

37. At Month 9 the Dedicated Schools Grant position is an in-year overspend of £5,349k. This is an adverse movement of £189k on the Month 9 position with the overspend being predominantly due to increasing pressures in the cost of High Needs. The High Needs Block is now funding Early Support Funding with a current forecast of £438k in year, which represents investment ultimately expected to reduce the pace of growth in higher cost support through early intervention where appropriate to a child's needs. The total deficit carry forward is currently forecast at £13,841k, which almost entirely relates to the widely publicised funding shortfall for High Needs and SEND provision.

Collection Fund

38. A £440k surplus is reported against the Collection Fund at Month 10, which is made up of a £58k surplus on Council Tax and a £382k surplus on Business Rates. The reported variance is primarily driven by the brought forward surplus on Business Rates with no material movements in 2019/20. This surplus is available to support General Fund budgets in future years and represents a £19k improvement on Month 9 projections.

Housing Revenue Account

39. The Housing Revenue Account is currently forecasting a £47k favourable position, a £5k improvement from Month 9, resulting in a drawdown of reserves of £1,198k. This results in a projected 2019/20 closing HRA General Balance of £17,062k. 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 £1,103k lower than budgeted in February 2019. The reduction in the borrowing requirement was reflected in the refreshed capital programme approved by Cabinet and Council in February 2020.

Appendix A – Detailed Group Forecasts (General Fund)

CHIEF EXECUTIVE'S OFFICE

41. The overall position for Chief Executive's Office at Month 10 is a forecast pressure of £4k and is in line with the position reported for Month 9.
42. Income across the Group will continue to be closely monitored following statutory uplifts to existing fees and charges at the start of the financial year as well as the introduction of new fees within Democratic Services, to further determine the impact of the changes upon demand.

Table 6: Chief Executive's Office Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 10		Variance (As at Month 10) £'000	Variance (As at Month 9) £'000	Movement from Month 9 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
1,479	0	Democratic Services	Salaries	1,479	1,496	17	13	4
1,721	1		Non-Sal Exp	1,722	1,696	(26)	(19)	(7)
(701)	(1)		Income	(702)	(684)	18	9	9
2,499	0		Sub-Total	2,499	2,508	9	3	6
1,900	(146)	Human Resources	Salaries	1,754	1,781	27	27	0
830	145		Non-Sal Exp	975	990	15	8	7
(230)	0		Income	(230)	(252)	(22)	(23)	1
2,500	(1)		Sub-Total	2,499	2,519	20	12	8
2,124	0	Legal Services	Salaries	2,124	2,106	(18)	(14)	(4)
56	0		Non-Sal Exp	56	59	3	3	0
(276)	0		Income	(276)	(286)	(10)	0	(10)
1,904	0		Sub-Total	1,904	1,879	(25)	(11)	(14)
5,503	(146)	Chief Executive's Office Directorate	Salaries	5,357	5,383	26	26	0
2,607	146		Non-Sal Exp	2,753	2,745	(8)	(8)	0
(1,207)	(1)		Income	(1,208)	(1,222)	(14)	(14)	0
6,903	(1)		Total	6,902	6,906	4	4	0

FINANCE

43. The overall position for Finance at Month 10 is a forecast underspend of £63k due mainly to the benefit of additional external grant funding for revenues inspections and Fleet asset disposals partly offset by increased expenditure within the Fleet Service. This position is in line with that reported throughout the year.

Table 7: Finance Operating Budgets

Original Budget £'000	Budget Changes £'000	Service		Month 10		Variance (As at Month 10) £'000	Variance (As at Month 9) £'000	Movement from Month 9 £'000
				Revised Budget £'000	Forecast Outturn £'000			
6,021	37	Exchequer and Business Assurance Services	Salaries	6,058	6,015	(43)	(40)	(3)
3,505	12		Non-Sal Exp	3,517	3,536	19	25	(6)
(2,683)	(174)		Income	(2,857)	(2,934)	(77)	(76)	(1)
6,843	(125)		Sub-Total	6,718	6,617	(101)	(91)	(10)
1,743	0	Procurement	Salaries	1,743	1,722	(21)	(31)	10
3,243	8		Non-Sal Exp	3,251	3,353	102	110	(8)
(93)	(1)		Income	(94)	(155)	(61)	(61)	0
4,893	7		Sub-Total	4,900	4,920	20	18	2
4,213	(94)	Corporate Finance	Salaries	4,119	4,117	(2)	0	(2)
344	93		Non-Sal Exp	437	481	44	43	1
(445)	0		Income	(445)	(469)	(24)	(22)	(2)
4,112	(1)		Sub-Total	4,111	4,129	18	21	(3)
11,977	(57)	Finance Directorate	Salaries	11,920	11,854	(66)	(71)	5
7,092	113		Non-Sal Exp	7,205	7,370	165	178	(13)
(3,221)	(175)		Income	(3,396)	(3,558)	(162)	(159)	(3)
15,848	(119)		Total	15,729	15,666	(63)	(52)	(11)

RESIDENTS SERVICES

44. Residents Services directorate is showing a projected outturn underspend of £9k at Month 10, 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 underspends in Administrative, Technical and Business Services.

Table 8: Residents Services Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 10		Variance (As at Month 10) £'000	Variance (As at Month 9) £'000	Movement from Month 9 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
17,619	(43)	Infrastructure, Waste and ICT	Salaries	17,576	17,615	39	87	(48)
32,237	772		Non-Sal Exp	33,009	33,497	488	231	257
(10,590)	(58)		Income	(10,648)	(10,815)	(167)	86	(253)
39,266	671		Sub-Total	39,937	40,297	360	404	(44)
19,221	862	Housing, Environment, Education, Health & Wellbeing	Salaries	20,083	19,725	(358)	(76)	(282)
24,490	337		Non-Sal Exp	24,827	25,204	377	264	113
(18,024)	(927)		Income	(18,951)	(18,626)	325	118	207
25,687	272		Sub-Total	25,959	26,303	344	306	38
4,324	25	Planning, Transportation & Regeneration	Salaries	4,349	4,273	(76)	(75)	(1)
1,240	174		Non-Sal Exp	1,414	1,508	94	94	0
(4,534)	(206)		Income	(4,740)	(4,726)	14	13	1
1,030	(7)		Sub-Total	1,023	1,055	32	32	0
13,486	50	Administrative, Technical & Business Services	Salaries	13,536	12,998	(538)	(378)	(160)
3,865	(28)		Non-Sal Exp	3,837	3,964	127	71	56
(10,818)	(122)		Income	(10,940)	(11,274)	(334)	(373)	39
6,532	(100)		Sub-Total	6,433	5,688	(745)	(680)	(65)
54,650	894	Residents Services Directorate	Salaries	55,544	54,611	(933)	(442)	(491)
61,832	1,255		Non-Sal Exp	63,087	64,173	1,086	660	426
(43,966)	(1,313)		Income	(45,279)	(45,441)	(162)	(156)	(6)
72,515	836		Total	73,352	73,343	(9)	62	(71)

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. At Month 10, projected calls on contingency are forecast to be £507k less than the budgeted provision, a £44k adverse movement from Month 9. The following table shows the breakdown for each contingency item.

Table 9: Development and Risk Contingency

Original Budget	Budget Changes	Development & Risk Contingency	Month 10		Variance (As at Month 10)	Variance (As at Month 9)	Movement from Month 9
			Revised Budget	Forecast Outturn			
£'000	£'000		£'000	£'000	£'000	£'000	£'000
1,072	0	Impact of Welfare Reform on Homelessness	1,072	619	(453)	(390)	(62)
1,972	(772)	Waste Disposal Levy & Associated Contracts	1,200	100	(1,100)	(1,181)	81
0	0	Development Control – Income	0	571	571	571	0
0	0	Housing Legal Challenges	0	475	475	450	25
3,044	(772)	Current Commitments	2,272	1,765	(507)	(550)	(44)

46. The Month 10 data in the table below shows the use of Temporary Accommodation. The first 3 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 10, there has been a reduction in the use of Temporary Accommodation from the high recorded at the end of quarter 1. The total number accommodated in Bed and Breakfast is still currently higher than budgeted for in 2019/20, however, management actions to meet the targets continue to be implemented.

