



**Democratic Services**

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**To: COUNCILLOR RAY PUDDIFOOT MBE  
LEADER OF THE COUNCIL**

**COUNCILLOR JONATHAN BIANCO  
CABINET MEMBER FOR FINANCE, PROPERTY &  
BUSINESS SERVICES**

- c.c. All Councillors
- c.c. Members of Executive Scrutiny Committee
- c.c. Chairmen, Policy Overview Committees
- c.c. Corporate Management Team
- c.c. Andy Evans & Iain Watters, Finance
- c.c. Conservative and Labour Group Offices  
(inspection copy)

**Date:** 15 April 2020

**EXECUTIVE DECISION REQUEST  
(in lieu of Cabinet on 23 April 2020)**

**Monthly Council Budget Monitoring Report Month 11**  
*(Public report)*

Dear Cabinet Members

Attached is a business as usual report with recommendations requesting that a decision be made by you on these in due course. This report had previously been scheduled for the 23 April 2020 Cabinet meeting which is now not taking place. However, under the Leader’s constitutional authority, this decision can be taken by you jointly in the absence of that Cabinet meeting.

You may taken your decision electronically **on (or after) Thursday 23 April 2020**. Democratic Services will be in contact by email on this date to request your decision.

Upon your decision, a decision notice will be published and Executive Scrutiny Committee Members will then be notified for their scrutiny electronically before any decision can take effect.

Mark Braddock  
Democratic Services

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**Title Of Report: Monthly Council Budget Monitoring Report Month 11**

**Decision made:**

**Reasons for your decision :** (e.g. as stated in report)

**Alternatives considered and rejected :** (e.g. as stated in report)

Signed .....(Note: to be authorised by email).....Date.....

*Leader of the Council / Cabinet Member for Finance, Property & Business Services*

# COUNCIL BUDGET - 2019/20 REVENUE AND CAPITAL MONTH 11 BUDGET MONITORING

<b>Cabinet Members</b>	Councillor Ray Puddifoot MBE Councillor Jonathan Bianco
<b>Cabinet Portfolios</b>	Leader of the Council Finance, Property and Business Services
<b>Report Author</b>	Paul Whaymand, Corporate Director of Finance
<b>Papers with report</b>	Appendices A – G

## HEADLINE INFORMATION

<b>Purpose of report</b>	<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 £2,073k is reported against 2019/20 General Fund revenue budgets as of February 2019 (Month 11), representing an improvement of £304k on the position reported at Month 10. Unallocated reserves are projected to total £34,641k 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>
<b>Contribution to our plans and strategies</b>	<p><b>Putting our Residents First: <i>Financial Management</i></b></p> <p>Achieving Value for Money is an important element of the Council's Medium Term Financial Plan.</p>
<b>Financial Cost</b>	N/A
<b>Relevant Policy Overview Committee</b>	Corporate Services, Commerce and Communities
<b>Ward(s) affected</b>	All

## RECOMMENDATIONS

That, on behalf of the Cabinet, the Leader of the Council and Cabinet Member for Finance, Property & Business Services:

1. Note the budget position as at February 2019 (Month 11) as outlined in Table 1;
2. Note the Treasury Management update as at February 2020 at Appendix E;
3. Agree to continue the delegated authority 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. To also note those consultancy and agency

assignments over £50k approved under delegated authority between 12 March 2020 and 23 April 2020, detailed at Appendix G;

4. Accept a grant of £250k from Network Rail for carriageway works at Station Approach, West Drayton;
5. Approve to charge an affordable rent for the 19 new build general needs flats at Acol Crescent - Roundel House (£174.59 pw for one bed roomed flats and £231.08 pw for two bed roomed flats in 2020/21) as detailed in Appendix F;
6. Approve acceptance of £66k grant funding from the Food Standards Agency for the costs of EU Exit planning;
7. Approve acceptance of £35k grant funding from the Food Standards Agency for the costs of the implementation of the Official Controls Regulation (EU) 2017/625 (OCR).
8. Agrees funding of £8k to the Mayor of Hillingdon's Charitable Trust in lieu of the Council not entering the Mayor of London's New Year's Day Parade in 2020.
9. Note the following recent decisions taken under the Leader's Emergency Power in response to Coronavirus:
  - a) Approved essential changes to the Council's contractual arrangements during the Pandemic, including the implementation HM Government's COVID-19 Procurement Policy Note issued on 20 March 2020;
  - b) Accepted a £6.86m social care grant from HM Government and agreed an immediate spend of £1.87m of this grant to support our Social Care providers in maintaining resilience over the coming months;
  - c) Agreed a 10% temporary uplift to permanent front-line social care staff salaries amounting to £197k revenue to reflect their critical role at this time;
  - d) Agreed up to £50k external grant funding for H4All to support the local voluntary sector response;
  - e) Released £49k of capital funding for urgent works to secure the Hillingdon Sports and Leisure Centre site following its temporary closure.

## 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 G reports back on use of this delegated authority previously granted by Cabinet.
3. **Recommendation 4** Approves a grant agreement of £250k (or the total cost of work and LBH fees if greater) with Network Rail to facilitate reconstruction of the carriageway they own in Station Approach West Drayton which has collapsed meaning buses can no longer serve the station.
4. **Recommendation 5** Council in February 2018, as part of the HRA rent policy, agreed to delegate to the Leader and relevant Cabinet Member the authority to set affordable rent levels for newly acquired or built properties on a scheme-by-scheme basis. The HRA new build Acol Crescent - Roundel House was approved on the financial viability assumption that the general needs properties would be charged an affordable rent.

5. Grant funding has been offered by the Food Standards Agency which if accepted will be utilised to fund the costs of EU Exit planning by the Imported Food Office. **Recommendation 6** seeks authority to approve the acceptance of £66k, relating to the costs of an Environmental Health contractor, use of an additional veterinary surgeon and team training on new systems and procedures.
6. Grant funding has been offered by the Food Standards Agency which if accepted will be utilised to fund the costs of the implementation of the Official Controls Regulation (EU) 2017/625 (OCR) by the Imported Food Office. **Recommendation 7** seeks authority to approve the acceptance of £35k, relating to (i) staff time incurred on training, updating documents, internal systems, operational protocols and procedures and (ii) costs of materials including stationery, stamps and forms.
7. **Recommendation 8** agrees to grant £8k to the Mayor of Hillingdon's Charitable Trust in lieu of the Council not entering the Mayor of London's New Year's Day Parade in 2020. In previous years, where there has been a Borough entry, Cabinet has provided some funding to support it. Instead, this year, that support will be directed towards Hillingdon's Mayoral charities.
8. Members will be aware that our decision-making process has been prioritised to focus on the Council's response to Coronavirus and support residents at this difficult time. Critical to this, is the provision within the Council's Constitution for the Leader of the Council to exercise his Emergency Power to take urgent executive decisions. Some of those recently taken are summarised in **Recommendation 9**. Members should be aware that this does not encapsulate all the emergency decisions taken by the Leader because this report is a snapshot in time. However, all such decisions taken will be formally ratified at a future Cabinet meeting with full information.

#### **Alternative options considered**

9. There are no other options proposed for consideration.

## SUMMARY

### REVENUE

10. General Fund revenue budgets are projected to underspend by £2,073k at Month 11, an improvement of £304k on the position reported at Month 11. This position consists of a £503k underspend against Directorate Operating Budgets, with a £956k underspend on Development and Risk Contingency and £612k 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.
11. 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 Development Control Income has reduced with further improvements on Homelessness. There have been additional calls on contingency in Month 11 in relation to Housing Legal Challenges.
12. General Fund Balances are expected to total £34,641k 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 £5,703k from the opening balance of £40,344k, an improvement on the planned release of £7,776k from reserves to support the 2019/20 budget.
13. 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, £534k has moved in Month 11 from on track to being banked and £250k is at 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.
14. A surplus of £332k 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 is lower than the £459k surplus forecast at budget setting in February 2020. The £127k adverse movement will be carried forward to 2021/22.
15. The Dedicated Schools Grant is projecting an in-year overspend of £5,772k at Month 11, a £423k adverse movement from Month 10. 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 £14,264k.

### CAPITAL

16. At Month 11 the projected underspend against the 2019/20 General Fund Capital Programme is £28,075k, 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 £1,260k. The planned investment will require £222,614k Prudential Borrowing, £2,457k 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

17. An underspend of £2,073k is reported across normal operating activities at Month 11, an improvement of £304k on Month 10, which is primarily linked to an improvement in Directorate Operating budgets of £51k and £252k on Contingency. There remain recurrent pressures relating to Early Years Centres, Education and ICT, which are offset primarily by staffing underspends to deliver a net £503k underspend on Directorate Operating Budgets.
18. 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 £1,133k on SEN Transport, £750k on Adult Social Care placements, £634k Housing Legal Challenges and £193k on Development Control income.
19. Savings of £8,141k are being managed within the 2019/20 budget. Currently £7,891k savings are banked 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 10, with £534k being promoted from on track to being banked.

**Table 1: General Fund Overview**

Original Budget £'000	Budget Changes £'000	Service	Month 11		Variance (As at Month 11) £'000	Variance (As at Month 10) £'000	Movement from Month 10 £'000
			Revised Budget £'000	Forecast Outturn £'000			
210,620	2,137	Directorate Operating Budgets	212,757	212,254	(503)	(452)	(51)
7,436	0	Corporate Operating Budgets	7,436	6,824	(612)	(611)	(1)
12,863	(2,789)	Development & Risk Contingency	10,074	9,118	(956)	(704)	(252)
(991)	0	Unallocated Budget Items	(339)	(339)	0	0	0
<b>229,928</b>	<b>0</b>	<b>Sub-total Normal Activities</b>	<b>229,928</b>	<b>227,857</b>	<b>(2,071)</b>	<b>(1,767)</b>	<b>(304)</b>
(222,152)	0	Corporate Funding	(222,152)	(222,154)	(2)	(2)	0
<b>7,776</b>	<b>0</b>	<b>Net Total</b>	<b>7,776</b>	<b>5,703</b>	<b>(2,073)</b>	<b>(1,769)</b>	<b>(304)</b>
(40,344)	0	Balances b/fwd	(40,344)	(40,344)			
<b>(32,568)</b>	<b>0</b>	<b>Balances c/fwd 31 March 2020</b>	<b>(32,568)</b>	<b>(34,641)</b>			

20. General Fund Balances are expected to total £34,641k at 31 March 2020 as a result of the forecast position detailed above, £2,073k 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