Table 10: Housing Needs performance data

	November 19	December 19	January 20
All Approaches	238	180	286
Full Assessment Required	168	126	223
New into Temporary Accommodation (Homeless and Relief)	37	36	33
Households in Temporary Accommodation	429	421	413
Households in B&B	139	138	137

47. 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 £619k, £453k below the budgeted provision. The service is forecasting the number of clients in B&B accommodation will average 157 over the financial year. A planned reduction in numbers through increased non-cost prevention and move-on activity has resulted in a projected favourable outturn on accommodation budgets. The Month 10 position also reflects the benefit of reduced unit costs.
48. 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. Specific funding is retained within an earmarked reserve to manage this risk.
49. A call of £100k is projected against the waste contingency, which was established to fund estimated population driven increases in the cost of disposal via the West London Waste Authority (WLWA) levy and associated waste disposal contracts. This reflects a reduction of £1,100k compared with budget, comprising the following elements:
- The WLWA has 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.
 - Aggregate Pay as you Throw tonnage projections and other Waste Disposal Contract costs are now falling below budgeted levels.
50. Whilst 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.
51. There was a marked downturn in volumes of major planning applications submitted to the Council during the first half of 2019/20, with income over this period £300k lower than that secured in the first half of 2018/19. This trend has continued in quarter three and is anticipated to continue into quarter four, with a further £271k pressure being reported for the second half of the year. It is unlikely that income over the remaining months will be sufficient to offset this pressure and therefore a pressure of £571k is reported against General Contingency. This major revenue stream will continue to be closely monitored over the remainder of this financial year.
52. The Housing Service has incurred significant legal costs defending challenges against the Housing Allocation Policy. Projected expenditure above budgeted levels is reported against General Contingency. The Allocation Policy has since been updated and this should mitigate the risk of further legal challenges.

Infrastructure, Waste and ICT (£360k overspend, £44k favourable movement)

53. At Month 10, there is a £360k forecast overspend, a favourable movement of £44k from Month 9 arising from a number of material variances across Waste, ICT and Highways, 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.
54. Earmarked reserve drawdowns totalling £310k are partly offsetting the gross pressure on Waste Services of £341k. The projected underlying pressure includes a staffing overspend of £709k 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 front-line teams.
55. Overspends on refuse sacks, staff training costs and on public convenience costs owing to the timing of removal of several JCDecaux units are largely netted down by an underspend on the budget for a second CA site, given that the current monthly waste weekend operation increased to a weekly basis with effect from early January 2020 only. Offsetting the cost pressures is an anticipated £385k income over-achievement, largely reflecting buoyant trade tipping activity at the New Years Green Lane CA site.
56. The Highways overspend at Month 10 is £216k, largely resulting from staffing pressures associated with unachievable vacancy factor (staff turnover levels being very low), above

budget street lighting electricity costs and a shortfall in London Permit Scheme income, the service having reported that levels of major permit applications from utility companies have decreased.

57. ICT is reporting a net overspend of £58k. There is a forecast pressure on contract costs of £416k, though this is partly netted down by (i) a £308k staff costs underspend, reflecting vacancies and recruitment delays whilst the service progresses a recently approved restructure and more general staff turnover and (ii) £50k of fee recharges to ICT capital projects. The service continues to review contracts and the impact of the cloud migration in order to manage down the net pressure.

Housing, Environment, Education, Health & Wellbeing (£344k overspend, £38k adverse movement)

58. At Month 10 there is an overspend position of £344k across the service, primarily from pressures within the Residual Education function, Enforcement income and Homeless Prevention.
59. Green Spaces is showing a breakeven position against budget as at month 10, including a drawdown of £113k from earmarked reserves (£7k Youth Fund, £52k Parks Improvement Grant, and £54k redundancy reserve). Non staffing pressures are driven by the delay in the planned closure of Ruislip Golf from May to September when the next phase of HS2 works commences; in addition there are pressure in grounds maintenance for equipment maintenance and repair. The position is mitigated by additional income and HS2 compensation at Ruislip Golf course, under spends from hard to recruit vacant posts within Youth Centres, and forecast income to exceed targets at Battle of Britain Bunker and Visitor Centre.
60. There is a £249k pressure within the Residual Education service, a £17k favourable movement from Month 9. 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 overspend of £237k, an adverse movement of £195k from Month 9. The movement is a result of reduced enforcement income following an increase in the number of appeals resulting in greater uncertainty regarding the timing and value of income to be received.
62. Community Safety, Customer Engagement and Domestic Abuse is projecting an underspend of £94k, this driven by part year vacancies within the CCTV monitoring centre.

Planning, Transportation & Regeneration (£32k overspend, no change)

63. During 2019/20, external consultants have been commissioned to provide legal and other specialist technical support where posts have been vacant, accounting for the adverse variance across staffing and non-staffing expenditure of £32k. 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 (£745k underspend, £65k favourable movement)

64. There is an overall improvement of £65k across the service in Month 10. A £160k favourable movement within staff costs is attributable to recruitment delays across Technical Admin and the Contact Centre and revised agency assumptions to the end of the financial year within Food Health and Safety. Partly offsetting this are adverse movements of £56k in non-staffing

costs (mainly relating to legal costs in Licensing and an increased volume of postage mail-outs) and £39k in income forecasts for the Imported Food service and parking bay suspensions.

SOCIAL CARE (£384k underspend, £1k improvement)

65. Social Care is projecting an underspend of £384k as at Month 10, an improvement of £1k on the Month 9 projections, largely due to a reduction in staffing costs across the service. However, within this position, there are some offsetting larger movements including; a projected underspend in Children's Services staffing costs, additional Troubled Families Grant income through improved Payment by Results submissions and a projected reduction in income from the CCG relating to a number of clients previously fully funded by the CCG for Continuing Health Care needs.
66. This position also includes a number of ongoing pressures, which are being managed by the Service. These relate to; a £642k 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 above inflation increases in the cost of agency staff in the SEN Transport Service in both 2018/19 and 2019/20.

Table 11: Social Care Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 10		Variance (As at Month 10) £'000	Variance (As at Month 9) £'000	Movement from Month 9 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
18,442	(1,201)	Children's Services	Salaries	17,242	16,724	(518)	(563)	45
17,704	1,087		Non-Sal Exp	18,792	19,590	798	833	(35)
(7,656)	(30)		Income	(7,688)	(8,392)	(704)	(694)	(10)
28,490	(144)		Sub-Total	28,346	27,922	(424)	(424)	0
2,051	(652)	SEND	Salaries	1,399	1,598	199	204	(5)
186	272		Non-Sal Exp	458	545	87	87	0
(427)	337		Income	(90)	(241)	(151)	(150)	(1)
1,810	(43)		Sub-Total	1,767	1,902	135	141	(6)
7,720	171	Adult Social Work	Salaries	7,933	7,908	(25)	(18)	(7)
72,847	247		Non-Sal Exp	73,094	73,128	34	(545)	579
(21,829)	722		Income	(21,107)	(20,591)	516	1,084	(568)
58,738	1,140		Sub-Total	59,920	60,445	525	521	4
18,286	116	Provider and Commissioned Care	Salaries	18,402	17,636	(766)	(842)	76
11,525	626		Non-Sal Exp	12,109	12,973	864	916	(52)
(3,496)	(273)		Income	(3,769)	(4,487)	(718)	(695)	(23)
26,315	469		Sub-Total	26,742	26,122	(620)	(621)	1
46,499	(1,566)	Social Care Directorate Total	Salaries	44,976	43,866	(1,110)	(1,219)	109
102,262	2,232		Non-Sal Exp	104,453	106,236	1,783	1,291	492
(33,408)	756		Income	(32,654)	(33,711)	(1,057)	(455)	(602)
115,353	1,422		Sub-Total	116,775	116,391	(384)	(383)	(1)