21. 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 11		Variance (As at Month 11) £'000	Variance (As at Month 10) £'000	Movement from Month 10 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
8,110 (1,207)	0 (1)	Chief Executive's Office	Expenditure	8,110	8,129	19	18	1
			Income	(1,208)	(1,223)	(15)	(14)	(1)
<b>6,903</b>	<b>(1)</b>		<b>Sub-Total</b>	<b>6,902</b>	<b>6,906</b>	<b>4</b>	<b>4</b>	<b>0</b>
19,069 (3,221)	56 (175)	Finance	Expenditure	19,125	19,247	122	99	23
			Income	(3,396)	(3,581)	(185)	(162)	(23)
<b>15,848</b>	<b>(119)</b>		<b>Sub-Total</b>	<b>15,729</b>	<b>15,666</b>	<b>(63)</b>	<b>(63)</b>	<b>0</b>
116,482 (43,966)	2,162 (1,327)	Residents Services	Expenditure	118,644	118,645	1	(111)	112
			Income	(45,293)	(45,359)	(66)	102	(168)
<b>72,516</b>	<b>835</b>		<b>Sub-Total</b>	<b>73,351</b>	<b>73,286</b>	<b>(65)</b>	<b>(9)</b>	<b>(56)</b>
148,761 (33,408)	668 754	Social Care	Expenditure	149,429	150,165	736	112	624
			Income	(32,654)	(33,769)	(1,115)	(496)	(619)
<b>115,353</b>	<b>1,422</b>		<b>Sub-Total</b>	<b>116,775</b>	<b>116,396</b>	<b>(379)</b>	<b>(384)</b>	<b>5</b>
<b>210,620</b>	<b>2,137</b>	<b>Total Directorate Operating Budgets</b>		<b>212,757</b>	<b>212,254</b>	<b>(503)</b>	<b>(452)</b>	<b>(51)</b>

22. An overspend of £4k is reported on Chief Executive's Office budgets at Month 11, representing no change from Month 10. Across Finance, a net underspend of £63k is projected at Month 11 representing no change on the previously reported position, reflecting a combination of vacancies and use of grant funding to support additional staff.
23. At Month 11, a net underspend of £65k is reported across Residents Services, representing a £56k favourable movement from Month 10 as a result of increased staffing underspends. The headline position includes a £332k pressure on ICT contract costs, £251k 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.
24. A net underspend of £379k is reported across Social Care budgets, with an adverse movement of £5k on Month 10 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.
25. 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 £2,880k 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

26. The savings requirement for 2019/20 is £6,609k. In addition, there are savings of £700k brought forward from 2018/19 giving a 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.
27. Of this sum, £7,891k are banked. £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 10, with £534k being promoted from on track to being banked.

**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)	(730)	(1,696)	(2,923)	(2,155)	<b>(7,891)</b>	<b>96.1%</b>
G On track for delivery	0	0	0	0	0	<b>0</b>	<b>0.0%</b>
A Potential significant savings shortfall or a significant or risky project which is at an early stage;	0	0	0	0	(250)	<b>(250)</b>	<b>3.1%</b>
R Serious problems in the delivery of the saving	0	0	0	0	0	<b>0</b>	<b>0.0%</b>
<b>Total 2019/20 Savings</b>	<b>(387)</b>	<b>(730)</b>	<b>(1,696)</b>	<b>(2,923)</b>	<b>(2,405)</b>	<b>(8,141)</b>	<b>100.0%</b>

## Corporate Operating Budgets

28. Corporate Operating Budgets are currently forecasting a £612k favourable variance, which is a favourable movement of £1k on the Month 10 position with the Housing Benefit Subsidy continuing to be forecast to budget. In addition to the favourable position on Corporate Operating Budgets, Corporate Funding has a £2k favourable variance. Included in this report are updates to the unallocated growth, inflation and savings budgets.
29. 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 £248k 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 back 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 £612k.

**Table 4: Corporate Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service	Month 11		Variance (As at Month 11) £'000	Variance (As at Month 10) £'000	Movement from Month 10 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
0	0	Interest and Investment Income	Salaries	0	0	0	0	0
7,777	0		Non-Sal Exp	7,777	7,489	(288)	(288)	0
(87)	0		Income	(87)	(47)	40	40	0
<b>7,690</b>	<b>0</b>		<b>Sub-Total</b>	<b>7,690</b>	<b>7,442</b>	<b>(248)</b>	<b>(248)</b>	<b>0</b>
490	0	Levies and Other Corporate Budgets	Salaries	490	491	1	2	(1)
12,570	0		Non-Sal Exp	12,570	12,562	(8)	(8)	0
(12,289)	0		Income	(12,289)	(12,646)	(357)	(357)	0
<b>771</b>	<b>0</b>		<b>Sub-Total</b>	<b>771</b>	<b>407</b>	<b>(364)</b>	<b>(363)</b>	<b>(1)</b>
0	0	Housing Benefit Subsidy	Salaries	0	0	0	0	0
147,629	0		Non-Sal Exp	147,629	147,629	0	0	0
(148,654)	0		Income	(148,654)	(148,654)	0	0	0
<b>(1,025)</b>	<b>0</b>		<b>Sub-Total</b>	<b>(1,025)</b>	<b>(1,025)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>7,436</b>	<b>0</b>	<b>Total Corporate Operating Budgets</b>		<b>7,436</b>	<b>6,824</b>	<b>(612)</b>	<b>(611)</b>	<b>(1)</b>

## Development & Risk Contingency

30. 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 11, a £956k underspend is reported against this sum, representing a £252k improvement on Month 10, while retaining £250k General Contingency to manage any emerging issues.

**Table 5: Development & Risk Contingency**

Original Budget £'000	Budget Changes £'000	Service	Month 11		Variance (As at Month 11) £'000	Variance (As at Month 10) £'000	Movement from Month 10 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
1,072	0	Residents Services	Impact of Welfare Reform on Homelessness	1,072	568	(504)	(453)	(51)
1,972	(772)		Waste Disposal Levy & Associated Contracts	1,200	100	(1,100)	(1,100)	0
0	0		Development Control - Major Applications	0	193	193	571	(378)
0	0		Housing Legal Challenges	0	634	634	475	159
1,885	0	Social Care	Asylum Service	1,885	695	(1,190)	(1,190)	0
3,273	(403)		Demographic Growth - Looked After Children	2,870	2,700	(170)	(170)	0
1,017	(367)		Demographic Growth - Children with Disabilities	650	895	245	245	(1)
277	0		Social Worker Agency Contingency	277	244	(34)	(56)	23
997	(259)		SEN transport	738	1,871	1,133	1,137	(4)
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
<b>12,863</b>	<b>(2,789)</b>	<b>Total Development &amp; Risk Contingency</b>		<b>10,074</b>	<b>9,118</b>	<b>(956)</b>	<b>(704)</b>	<b>(252)</b>

31. Within Residents Services, Development Risk and Contingency is showing a reported underspend of £777k, a movement of £270k from Month 10 linked to improvements in Development Control Income and Homelessness being offset by movements on Housing Legal Challenges. The overall underspend includes a £330k rebate from the West London waste Authority.
32. Within Social Care there is forecast a £1,190k reduced call on contingency in Asylum Service due to an uplift in grant income following a Home Office review of funding rates, no change to Month 10. There was significant growth built into the Looked After Children budget in 2019/20 and this is forecasting an underspend of £170k against contingency.
33. Social Worker Agency Contingency has a £244k call on contingency, £23k more than Month 10 forecasts, however £34k under the contingency 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.

34. SEN Transport is reporting a £1,871k call on contingency, £1,133k 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.
35. The above specific calls on contingency result in a net underspend of £374k, with a further £582k underspend projected against General Contingency to deliver an overall favourable variance of £956k. 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**

36. 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.
37. 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. £366k of projects have been approved for funding from HIP resources, with £104k underspend relating to projects completed in 2018/19, there is £655k available for future releases.

### **Schools Budget**

38. At Month 10 the Dedicated Schools Grant position is an in-year overspend of £5,772k. This is an adverse movement of £423k on the Month 10 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. There has been an increase in the number of schools applying for exceptional SEN funding. This is a consequence of the increasing complexity and, in some cases, a lack of special school places meaning that mainstream schools need additional resource to maintain the placement. In 2019/20 exceptional funding has more than doubled to £132k.
39. The total deficit carry forward is currently forecast at £14,264k, which almost entirely relates to the widely publicised funding shortfall for High Needs and SEND provision.

### **Collection Fund**

40. A £332k surplus is reported against the Collection Fund at Month 11, which is made up of a £5k surplus on Council Tax and a £327k 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 £108k adverse movement on Month 10 projections.

### **Housing Revenue Account**

41. The Housing Revenue Account is currently forecasting a £53k favourable position, a £6k improvement from Month 10, resulting in a drawdown of reserves of £1,192k. This results in a projected 2019/20 closing HRA General Balance of £17,068k. The use of reserves is funding investment in new housing stock.

## **Future Revenue Implications of Capital Programme**

42. 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 £1,354k 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

43. The overall position for Chief Executive's Office at Month 11 is a forecast pressure of £4k and is in line with the position reported for Month 10.
44. Income across the Group has continued 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 with forecasts holding steady at this stage of the year.

**Table 6: Chief Executive's Office Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service	Month 11		Variance (As at Month 11) £'000	Variance (As at Month 10) £'000	Movement from Month 10 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
1,479	0	Democratic Services	Salaries	1,479	1,494	15	17	(2)
1,721	1		Non-Sal Exp	1,722	1,697	(25)	(26)	1
(701)	(1)		Income	(702)	(684)	18	18	0
<b>2,499</b>	<b>0</b>		<b>Sub-Total</b>	<b>2,499</b>	<b>2,507</b>	<b>8</b>	<b>9</b>	<b>(1)</b>
1,900	(146)	Human Resources	Salaries	1,754	1,800	46	27	19
830	145		Non-Sal Exp	975	974	(1)	15	(16)
(230)	0		Income	(230)	(254)	(24)	(22)	(2)
<b>2,500</b>	<b>(1)</b>		<b>Sub-Total</b>	<b>2,499</b>	<b>2,520</b>	<b>21</b>	<b>20</b>	<b>1</b>
2,124	0	Legal Services	Salaries	2,124	2,106	(18)	(18)	0
56	0		Non-Sal Exp	56	58	2	3	(1)
(276)	0		Income	(276)	(285)	(9)	(10)	1
<b>1,904</b>	<b>0</b>		<b>Sub-Total</b>	<b>1,904</b>	<b>1,879</b>	<b>(25)</b>	<b>(25)</b>	<b>0</b>
5,503	(146)	Chief Executive's Office Directorate	Salaries	5,357	5,400	43	26	17
2,607	146		Non-Sal Exp	2,753	2,729	(24)	(8)	(16)
(1,207)	(1)		Income	(1,208)	(1,223)	(15)	(14)	(1)
<b>6,903</b>	<b>(1)</b>		<b>Total</b>	<b>6,902</b>	<b>6,906</b>	<b>4</b>	<b>4</b>	<b>0</b>

## FINANCE

45. A forecast underspend of £63k is reported for Month 11 in line with the position reported for Month 10. Income from both the auction of Fleet vehicles and external grant funding from the CLG for revenues inspections continues to offset service pressures within Fleet as the capital acquisition programme, now nearing completion, is implemented.