SOCIAL CARE DEVELOPMENT AND RISK CONTINGENCY (£385k overspend, £52k Improvement)

67. The Council's 2019/20 Development and Risk Contingency includes provisions for areas of expenditure within Social Care, for which there is a greater degree of uncertainty and predominantly relates to in-year demographic changes across Adults and Children's, including Asylum Seekers and SEN Transport. Table 12 sets out the Month 10 projected position for the Development and Risk Contingency, which is reporting a pressure of £385k. This represents an improvement of £52k on the Month 9 position due to a reduced call on contingency for Demographic Growth within Looked after Children and a slight reduction within the Asylum Service.
68. The overspend is due to pressures in the cost of Adult placements, where there is growth across Older People and Mental Health 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. Additionally, the service are also experiencing a significant and growing pressure in SEN Transport requirements. This is as a result of more single occupancy or lower occupancy routes being required, due to a continued high level of growth in the number of children that have an Education, Health and Care Plan, most of whom cannot be placed in local schools as they are at full capacity. This reflects the growing pressure that is also being reported in the Dedicated Schools Grant position later in this report.

Table 12: Social Care Development & Risk Contingency

Original Budget	Budget Changes	Development & Risk Contingency	Month 10		Variance (As at Month 10)	Variance (As at Month 9)	Movement from Month 9
			Revised Budget	Forecast Outturn			
£'000	£'000		£'000	£'000	£'000	£'000	£'000
1,885	0	Asylum Service	1,885	695	(1,190)	(1,186)	(4)
3,273	(403)	Demographic Growth - Looked After Children	2,870	2,700	(170)	(122)	(48)
1,017	(367)	Demographic Growth - Children with Disabilities	650	895	245	245	0
277	0	Social Worker Agency Contingency	277	221	(56)	(56)	0
997	(259)	SEN Transport	738	1,875	1,137	1,137	0
1,938	(988)	Demographic Growth - Adult Social Care	950	1,700	750	750	0
0	0	Additional BCF Income	0	(331)	(331)	(331)	0
9,387	(2,017)	Current Commitments	7,370	7,755	385	437	(52)

Asylum Service (£1,190k underspend, £4k favourable movement)

69. The service is projecting a drawdown of £695k from the contingency as at Month 10, an improvement of £4k on the Month 9 position. This is due to the service tightening up processes and controls, which has resulted in an increase in the level of rental income paid as more UASC contribute towards their rental costs (where they can afford to do so). In addition, there has been an increase in the level of grant funding, which has come as a result of an agreed increase in the funding rate for all UASC aged 16 to 17 from £91 per day to £114 per day with effect from 1 April 2019 and also better use of the block contracts.

Demographic Growth - Looked After Children (£170k underspend, £48k favourable movement)

70. The service is projecting a drawdown of £2,700k from the Contingency, representing an underspend of £170k as at Month 10 and a favourable movement of £48k on the Month 9 position. This is primarily as a result of an increase in the cost of Semi-Independent placements, with the number of Looked After Children remaining quite stable. However, this budget can be very volatile, due to the requirement for the service to place children in Residential placements and it is evident that the length of stay in a Residential placement has increased, where most are now likely to be in their placement for a year or more. In order to attempt to mitigate significant increases in costs, the service are placing children in Council run Children's Homes, where no other viable option is available, thereby reducing the need to place in out of borough high cost residential placements.
71. The service continues to monitor this position through regular reviews of individual cases, and where possible, children are stepped down when it is safe to do so. Additionally, the service has implemented new ways of working, with the use of a grant of £400k, 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 brought into the care system.

Demographic Growth – Children with Disabilities (£245k overspend, nil movement)

72. The service is projecting a drawdown of £895k from the Contingency as at Month 10, no change on the Month 9 position. The service is having to support 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. A number of new initiatives have been introduced, including more respite care over the school holidays and weekends.

Social Worker Agency (Children's) (£56k underspend, no change)

73. The service is projecting a drawdown of £221k from the contingency as at Month 19, no change on the Month 9 position. The underspend reported reflects a reduced use of agency staff, where the cost has reduced by £1,034k when compared to the 2018/19 outturn position.
74. However, the service continue to have a number of vacancies, which are being covered by agency staff, where the cost is approximately £18k higher than a permanent member of staff, reflecting that the recruitment of Social Workers continues to be very competitive.
75. 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 an average of approximately £18k to £13k. This position will be closely monitored as the Social Care market remains highly competitive.

Demographic Growth - SEN Transport (£1,137k overspend, no movement)

76. The service is projecting a drawdown of £1,875k from the SEN Transport contingency as at Month 10, with no movement from the month 9 position, as the service continues to take management action to review the use of Passenger Assistants and monitors route planning. The overspend reported reflects the continued growth in the number of children that have an Education, Health and Care Plan (EHCP), which is currently running at approximately 11%. The actual growth between March 2019 and November 2019 was 197, representing an increase of 8.4% over that period, which is having a major financial impact on the Dedicated Schools Grant budget.

77. Additionally, it is becoming more challenging to avoid having to procure single occupancy or lower occupancy routes, as children are having to be placed in out of borough placements. These are predominantly Independent and Non Maintained Special Schools as local provision is at full capacity, as is most other Local Authority provision, given that they are experiencing significant and continued growth in the number of pupils with an EHCP. The latest data indicates that 17 children started a new placement in an Independent or Non-maintained special school in September 2019, where these children have not been able to be placed on an existing route.

Demographic Growth - Adult Social Care (£750k overspend, no change)

78. The service is projecting a drawdown of £1,700k from the Adult Social Care contingency, equating to an overspend of £750k as at Month 10, no change on the Month 9 position. The overspend is due to pressures in the cost of Adult placements, where there is an emerging growth across Older People and Mental Health 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.

Additional Better Care Fund Income (£331k, no movement)

79. Additional Better Care Fund Income of £331k is being reflected in the contingency position for Social Care, to enable Social Care to manage the pressures outlined.

SOCIAL CARE DIRECTORATE OPERATING BUDGETS (£385k underspend, £1k improvement)

Children's Services (£424k underspend, no movement)

80. The service is projecting an underspend of £424k, as at Month 10, no change on the Month 9 position. This position incorporates a £94k underspend due to the timing of migration to the Regional Adoption Agency, alongside staffing underspends reflecting the successful recruitment of newly qualified Social Workers and less reliance on agency staff. However, the service are still having difficulties recruiting and retaining Senior Social Workers and will explore the best approach to addressing this over the coming months.

Special Educational Needs & Disabilities (£135k overspend, £6k favourable movement)

81. The service is projecting an overspend of £135k as at Month 10, a favourable movement of £6k on the Month 9 position. The overspend is due to the service having to employ agency staff to cover a number of critical roles in the SEND Team, as the service is coming to the end of recruitment to the new staffing structure.

Adult Social Work (£525k overspend, £4k adverse movement)

82. The service is projecting an overspend of £525k as at Month 10, an adverse movement of £4k on the Month 9 position. The overspend includes the impact of a reduction in the amount of income that the Council will receive from a number of clients funded fully or partially from the CCG. There are a number of clients previously meeting the Continuing Health Care (CHC) threshold, where a recent assessment has indicated that these clients no longer meet the CHC criteria, but are now funded under other less generous health funding mechanisms.

83. Additionally, 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. However, it has been agreed that this shortfall can be covered by implementing the new approach to managing the Better Care Fund capital grant.

Provider and Commissioned Care (£621k underspend, £1k adverse movement)

84. The service is projecting an underspend of £621k as at Month 10, £1k adverse movement on the Month 9 position. However, it should be noted that this position includes a projected overspend of £642k on the Early Years Centres and an overspend of £152k on SEN Transport costs. These overspends are being mitigated by underspends across the Children's Centres, the cost of catering and through implementing a 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 (£5,349k overspend, £189k adverse)

85. The Dedicated Schools Grant (DSG) outturn position is an in-year overspend of £5,349k at month 10, an adverse movement of £189k on the Month 9 position. This overspend is due to continuing pressures in the cost of High Needs placements, where growth remains at between 10% and 11%. Where pupils cannot be placed in borough, as local provision is at capacity, they are now more likely to be placed in more costly, Independent and Non Maintained Special Schools. This growing pressure is also evident in the cost of SEN Transport. When the £8,492k deficit brought forward from 2018/19 is taken into account, the cumulative deficit carry forward to 2020/21 is £13,841k.

Table 13: DSG Income and Expenditure 2019/20

Original Budget	Budget Changes	Funding Block	Month 10			Variance	
			Revised Budget	Forecast Outturn	Variance (As at Month 10)	Variance (at Month 9)	Change from Month 9
			£'000	£'000	£'000	£'000	£'000
(278,655)	(414)	Dedicated Schools Grant Income	(279,069)	(279,069)	0	0	
215,155	0	Schools Block	215,155	215,013	(142)	(78)	(64)
24,821	107	Early Years Block	24,928	24,872	(56)	(56)	0
3,173	14	Central School Services Block	3,187	3,936	749	745	4
35,506	293	High Needs Block	35,799	40,597	4,798	4,549	249
0	0	Total Funding Blocks	0	5,349	5,349	5,160	189
0	0	Balance Brought Forward 1 April 2019	8,492	8,492			
0	0	Balance Carried Forward 31 March 2020	8,492	13,841			

Dedicated Schools Grant Income (no variance, no movement)

86. 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 (£142k underspend, £64k favourable)

87. 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.
88. 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.

89. Schools Forum took the decision to withhold growth contingency allocations for two schools due to insufficient projected pupil growth in September 2019 and therefore there will be an underspend relating to this allocation. The growth contingency also funds diseconomies of scale funding for new basic need academy schools and the favourable movement in month 10 follows a review of the current year allocations. However, officers are still waiting on further details from one school on the level of diseconomies of scale funding that is being requested, which could still affect the final position.

Early Years Block (£56k underspend, no change)

90. 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.
91. 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 (£749k overspend, £4k adverse)

92. The overspend is predominantly as the result of an increase in the number of placements of 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.
93. There is also a projected overspend in relation to the number of young people accessing alternative provision. The local authority currently commissions fifty places at the in-borough alternative provision setting and the historic trend is for numbers at the start of the academic year to be below this number before gradually building up. Currently numbers are projected to be in excess of the commissioned number, resulting in an additional cost pressure. As a result of this, the local authority are working with the provider to review the number of commissioned places.
94. There is also a projected £5k overspend in the Admissions team, where the additional workload as a result of the growth in the secondary pupil population along with a secondment covering a maternity, has resulted in a cost pressure.

High Needs Block (£4,798k overspend, £249k adverse)

95. There continues to be significant pressure in the High Needs Block in 2019/20, with an overspend of £4,798k being projected at month 10. The adverse movement from month 9 relates to further growth in pupils with SEN requiring additional resources to meet their needs.
96. It is becoming evident that the growth in the number of pupils with an EHCP is continuing to grow at a significant rate and it is becoming increasingly more difficult to place in borough as local provision is at full capacity. This then restricts the level of choice, where the Council is now having to place in Independent and Non Maintained Special Schools, who themselves are starting to reach full capacity.

97. Putting this into context, the latest SEN 2 Data analysis indicates that across England the number of pupils with a plan has grown from a baseline of 287,290 plans in 2016/17 to 353,995 plans in 2018/19, an increase of 66,705 plans over the two year period, equivalent to an increase of 23%. Additionally, the proportion of the pupil population that have a plan has increased from 3.31% in 2016/17 to 4.1% in 2018/19. There is an expectation that this trend will continue into 2019/20.
98. Due to a continuing lack of capacity in-borough and across other local authority provision, there is a requirement to place pupils in more costly school placements, with an increase in the number of children that commenced new placements in Independent special schools in the current academic year. This is resulting in significant additional pressure on the High Needs block. There is an expectation that this will become the only route that the Council will be able to take until more provision is created locally.
99. The new academic year has seen a further increase in the number of in-borough special schools that are now over their commissioned place number. Where a special school is over its planned place number there is a requirement to fund £10k per place plus the agreed top-up funding which is placing additional pressure on the High Needs block.
100. There was a further increase in the cohort of post-16 SEN placements in 2019/20 and this has put additional pressure on the current and future High Needs budgets with the potential that placements for young people with SEN to be funded up to the age of 25.
101. There has been a further 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 and, in some cases, a lack of special school places meaning that mainstream schools are needing additional resource in order to maintain the placement.
102. In addition to the cost of pupils with an EHCP, the High Needs Block is now funding Early 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 £438k.

COLLECTION FUND

103. A surplus of £440k is reported within the Collection Fund relating to a favourable position on Business Rates, which is predominantly driven by a carry forward surplus, alongside a smaller surplus within Council Tax. Any surplus realised at outturn will be available to support the General Fund budget in future years.
104. 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	Budget Changes	Service	Month 10		Variance (As at Month 10)	Variance (As at Month 9)	Movement from Month 9	
			Revised Budget	Forecast Outturn				
£'000	£'000		£'000	£'000	£'000	£'000	£'000	
(125,113)	0	Council Tax	Gross Income	(125,113)	(125,406)	(293)	(247)	(46)
10,613	0		Council Tax Support	10,613	10,706	93	144	(51)
(734)	0		B/fwd Surplus	(734)	(592)	142	142	0
(115,234)	0		Sub-Total	(115,234)	(115,292)	(58)	39	(97)
(110,633)	0	Business Rates	Gross Income	(110,633)	(111,163)	(530)	(775)	245
(5,286)	0		Section 31 Grants	(5,286)	(5,121)	165	179	(14)
51,960	0		Less: Tariff	51,960	51,960	0	0	0
8,549	0		Less: Levy	8,549	9,114	565	680	(115)
(302)	0		B/fwd Surplus	(302)	(884)	(582)	(582)	0
(55,712)	0	Sub-Total	(55,712)	(56,094)	(382)	(498)	116	
(170,946)	0	Total Collection Fund		(170,946)	(171,386)	(440)	(459)	19

105. At Month 10 a surplus of £58k is projected against Council Tax, which is a favourable movement of £97k from Month 9, the movement includes a favourable position reported against Gross Income of £293k, which is being driven by a smaller than forecast growth in the taxbase in December 2019 returning to forecast assumptions in Month 10, with a similar improvement of £51k in Council Tax Support. A strong surplus against in year activity is being offset by the deficit of £142k relating to the brought forward surplus. Within this position, potential volatility in Discounts, Exemptions and the Council Tax Reduction Scheme continue to be closely monitored.
106. A £382k surplus is reported across Business Rates at Month 10, which is an adverse movement of £116k from Month 9; the movement is being driven by an adverse movement in Gross Rates, alongside favourable movements across Section 31 Grants of £14k and a favourable movement in the pressure on the Levy Adjustment of £115k. 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