**Table 7: Finance Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service	Month 11		Variance (As at Month 11) £'000	Variance (As at Month 10) £'000	Movement from Month 10 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
6,021	37	Exchequer and Business Assurance Services	Salaries	6,058	6,015	(43)	(43)	0
3,505	12		Non-Sal Exp	3,517	3,537	20	19	1
(2,683)	(174)		Income	(2,857)	(2,937)	(80)	(77)	(3)
<b>6,843</b>	<b>(125)</b>		<b>Sub-Total</b>	<b>6,718</b>	<b>6,615</b>	<b>(103)</b>	<b>(101)</b>	<b>(2)</b>
1,743	0	Procurement	Salaries	1,743	1,721	(22)	(21)	(1)
3,243	8		Non-Sal Exp	3,251	3,356	105	102	3
(93)	(1)		Income	(94)	(155)	(61)	(61)	0
<b>4,893</b>	<b>7</b>		<b>Sub-Total</b>	<b>4,900</b>	<b>4,922</b>	<b>22</b>	<b>20</b>	<b>2</b>
4,213	(94)	Corporate Finance	Salaries	4,119	4,142	23	(2)	25
344	93		Non-Sal Exp	437	476	39	44	(5)
(445)	0		Income	(445)	(489)	(44)	(24)	(20)
<b>4,112</b>	<b>(1)</b>		<b>Sub-Total</b>	<b>4,111</b>	<b>4,129</b>	<b>18</b>	<b>18</b>	<b>0</b>
11,977	(57)	Finance Directorate	Salaries	11,920	11,878	(42)	(66)	24
7,092	113		Non-Sal Exp	7,205	7,369	164	165	(1)
(3,221)	(175)		Income	(3,396)	(3,581)	(185)	(162)	(23)
<b>15,848</b>	<b>(119)</b>		<b>Total</b>	<b>15,729</b>	<b>15,666</b>	<b>(63)</b>	<b>(63)</b>	<b>0</b>

## RESIDENTS SERVICES

46. Residents Services directorate is showing a projected outturn underspend of £65k at Month 11, excluding pressure areas that have identified contingency provisions. The overall variance is a result of pressures across Residual Education and Highways and Street Lighting 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 11		Variance (As at Month 11) £'000	Variance (As at Month 10) £'000	Movement from Month 10 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
17,619	(43)	Infrastructure, Waste and ICT	Salaries	17,576	17,580	4	39	(35)
32,237	772		Non-Sal Exp	33,009	33,517	508	224	284
(10,590)	(58)		Income	(10,648)	(10,752)	(104)	97	(201)
<b>39,266</b>	<b>671</b>		<b>Sub-Total</b>	<b>39,937</b>	<b>40,345</b>	<b>408</b>	<b>360</b>	<b>48</b>
19,221	860	Housing, Environment, Education, Health & Wellbeing	Salaries	20,081	19,759	(322)	(358)	36
24,490	352		Non-Sal Exp	24,842	25,064	222	377	(155)
(18,024)	(941)		Income	(18,965)	(18,609)	356	325	31
<b>25,687</b>	<b>271</b>		<b>Sub-Total</b>	<b>25,958</b>	<b>26,214</b>	<b>256</b>	<b>344</b>	<b>(88)</b>
4,324	25	Planning, Transportation & Regeneration	Salaries	4,349	4,263	(86)	(76)	(10)
1,240	174		Non-Sal Exp	1,414	1,504	90	94	(4)
(4,534)	(206)		Income	(4,740)	(4,724)	16	14	2
<b>1,030</b>	<b>(7)</b>		<b>Sub-Total</b>	<b>1,023</b>	<b>1,043</b>	<b>20</b>	<b>32</b>	<b>(12)</b>
13,486	50	Administrative, Technical & Business Services	Salaries	13,536	12,958	(578)	(538)	(40)
3,865	(28)		Non-Sal Exp	3,837	4,000	163	127	36
(10,818)	(122)		Income	(10,940)	(11,274)	(334)	(334)	0
<b>6,532</b>	<b>(100)</b>		<b>Sub-Total</b>	<b>6,433</b>	<b>5,684</b>	<b>(749)</b>	<b>(745)</b>	<b>(4)</b>
54,650	892	Residents Services Directorate	Salaries	55,542	54,560	(982)	(933)	(49)
61,832	1,270		Non-Sal Exp	63,102	64,085	983	822	161
(43,966)	(1,327)		Income	(45,293)	(45,359)	(66)	102	(168)
<b>72,515</b>	<b>835</b>		<b>Total</b>	<b>73,351</b>	<b>73,286</b>	<b>(65)</b>	<b>(9)</b>	<b>(56)</b>

47. 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 11, projected calls on contingency are forecast to be £777k less than the budgeted provision, a £270k favourable movement from Month 10. The following table shows the breakdown for each contingency item.

**Table 9: Development and Risk Contingency**

Original Budget £'000	Budget Changes £'000	Development & Risk Contingency	Month 11		Variance (As at Month 11) £'000	Variance (As at Month 10) £'000	Movement from Month 10 £'000
			Revised Budget £'000	Forecast Outturn £'000			
1,072	0	Impact of Welfare Reform on Homelessness	1,072	568	(504)	(453)	(52)
1,972	(772)	Waste Disposal Levy & Associated Contracts	1,200	100	(1,100)	(1,100)	0
0	0	Development Control – Income	0	193	193	571	(378)
0	0	Housing Legal Challenges	0	634	634	475	159
<b>3,044</b>	<b>(772)</b>	<b>Current Commitments</b>	<b>2,272</b>	<b>1,495</b>	<b>(777)</b>	<b>(507)</b>	<b>(270)</b>

48. The Month 11 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. This number has been steadily reducing throughout the year, however, at Month 11 there has been an increase in the overall level of Temporary Accommodation in use, resulting in an increase in the number of clients placed in Bed and Breakfast accommodation. This is due to a reduction in alternative supply, however management actions to meet MTFF targets continue to be implemented.