107. The Housing Revenue Account (HRA) is currently forecasting a drawdown of reserves of £1,198k, which is £47k more favourable than the budgeted position, with a small favourable movement of £5k on Month 9. The 2019/20 closing HRA General Balance is forecast to be £17,062k. 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 10		Variance (+ adv / - fav)		
	Revised Budget	Forecast Outturn	Variance (As at Month 10)	Variance (As at Month 9)	Movement from Month 9
	£'000	£'000	£'000	£'000	£'000
Rent Income	(56,186)	(55,508)	678	752	(74)
Other Income	(5,224)	(5,528)	(304)	(173)	(131)
Net Income	(61,410)	(61,036)	374	579	(205)
Housing Management	13,230	13,478	248	24	224
Tenant Services	4,411	4,548	137	150	(13)
Repairs	5,294	5,584	290	260	30
Planned Maintenance	4,255	3,159	(1,096)	(1,055)	(41)
Capital Programme Funding	18,820	18,615	(205)	(205)	0
Interest & Investment Income	15,385	15,590	205	205	0
Development & Risk Contingency	1,260	1,260	0	0	0
Operating Costs	62,655	62,234	(421)	(621)	200
(Surplus) / Deficit	1,245	1,198	(47)	(42)	(5)
General Balance 01/04/2019	(18,260)	(18,260)	0	0	0
General Balance 31/03/2020	(17,015)	(17,062)	(47)	(42)	(5)

Income

108. As at Month 10 the rental income is forecast to under recover by £678k, a favourable movement of £74k on Month 9 due to updated assumptions taking into account quarter 3 actuals, stock movements and the timing of when new stock is likely to be rented to tenants.

109. Other income is forecast to over recover by £304k, a favourable movement of £131k on Month 9 due to an increase income from leaseholders' charges of £105k and tenants' charges of £26k.

110. The number of RTB applications received in the first ten months of 2019/20 was 144 compared to 137 for the same period in 2018/19, an increase of 5%. There have been 43 RTB completions in the first ten months of 2019/20 compared to 40 for the same period in 2018/19. The 2019/20 RTB sales forecast for the year is 50, nil movement on Month 9.

Expenditure

111. The Housing management service is forecast to overspend by £248k, an adverse movement of £224k on Month 9 due to increased forecast spend on running costs of £21k and £203k from slippage in Digital Strategy savings expected to be delivered in full from 2020/21.

112. Tenant services is forecast to overspend by £137k, a favourable movement of £13k on Month 9 relating to staffing.
113. The repairs budget is forecast to overspend by £290k, an adverse movement of £30k on Month 9 due to increased forecast spend on environmental works. The planned maintenance budget is forecast to underspend by £1,096k, a favourable movement of £41k on Month 9 due to reduced forecast spend on surveys and remedial works.
114. As at Month 10 there is nil movement compared to Month 9 on the capital programme funding, interest and investment income and the development and risk contingency budgets.

HRA Capital Expenditure

115. The HRA capital programme is set out in the table below. The 2019/20 revised budget is £75,119k. The 2019/20 forecast expenditure is £48,841k with a net variance of £26,278k of which £25,032k is due to re-phasing and £1,246k due to a cost underspend. The net movement from Month 9 is an increase of £294k due to an increase in the underspend of £246k and an increase in re-phasing of £48k.

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	40,146	31,503	0	(8,643)	144,495	144,736	241	0
New Build - Shared Ownership	10,607	2,636	0	(7,971)	15,377	15,377	0	0
New Build - Supported Housing Provision	3,960	2,332	(500)	(1,128)	6,418	5,918	(500)	0
Total Major Projects	54,713	36,471	(500)	(17,742)	166,290	166,031	(259)	0
HRA Programmes of Work								
Works to stock programme	17,755	11,445	(20)	(6,290)	59,501	59,481	(20)	(20)
Major Adaptations to Property	2,489	800	(700)	(989)	10,204	9,504	(700)	(200)
ICT	162	125	(26)	(11)	162	136	(26)	(26)
Total HRA Programmes of Work	20,406	12,370	(746)	(7,290)	69,867	69,121	(746)	(246)
Total HRA Capital	75,119	48,841	(1,246)	(25,032)	236,157	235,152	(1,005)	(246)
Movement on Month 7	0	(294)	(246)	(48)	0	(246)	(246)	

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

Major Projects

116. The 2019/20 Major Projects programme revised budget is £54,713k. Forecast expenditure is £36,471k, with a re-phasing of £17,742k and a cost underspend of £500k forecast in 2019/20, and a net underspend of £259k during the period 2019-2024.

New General Needs Housing Stock

117. The 2019/20 General Needs Housing Stock revised budget is £40,146k. There is a forecast re-phasing of £8,643k across the General Needs programme partly due to the commencement of some projects being later than initially expected. There has been an increase in forecast expenditure of £494k compared to Month 9 mainly due to additional buybacks being completed in the current year to avoid the repayment of unused retained Right to Buy receipts along with interest.
118. Construction works in respect of the redevelopment of Maple and Poplar Day Centres are expected to commence in the summer 2020 with some preliminary and design works taking place beforehand. A total of 34 units will be constructed comprising 50% general needs social housing and the remainder being shared ownership.
119. The main contractor and external consultants have been appointed for the redevelopment of the former Willow Tree depot into general needs housing. The contractor has taken possession of the site with construction works expected to start shortly.
120. The main contractor is on site at the Nelson Road development and work has started with a view to complete the construction of the 6 new homes at the end of 2020.
121. Currently 52 buybacks have been approved, 46 in 2019/20 and 6 carried forward from 2018/19, with each acquisition at different stages of completion. The potential buybacks are estimated to cost up to £17,095k inclusive of stamp duty, legal fees & expected void repairs costs.
122. The forecast includes the approved purchase of 7 new properties on the Coleridge Way development for a combined acquisition cost of £3,289k. Also included in the forecast is the 15% deposit of £1,307k for the acquisition of the freehold interest in a block of 28 units for use as a hostel and £584k for the acquisition of 2 new build apartments in Uxbridge.
123. A total budget of £5,665k has been allocated for the acquisition of 17 new build apartments over 3 sites within the borough. The acquisition of 6 units in Uxbridge and 5 units in Ruislip have completed with the purchase of the remaining 6 units in West Drayton expected to complete before March 2020.

New Build - Shared Ownership

124. The New Build Shared Ownership 2019/20 revised budget is £10,607k. The forecast expenditure is £2,636k with a projected re-phasing of £7,971k. This is predominantly stemming from the later than anticipated construction commencement date with respect to the Woodside and Belmore developments.
125. The new build shared ownership budget comprises schemes being delivered across five sites. These are expected to deliver 116 units in total.

New Build - Supported Housing

126. The Supported Housing Programme comprises the build of 160 mixed client group units across three different sites. The 2019/20 revised budget is £3,960k with forecast expenditure of £2,332k. There is a forecast underspend of £500k relating to the development at Grassy Meadow.
127. The scheme at Parkview was handed over to the Council in October. Liquidated damages continue to be held against the contractor for delays with a legal adjudication process ongoing.

Currently the total project costs are expected to come in within the revised budget pending any appeals from the contractor.

HRA Programmes of Work

128. The Works to Stock revised budget is £17,755k. Forecast expenditure is £11,445k with a cost underspend of £20k within the roofing programme and re-phasing variance of £6,290k, across various work streams due to the validation, procurement and consultation timetables required to deliver these works.
129. The major adaptations revised budget is £2,489k and there is a forecast re-phasing of £989k for works expected to complete in 2020/21. As the budget is partly uncommitted at this stage of the financial year, the budget is also forecast to underspend by £700k.
130. The HRA ICT revised budget is £162k. There is a forecast underspend of £26k on uncommitted funding and re-phasing of £11k being projected for 2019/20.