**Table 10: Housing Needs performance data**

	December 19	January 20	February 20
All Approaches	180	286	286
Full Assessment Required	126	223	213
New into Temporary Accommodation (Homeless and Relief)	36	33	46
Households in Temporary Accommodation	421	413	441
Households in B&B	138	137	163

49. As in previous years, a contingency has been set aside in 2019/20 to resource the procurement of Private Sector placements or the need for Temporary Accommodation in the borough. The call on contingency relating to homelessness is forecast at £568k, £504k below the budgeted provision. The service is forecasting the number of clients in B&B accommodation will average 163 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 11 position also reflects the benefit of reduced unit costs.
50. The Council will continue to closely monitor this risk, as following the introduction of the Homeless Reduction Act in April 2018, there are emerging pressures on the demand for Housing assistance. Specific funding is retained within an earmarked reserve to manage this risk.
51. 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 arising's 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.
52. 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.
53. 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 continued in quarter three and was assumed to continue into quarter four, with a further £271k pressure being reported for the second half of the year.
54. However, in the last month there has been an increase in activity for household and minor applications with current projections showing an improvement of £60k. The B&M Yiewsley scheme has been brought forward from 2020/21, accounting for a further £103k improvement. In addition to the Development Control Income, there has been an improvement of £215k in the forecast Community Infrastructure Levy retained admin fee. The total improvement of £378k will reduce the call on General Contingency to £193k.

**Infrastructure, Waste and ICT (£408k overspend, £48k adverse movement)**

55. At Month 11, there is a £408k forecast overspend, an adverse movement of £48k from Month 10 arising from a number of material variances across Waste 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.
56. Earmarked reserve drawdowns totalling £310k are partly offsetting the gross pressure on Waste Services of £355k. The projected underlying pressure includes a staffing overspend of £655k 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.
57. 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 £379k income over-achievement, largely reflecting strong trade tipping activity at the New Years Green Lane CA site.
58. The Highways overspend at Month 11 is £217k, 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.

59. ICT is reporting a net underspend of £42k. There is a forecast pressure on contract costs of £332k, though this is now offset by (i) a £314k staff costs underspend, reflecting vacancies and recruitment delays whilst the service progresses a BID restructure and more general staff turnover and (ii) £60k of fee recharges to ICT capital projects. This represents a £100k favourable movement compared to the month 10 position, attributable to further recruitment delays, a decrease in the contract costs forecast and additional fee recharges relating to the Microsoft 365 project.

#### **Housing, Environment, Education, Health & Wellbeing (£256k overspend, £88k favourable movement)**

60. At Month 11 there is an overspend position of £256k across the service, primarily from pressures within the Residual Education function and Enforcement income.
61. Green Spaces is showing a forecast overspend against budget of £24k as at month 11, including a drawdown of £102k from earmarked reserves (£7k Youth Fund, £52k Parks Improvement Grant, and £43k 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.
62. There is a £251k pressure within the Residual Education service, a £2k adverse movement from Month 10. The delivery of these functions is currently being reviewed as part of a BID workstream.
63. The Housing Options, Homelessness and Standards team is projecting an overspend of £209k, a favourable movement of £28k from Month 10. The pressure 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. The favourable movement is attributable to reduced staff costs. Community Safety, Customer Engagement and Domestic Abuse is projecting an underspend of £104k, this is driven by part year vacancies within the CCTV monitoring centre.

#### **Planning, Transportation & Regeneration (£20k overspend, £12k favourable movement)**

64. 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 £20k. 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 (£749k underspend, £4k favourable movement)**

65. There is an overall improvement of £4k across the service in Month 11. A £40k favourable movement within staff costs is largely attributable to recruitment delays across Technical Admin and revised agency projections to the end of the financial year within Food Health and Safety. Partly offsetting this is an adverse movement of £36k in non-staffing costs (resulting mainly from a revision in the forecast for the parking enforcement contract).

## SOCIAL CARE (£379k underspend, £5k adverse movement)

66. Social Care is projecting an underspend of £379k as at Month 11, an adverse movement of £5k on the Month 10 projections. 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.
67. This position also includes a number of ongoing pressures, which are being managed by the Service. These relate to; a £657k 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	(1,200)	Children's Services	Salaries	17,242	16,727	(515)	(518)	3
17,704	1,088		Non-Sal Exp	18,792	19,601	809	798	11
(7,656)	(32)		Income	(7,688)	(8,407)	(719)	(704)	(15)
<b>28,490</b>	<b>(144)</b>		<b>Sub-Total</b>	<b>28,346</b>	<b>27,921</b>	<b>(425)</b>	<b>(424)</b>	<b>(1)</b>
2,051	(652)	SEND	Salaries	1,399	1,705	306	199	107
186	272		Non-Sal Exp	458	529	71	87	(16)
(427)	337		Income	(90)	(274)	(184)	(150)	(34)
<b>1,810</b>	<b>(43)</b>		<b>Sub-Total</b>	<b>1,767</b>	<b>1,960</b>	<b>193</b>	<b>136</b>	<b>57</b>
7,720	213	Adult Social Work	Salaries	7,933	7,892	(41)	(26)	(15)
72,847	247		Non-Sal Exp	73,094	73,204	110	(526)	636
(21,829)	722		Income	(21,107)	(20,642)	465	1,076	(611)
<b>58,738</b>	<b>1,182</b>		<b>Sub-Total</b>	<b>59,920</b>	<b>60,454</b>	<b>534</b>	<b>524</b>	<b>10</b>
18,286	116	Provider and Commissioned Care	Salaries	18,402	17,656	(746)	(766)	20
11,525	584		Non-Sal Exp	12,109	12,851	742	864	(122)
(3,496)	(273)		Income	(3,769)	(4,446)	(677)	(718)	41
<b>26,315</b>	<b>427</b>		<b>Sub-Total</b>	<b>26,742</b>	<b>26,061</b>	<b>(681)</b>	<b>(620)</b>	<b>(61)</b>
46,499	(1,523)	Social Care Directorate Total	Salaries	44,976	43,980	(996)	(1,111)	115
102,262	2,191		Non-Sal Exp	104,453	106,185	1,732	1,223	509
(33,408)	754		Income	(32,654)	(33,769)	(1,115)	(496)	(619)
<b>115,353</b>	<b>1,422</b>		<b>Sub-Total</b>	<b>116,775</b>	<b>116,396</b>	<b>(379)</b>	<b>(384)</b>	<b>5</b>