HRA Capital Receipts

131. There have been 43 Right to Buy (RTB) sales of Council dwellings as at the end of January 2020 for a total gross sales value of £7,701k and a further 7 sales are forecast to bring the yearly total to 50, totalling £9,000k in 2019/20.
132. During 2019/20, the £11,042k retained RTB 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.

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	5,602	98	0	98	6,223	6,223	0
2,486	Housing Programme	7	35	35	0	0	0	35	35	0
262	Belmore Allotments	86	5,075	70	(5,005)	0	(5,005)	10,556	10,556	0
271	Maple and Poplar Day Centre	34	4,565	25	(4,540)	0	(4,540)	6,116	6,116	0
181	Willow Tree	10	2,488	123	(2,365)	0	(2,365)	2,761	2,761	0
84	Housing Programme - Tranche 4	14	2,286	47	(2,239)	0	(2,239)	2,617	2,617	0
107	Nelson Road	6	1,938	224	(1,714)	0	(1,714)	2,201	2,201	0
0	Great Bentley (Note 1)	2	756	283	(473)	0	(473)	756	756	0
0	Coleridge Way Acquisition	7	3,289	3,289	0	0	0	3,289	3,289	0
0	TCM House Acquisition	28	1,307	1,307	0	0	0	1,307	1,307	0
0	191 Harefield Road Acquisition	2	584	584	0	0	0	584	584	0
0	Acquisition of 3 Sites	17	5,665	5,395	(270)	0	(270)	5,665	5,665	0
0	Acquisitions Including Buybacks	TBC	14,666	17,095	2,429	0	2,429	64,675	64,675	0
0	Internal Developments	TBC	0	0	0	0	(0)	50,009	50,009	0
0	Bartram Close (Note 2)	N/A	0	0	0	0	0	0	241	241
343	Woodside Development	27	2,594	63	(2,531)	0	(2,531)	3,077	3,077	0
20,149	Grassy Meadow	88	990	490	(500)	(500)	0	990	490	(500)
12,746	Parkview	60	2,641	1,840	(801)	0	(801)	2,641	2,641	0
3	Yiewsley	12	330	0	(330)	0	(330)	2,787	2,787	0
37,979		433	54,713	36,471	(18,243)	(500)	(17,742)	166,290	166,031	(259)
4,120	New General Needs Housing Stock	157	40,146	31,503	(8,643)	0	(8,643)	144,495	144,736	241
960	New Build - Shared Ownership	116	10,607	2,636	(7,971)	0	(7,971)	15,377	15,377	0
32,899	New Build - Supported Housing	160	3,960	2,332	(1,628)	(500)	(1,128)	6,418	5,918	(500)
37,979		433	54,713	36,471	(18,243)	(500)	(17,742)	166,290	166,031	(259)

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

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

Appendix D - GENERAL FUND CAPITAL PROGRAMME

133. As at Month 10 an under spend of £23,560k is reported on the 2019/20 General Fund Capital Programme of £85,934k, due mainly to re-phasing of project expenditure into future years. The forecast outturn variance over the life of the 2019/20 to 2023/24 programme is an over spend of £313k.
134. General Fund Capital Receipts of £5,984k are forecast for 2019/20, with a surplus of £533k in total forecast receipts to 2023/24.
135. Overall, Prudential Borrowing required to support the 2019/20 to 2023/24 capital programmes is forecast to be within budget by £1,103k. This is due to a net surplus of £283k on other sources of funding (capital receipts and CIL) and an increase in grants and contributions applied of £507k, and net cost under spends of £313k.

Capital Programme Overview

136. 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	52,717	110	110
Self Financing Developments	79,490	79,490	-	-
Main Programme	114,774	115,074	300	-
Programme of Works	153,715	152,992	(723)	(319)
General Contingency	7,500	7,500	-	-
Total Capital Programme	408,086	407,773	(313)	(209)
Movement	759	550	(209)	

137. The revised budget has increased due mainly to schools' contributions to the Devolved Formula Capital programme and an allocation of Section 106 monies to extend the Uxbridge Change of Heart project.
138. The Schools programme includes works on two primary schools expansions at Hillside and Warrender primary schools. The new buildings are complete including external works. A forecast over spend of £110k is reported on the primary schools expansions programme after agreeing the final accounts with the contractor. The new building at Vyners Secondary School is complete with the re-modelling of the existing school finished in December. Works at Ruislip High are in progress and expected to be complete in the summer of 2020.
139. SEND grant payments to three schools or educational establishments have been approved totalling £455k for the provision of extra places. Other identified plans are in various stages of development and will be completed in future years.

140. 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. Construction works on other development sites are expected to commence in future years. 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 residential housing and the provision of a new library and community centre. A revised planning application has been approved for the mixed residential scheme at the former Belmore Allotments site and tenure options are under review. Works are anticipated to commence on site in the final quarter of 2020, following completion of the tender process.
141. The future year budget includes £1,939k in respect of Woodside Surgery, as part of a wider residential housing project. As noted in the December Cabinet budget report, it is expected that the surgery element of the project will no longer be required.
142. The Main programme includes major schemes such as the re-provision of Hillingdon Outdoor Activity Centre, which is expected to re-commence next financial year following confirmation that HS2 is proceeding. The planning application for the provision of a new leisure centre in Yiewsley and West Drayton is scheduled to go to planning committee in March. Planning consent was obtained in January for the expansion of the Rural Activities Garden Centre. Remedial works at the Battle of Britain bunker will also commence next year with the initial package of protective works currently being tendered.
143. Programmes of Works include £3,000k for the new libraries refurbishment programme that is underway. Works at Ruislip Manor have been completed and Charville and Harefield libraries are scheduled to be completed by the end of February and March respectively. Works at Yeading library will commence in March. The Civic Centre programme reports an under spend of £350k and Property Works Programme £174k based on the forecast level of uncommitted funding this financial year, with future schemes able to be funded from 2020/21 budget. An under spend of £25k is also forecast on the uncommitted element of the Road Safety budget.
144. An under spend of £41k is reported on completed schemes within the Schools Conditions Building Programme, with a number of other schemes within this programme continuing into next financial year. Works are in various stages of progress on numerous carriageway refurbishments within the Highways improvement programme, with further works now expected to proceed in the new financial year. Refurbishment works at several bowls clubs are forecast to be completed in time for the summer bowling season.
145. Within Corporate Technology and Innovation, the project to upgrade computer hardware and transition to Windows 10/Microsoft 365 commenced in January. An under spend of £20k is reported on two completed projects.
146. There is a net under spend of £41k on completed schemes within the Environmental and Recreational Initiatives budget. An under spend of £70k is reported on the PSRG/LPRG budget as this budget is largely uncommitted.
147. An under spend of at least £919k is forecast on the Disabled Facilities Grant adaptations budget based on the forecast level of commitments this financial year. It is anticipated that the grant will be utilised for additional Social Care equipment capitalisation within the Better Care Fund.
148. There are £1,500k contingency funds per annum over the period 2019-24 available as and when risk issues emerge, and it is proposed to utilise £55k to enable the purchase of electronic point of sale tills across the Borough's libraries.