**SOCIAL CARE DEVELOPMENT AND RISK CONTINGENCY (£403k overspend, £18k adverse movement)**

68. 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 11 projected position for the Development and Risk Contingency, which is reporting a pressure of £385k. This represents an improvement of £52k on the Month 10 position due to a reduced call on contingency for Demographic Growth within Looked after Children and a slight reduction within the Asylum Service.
69. 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 11		Variance (As at Month 11)	Variance (As at Month 10)	Movement from Month 10
			Revised Budget	Forecast Outturn			
£'000	£'000		£'000	£'000	£'000	£'000	£'000
1,885	0	Asylum Service	1,885	695	(1,190)	(1,190)	0
3,273	(403)	Demographic Growth - Looked After Children	2,870	2,700	(170)	(170)	0
1,017	(367)	Demographic Growth - Children with Disabilities	650	895	245	245	(1)
277	0	Social Worker Agency Contingency	277	244	(34)	(56)	23
997	(259)	SEN Transport	738	1,871	1,133	1,137	(4)
1,938	(988)	Demographic Growth - Adult Social Care	950	1,700	750	750	0
0	0	Additional BCF Income	0	(331)	(331)	(331)	0
<b>9,387</b>	<b>(2,017)</b>	<b>Current Commitments</b>	<b>7,370</b>	<b>7,773</b>	<b>403</b>	<b>385</b>	<b>18</b>

**Asylum Service (£1,190k underspend, nil movement)**

70. The service is projecting a drawdown of £695k from the contingency as at Month 11, which is in line with the month 10 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, nil movement)**

71. The service is projecting a drawdown of £2,700k from the Contingency, representing an underspend of £170k as at Month 11 and a nil movement on the Month 10 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.
72. 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)**

73. The service is projecting a drawdown of £895k from the Contingency as at Month 11, no change on the Month 10 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) (£34k underspend, £23k adverse movement)**

74. The service is projecting a drawdown of £244k from the contingency as at Month 11, an adverse movement of £23k 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.
75. 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.
76. 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 (£1,133k overspend, £4k favourable movement)**

77. The service is projecting a drawdown of £1,871k from the SEN Transport contingency as at Month 11, with no movement from the month 10 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.

78. 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)**

79. The service is projecting a drawdown of £1,700k from the Adult Social Care contingency, equating to an overspend of £750k as at Month 11, no change on the Month 10 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)**

80. 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 (£379k underspend, £5k adverse movement))**

#### **Children's Services (£425k underspend, £1k favourable movement)**

81. The service is projecting an underspend of £425k, a £1k favourable movement on the Month 10 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 continue to explore the best approach to addressing this over the coming months.

#### **Special Educational Needs & Disabilities (£193k overspend, £58k adverse movement)**

82. The service is projecting an overspend of £193k as at Month 11, an adverse movement of £58k on the Month 10 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. The adverse movement this month represents the requirement to fund additional agency staffing costs covering vacant posts and clearing backlogs of work.

#### **Adult Social Work (£534k overspend, £9k adverse movement)**

83. The service is projecting an overspend of £534k as at Month 11, an adverse movement of £9k on the Month 10 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.

84. 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 (£681k underspend, £61k favourable movement)**

85. The service is projecting an underspend of £681k as at Month 11, £61k favourable movement on the Month 10 position. However, it should be noted that this position includes a projected overspend of £657k on the Early Years Centres. This overspend is 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 (£5,772k overspend, £423k adverse)

86. The Dedicated Schools Grant (DSG) outturn position is an in-year overspend of £5,772k at month 11, an adverse movement of £423k on the month 10 position. This overspend is due to ongoing pressures in the cost of High Needs placements, where growth continues. 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 £14,264k.

**Table 13: DSG Income and Expenditure 2019/20**

Original Budget	Budget Changes	Funding Block	Month 11			Variance	
			Revised Budget	Forecast Outturn	Variance (As at Month 11)	Variance (at Month 10)	Change from Month 10
			£'000	£'000	£'000	£'000	£'000
(27,865,655)	(414)	<b>Dedicated Schools Grant Income</b>	(279,069)	(279,069)	0	0	0
215,155	0	<b>Schools Block</b>	215,155	215,013	(142)	(142)	0
24,821	107	<b>Early Years Block</b>	24,928	24,865	(63)	(56)	(7)
3,173	14	<b>Central School Services Block</b>	3,187	3,935	748	749	(1)
35,506	293	<b>High Needs Block</b>	35,799	41,028	5,229	4,798	431
<b>0</b>	<b>0</b>	<b>Total Funding Blocks</b>	<b>0</b>	<b>5,772</b>	<b>5,772</b>	<b>5,349</b>	<b>423</b>
0	0	Balance Brought Forward 1 April 2019	8,492	8,492			
<b>0</b>	<b>0</b>	<b>Balance Carried Forward 31 March 2020</b>	<b>8,492</b>	<b>14,264</b>			

#### Dedicated Schools Grant Income (no variance, no movement)

87. 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.
88. The final change to the 2019/20 DSG will be a retrospective adjustment to the Early Years Block, calculated based on the number of children accessing the free entitlement on the January 2020 census date. This adjustment will be made in July, and has been reflected in the current projections.