Capital Financing - General Fund

149. Table 20 below outlines the latest financing projections for the capital programme, with a favourable medium term variance of £750k 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	55,550	34,728	(20,822)	297,672	296,852	(820)	(372)
Financed By Prudential Borrowing							
Self Financing	11,000	8,250	(2,750)	77,946	77,946	-	
Invest to Save projects	3,670	2,230	(1,440)	8,090	8,070	(20)	(15)
Service Delivery	28,082	14,014	(14,068)	139,035	137,952	(1,083)	(338)
Total Borrowing	42,752	24,494	(18,258)	225,071	223,968	(1,103)	(353)
Financed By Other Council Resources							
Capital Receipts	8,298	5,984	(2,314)	47,101	47,634	533	(19)
CIL	4,500	4,250	(250)	25,500	25,250	(250)	
Total Council Resources	55,550	34,728	(20,822)	297,672	296,852	(820)	(372)
Grants & Contributions	30,384	27,646	(2,738)	110,414	110,921	507	163
Capital Programme	85,934	62,374	(23,560)	408,086	407,773	(313)	(209)
Movement	759	(5,037)	(5,796)	759	550	(209)	

150. Forecast capital receipts in 2019/20 amount to £5,984k. Two sales have been completed, with another site sold at auction in December, for which the deposit has been received and is expected to be completed in February. Offers have also recently been accepted on two marketed residential properties. Two further former garage sites are planned to be auctioned in March. The forecast also includes General Fund share of Right to Buy (RTB) sales of £1,980k based on a reduced forecast of 50 RTB sales this year.

151. As at the end of January, a total of £3,971k Community Infrastructure Levy (CIL) receipts (after administration fees) have been invoiced or received this financial year, a movement of £10k from last month. 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.

152. Forecast grants and contributions are £507k higher than the revised budget, due mainly to Capital Maintenance grant award being higher than original budget assumptions. There are £7,500k assumed Basic Needs grant for the period 2021-24 in the financing budget that are not yet confirmed. The movement in month is mainly due to £180k Section 106 contributions proposed to be allocated towards financing this year's secondary schools expansions programme.

153. Prudential borrowing in 2019/20 has reduced by £5,843k due mainly to reduced forecast expenditure this year on projects and programmes continuing into future years.

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	2,889	3,047	110	48	3,592	3,702	110	1,360	2,144	198
5,097	Secondary Schools Expansions	12,292	12,292	0	0	40,688	40,688	0	21,437	19,251	0
0	Additional Temporary Classrooms	0	0	0	0	4,000	4,000	0	4,000	0	0
0	Schools SRP	500	455	0	(45)	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	0	0	(240)	240	240	0	240	0	0
200,950	Total Schools Programme	16,050	15,923	110	(237)	52,607	52,717	110	27,166	25,269	282

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	1,000	250	0	(750)	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	10,000	8,000	0	(2,000)	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	11,000	8,250	0	(2,750)	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	980	840	0	(140)	1,980	1,980	0	306	318	1,356
542	Inspiring Shopfronts	145	145	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	622	530	0	(92)	622	622	0	530	0	92
27	Uxbridge Cemetery Gatehouse	10	0	0	(10)	547	547	0	547	0	0
0	New Museum	50	0	0	(50)	5,632	5,632	0	4,882	0	750
0	New Theatre	0	0	0	0	44,000	44,000	0	42,950	0	1,050
57	Battle of Britain Underground Bunker	200	30	0	(170)	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	900	600	0	(300)	32,000	32,000	0	31,512	0	488
723	Hillingdon Outdoor Activity Centre	50	50	0	0	25,777	25,777	0	0	0	25,777
23	RAGC Expansion	100	25	0	(75)	1,391	1,391	0	1,391	0	0
2	1 & 2 Merrimans Housing Project	20	0	0	(20)	619	619	0	619	0	0
10,879	Projects Completing in 2019/20:	559	399	0	(160)	598	598	0	598	0	0
24,105	Total Main Programme	3,694	2,977	300	(1,017)	114,774	115,074	300	85,172	318	29,584

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	192	0	(137)	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	371	0	121	750	750	0	750	0	0
N/A	Libraries Refurbishment Programme	1,000	690	0	(310)	3,000	3,000	0	3,000	0	0
N/A	Leisure Centre Refurbishment	500	10	0	(490)	3,101	3,101	0	3,101	0	0
N/A	Devolved Capital to Schools	1,592	1,592	0	0	2,529	2,529	0	0	1,752	777
N/A	School Building Condition Works	4,358	1,290	(41)	(3,027)	10,758	10,717	(41)	2,390	7,333	994
N/A	Civic Centre Works Programme	2,686	819	(350)	(1,517)	5,428	5,078	(350)	5,078	0	0
N/A	Corporate Technology and Innovation	4,289	3,947	(20)	(322)	8,645	8,625	(20)	8,625	0	0
N/A	Property Works Programme	1,805	1,327	(174)	(304)	4,527	4,353	(174)	4,153	200	0
N/A	Car Park Pay & Display Machines	520	0	0	(520)	1,040	1,040	0	1,040	0	0
N/A	Highways Structural Works	11,537	6,057	0	(5,480)	43,537	43,537	0	41,263	0	2,274
N/A	Road Safety	189	164	(25)	0	789	764	(25)	764	0	0
N/A	Transport for London	4,697	2,706	0	(1,991)	18,589	18,589	0	0	17,843	746
N/A	HS2 Road Safety Fund	645	0	0	(645)	645	645	0	0	0	645
N/A	Disabled Facilities Grant	2,852	1,933	(919)	0	14,560	13,641	(919)	0	13,641	0
N/A	PSRG / LPRG	100	35	(65)	0	500	435	(65)	230	205	0
N/A	Equipment Capitalisation - Social Care	1,172	2,091	919	0	5,860	6,779	919	0	6,779	0
N/A	Equipment Capitalisation - General	921	550	0	(371)	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	810	0	(224)	1,034	1,034	0	1,034	0	0
N/A	CCTV Programme	503	900	0	397	1,153	1,153	0	1,153	0	0
N/A	Youth Provision	1,425	238	0	(1,187)	1,425	1,425	0	1,425	0	0
N/A	Harlington Road Depot Improvements	439	49	0	(390)	639	639	0	639	0	0
N/A	Purchase of Vehicles	7,585	5,240	0	(2,345)	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	526	(41)	(322)	889	848	(41)	808	40	0
N/A	Section 106 Projects	632	446	(7)	(179)	632	625	(7)	0	0	625
	Total Programme of Works	53,690	33,724	(723)	(19,243)	153,715	152,992	(723)	99,068	47,863	6,061

Appendix E – Treasury Management Report as at 31st January 2020

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

Period	Actual (£m)	Actual (%)	Benchmark (%)
Call Accounts and MMF's*	24.7	62.22	70.00
Up to 1 Month Fixed-Term Deposits	0.0	0.00	70.00
Over 1 Month Fixed-Term Deposits	0.0	0.00	0.00
Total	24.7	62.22	70.00
Strategic Pooled Funds	15.0	37.78	30.00
Total	39.7	100.00	100.00

*Money Market Funds

154. 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.
155. 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.
156. 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 January, 100% of the Council's day-to-day operational treasury investments had exposure to bail-in risk compared to a December benchmark average of 60% in the Local Authority sector (latest benchmark provided quarterly by the Council's treasury advisors Arlingclose). The Council's exposure reduces to 0% once instant access facilities are excluded from the total bail-in percentage.
157. Liquidity was maintained throughout January by placing surplus funds in instant access accounts and making short-term deposits with the DMADF. Cash-flow was managed by ensuring deposit maturities with the DMADF were matched to outflows and where required, funds were withdrawn from instant access facilities.

Table 22: Outstanding Debt - Average Interest Rate on Debt: 3.23%
Average Interest Rate on Temporary Borrowing: 0.84%

	Actual (£m)	Actual (%)
General Fund		
PWLB	48.57	18.20
Long-Term Market	15.00	5.62
Temporary	20.00	7.49
HRA		
PWLB	150.32	56.32
Long-Term Market	33.00	12.37
Total	266.89	100.00

158. There were no scheduled debt repayments during January. Gilt yields moved down during the month. With the ongoing need to take further borrowing and with restrictive premiums, early repayment of debt remains unfeasible.
159. 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 February, cash balances will be placed in instant access accounts and short-term deposits. In addition, £30m of forward dated temporary borrowing was secured in January with settlement dates in February and March. This additional borrowing has ensured minimum cash levels are maintained throughout February.

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

161. 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	03/08/2015	03/02/2020	03/05/2020	251	15	266
Benefit Officer	03/04/2017	02/03/2020	31/05/2020	138	12	150
Residents Services						
CME Tracker	01/08/2018	01/03/2020	30/04/2020	79	9	88
Customer Service Advisor	03/04/2018	03/02/2020	03/05/2020	47	8	54
Private Sector Housing Officer	24/06/2019	10/02/2020	10/05/2020	47	24	71
Architect	06/05/2019	20/01/2020	19/04/2020	40	20	60
Programme Manager (Planned Works)	27/11/2017	24/02/2020	24/05/2020	184	22	206
Senior Environmental Health Officer	02/09/2019	10/02/2020	01/05/2020	37	22	59
Parking Operations Manager	03/07/2017	10/02/2020	10/05/2020	168	22	190
Planning Enforcement Officers	15/04/2019	22/02/2020	21/06/2020	55	18	74
Major Applications (PPA) Planner	03/01/2017	17/02/2020	17/05/2020	227	22	249
Programme Manager, Capital Programme Work	14/08/2016	09/03/2020	07/06/2020	232	25	257
Social Care						
Team Manager	17/07/2017	02/03/2020	29/03/2020	273	8	281
Senior Social Worker	01/04/2013	02/03/2020	29/03/2020	223	6	229
Social Worker	06/04/2017	02/03/2020	29/03/2020	138	6	144
Social Worker	23/10/2017	02/03/2020	29/03/2020	165	5	170
Social Worker	16/12/2016	02/03/2020	29/03/2020	250	6	256
Social Worker	21/08/2016	02/03/2020	29/03/2020	252	6	258
Social Worker	10/07/2017	02/03/2020	29/03/2020	181	6	187
Social Worker	07/11/2016	02/03/2020	29/03/2020	261	6	267
Social Worker	04/05/2015	02/03/2020	29/03/2020	308	5	313
Social Worker	13/04/2015	02/03/2020	29/03/2020	346	6	352
Social Worker	11/07/2016	02/03/2020	29/03/2020	273	6	279
Social Worker	01/08/2015	02/03/2020	29/03/2020	309	7	316
Social Worker	27/10/2016	02/03/2020	29/03/2020	244	6	250
Social Worker	01/12/2016	02/03/2020	29/03/2020	196	6	202
Educational Psychologist	04/02/2019	02/03/2020	29/03/2020	157	11	168
Educational Psychologist	15/11/2015	02/03/2020	29/03/2020	350	8	358

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
Special Needs Officer	01/12/2016	02/03/2020	29/03/2020	213	6	219
Social Worker	11/08/2014	02/03/2020	29/03/2020	443	6	449
Social Worker	01/01/2013	02/03/2020	29/03/2020	462	6	468
Social Worker	01/04/2013	02/03/2020	29/03/2020	258	6	264
Social Worker	26/08/2016	02/03/2020	29/03/2020	242	6	248
Support Worker	20/12/2015	02/03/2020	29/03/2020	116	3	119
Social Worker	04/07/2016	02/03/2020	29/03/2020	296	6	302
Social Worker	03/07/2016	02/03/2020	29/03/2020	297	7	304
Social Worker	21/11/2016	02/03/2020	29/03/2020	234	6	240
Social Worker	01/01/2013	02/03/2020	29/03/2020	459	6	465
Senior Social Worker	29/06/2017	02/03/2020	29/03/2020	224	6	230
Education Health and Care Officer	01/07/2017	02/03/2020	29/03/2020	138	5	143
Principal Educational Psychologist	01/08/2015	02/03/2020	29/03/2020	328	11	339
Senior Educational Psychologist	15/08/2016	02/03/2020	29/03/2020	286	11	297
Educational Psychologist	01/03/2016	02/03/2020	29/03/2020	355	12	367
Social Worker	02/07/2017	02/03/2020	29/03/2020	175	6	181
Independent Domestic Violence Advocate	01/10/2018	02/03/2020	29/03/2020	73	4	77
Senior Social Worker	30/04/2012	02/03/2020	29/03/2020	264	6	270
Education Health and Care Officer	04/03/2019	02/03/2020	29/03/2020	59	5	64
Senior Social Worker	21/11/2017	02/03/2020	29/03/2020	78	7	85
Senior Social Worker	19/12/2011	02/03/2020	29/03/2020	83	7	90
Social Worker	01/04/2018	02/03/2020	29/03/2020	152	6	158
SEND Team Manager - Primary	29/07/2019	02/03/2020	29/03/2020	60	8	68
Social Worker	01/04/2013	02/03/2020	29/03/2020	74	6	80
AMHP	04/02/2019	02/03/2020	29/03/2020	69	6	75
Approved Mental Health Worker	05/02/2018	02/03/2020	29/03/2020	108	4	112
AMHP	04/02/2019	02/03/2020	29/03/2020	83	6	89
Social Worker	29/04/2019	02/03/2020	29/03/2020	50	6	56
AMHP	03/06/2019	02/03/2020	29/03/2020	58	6	63
Senior Business Analyst (Liquid Logic Implementation)	01/07/2019	02/03/2020	29/03/2020	58	7	64
Senior Business Analyst (Liquid Logic Implementation)	01/07/2019	02/03/2020	29/03/2020	58	7	65
Project Manager/Senior Business Analyst (Liquid Logic Implementation)	01/07/2019	02/03/2020	29/03/2020	61	7	68
Social Worker POA	01/07/2019	02/03/2020	29/03/2020	52	6	58
AMHP	01/07/2019	02/03/2020	29/03/2020	52	6	58
AMHP	04/11/2019	02/03/2020	29/03/2020	42	10	52

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
Social Worker (CHC)	03/01/2017	02/03/2020	29/03/2020	153	4	157
Senior Residential Worker	03/09/2018	03/02/2020	01/03/2020	67	3	71
Support Worker	03/04/2017	02/03/2020	29/03/2020	101	3	103
Support Worker	03/10/2016	02/03/2020	29/03/2020	81	2	82
Support Planner	03/09/2018	02/03/2020	29/03/2020	51	3	53
Care Worker	06/07/2016	02/03/2020	29/03/2020	105	2	107
Care Worker	06/03/2017	02/03/2020	29/03/2020	85	2	87
Nursery Practitioner	01/10/2017	03/02/2020	01/03/2020	78	2	80
SENDIASS Manager	29/04/2019	03/02/2020	01/03/2020	76	7	83
Early Years Practitioner	01/04/2018	03/02/2020	01/03/2020	52	2	54
Early Years Practitioner	06/02/2017	03/02/2020	01/03/2020	78	2	80
Early Years Practitioner	01/04/2018	03/02/2020	01/03/2020	51	2	53
Early Years Practitioner	01/04/2018	03/02/2020	01/03/2020	51	2	53
Early Years Practitioner	25/03/2016	03/02/2020	01/03/2020	86	2	88
Nursery Officer	05/09/2016	03/02/2020	01/03/2020	80	2	82
Early Years Practitioner	23/02/2015	03/02/2020	01/03/2020	111	2	114
Service Development & Quality Assurance Officer	01/04/2019	03/02/2020	01/03/2020	108	9	117
FIS Officer	01/04/2018	03/02/2020	01/03/2020	59	3	62
Online Services Co-ordinator	04/03/2019	02/03/2020	29/03/2020	67	5	73