#### Schools Block (£142k underspend, no movement)

89. 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.

90. 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 throughout the relevant financial year to cover the cost of this agreed and planned growth.
91. 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 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 (£63k underspend, £7k favourable)**

92. 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. Following a review of the number of two year olds accessing the free entitlement on the January 2020 census date, and the estimated retrospective funding adjustment which will follow, it is anticipated that the 2019/20 funding will be sufficient.
93. 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. Following a review of the number of three and four year olds accessing the free entitlement on the January 2020 census, the estimated retrospective funding adjustment has been reflected in the latest projections.

#### **Central School Services Block (£748k overspend, £1k favourable)**

94. 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.
95. There is 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.
96. There is also a projected overspend in the Admissions team, where the additional workload as a result of the growth in the secondary pupil population along with a secondment covering a maternity, has resulted in a cost pressure.

#### **High Needs Block (£5,229k overspend, £431k adverse)**

97. There continues to be significant pressure in the High Needs Block in 2019/20, with an overspend of £5,229k being projected at month 11. The adverse movement from Month 10 relates to further growth in pupils with SEN requiring additional resources to meet their needs.

98. 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.
99. 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 and it is now evident that this trend is continuing in 2019/20.
100. 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.
101. 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.
102. 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.
103. 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. In 2019/20 the amount of agreed exceptional funding has more than doubled from £64k to £132k.
104. 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 £479k.

## COLLECTION FUND

105. A surplus of £332k 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 close to breakeven position within Council Tax. This surplus is lower than the £459k surplus forecast at budget setting in February 2020. The £127k adverse movement will be carried forward to 2021/22.
106. The Council is participating in the 75% Business Rates Retention Pilot Pool for London, which provides scope for retaining additional growth while guaranteeing the level of income the Council would have received under the existing 50% Retention system. Business Rates projections below reflect this guaranteed minimum level of surplus, with any additional funds available from the pool to be captured separately in budget setting reports as appropriate.

**Table 16: Collection Fund**

Original Budget £'000	Budget Changes £'000	Service	Month 11		Variance (As at Month 11) £'000	Variance (As at Month 10) £'000	Movement from Month 10 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
(125,113)	0	Council Tax	Gross Income	(125,113)	(125,341)	(228)	(293)	65
10,613	0		Council Tax Support	10,613	10,694	81	93	(12)
(734)	0		B/fwd Surplus	(734)	(592)	142	142	0
<b>(115,234)</b>	<b>0</b>		<b>Sub-Total</b>	<b>(115,234)</b>	<b>(115,239)</b>	<b>(5)</b>	<b>(58)</b>	<b>53</b>
(110,633)	0	Business Rates	Gross Income	(110,633)	(111,025)	(392)	(530)	138
(5,286)	0		Section 31 Grants	(5,286)	(5,147)	139	165	(26)
51,960	0		Less: Tariff	51,960	51,960	0	0	0
8,549	0		Less: Levy	8,549	9,057	508	565	(57)
(302)	0		B/fwd Surplus	(302)	(884)	(582)	(582)	0
<b>(55,712)</b>	<b>0</b>	<b>Sub-Total</b>	<b>(55,712)</b>	<b>(56,039)</b>	<b>(327)</b>	<b>(382)</b>	<b>55</b>	
<b>(170,946)</b>	<b>0</b>	<b>Total Collection Fund</b>		<b>(170,946)</b>	<b>(171,278)</b>	<b>(332)</b>	<b>(440)</b>	<b>108</b>

107. At Month 11 a surplus of £5k is projected against Council Tax, which is an adverse movement of £53k from Month 10, the movement includes an adverse position reported against Gross Income of £65k, which is being driven by a smaller than forecast growth in the taxbase since December 2019, with a smaller improvement of £12k in Council Tax Support. A strong surplus against in year activity of £200k 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.
108. A £327k surplus is reported across Business Rates at Month 11, which is an adverse movement of £55k from Month 10, the movement is being driven by an adverse movement in Gross Rates of £138k due to reduced growth, alongside favourable movements across Section 31 Grants of £26k and a favourable movement in the pressure on the Levy Adjustment of £57k. 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

109. The Housing Revenue Account (HRA) is currently forecasting a drawdown of reserves of £1,192k, which is £53k more favourable than the budgeted position, with a small favourable movement of £6k on Month 10. The 2019/20 closing HRA General Balance is forecast to be £17,068k. 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 11		Variance (+ adv / - fav)		
	Revised Budget	Forecast Outturn	Variance (As at Month 11)	Variance (As at Month 10)	Movement from Month 10
	£'000	£'000	£'000	£'000	£'000
Rent Income	(56,186)	(55,508)	678	678	0
Other Income	(5,224)	(5,629)	(405)	(304)	(101)
<b>Net Income</b>	<b>(61,410)</b>	<b>(61,137)</b>	<b>273</b>	<b>374</b>	<b>(101)</b>
Housing Management	13,230	13,561	331	248	83
Tenant Services	4,411	4,534	123	137	(14)
Repairs	5,294	5,625	331	290	41
Planned Maintenance	4,255	3,144	(1,111)	(1,096)	(15)
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
<b>Operating Costs</b>	<b>62,655</b>	<b>62,329</b>	<b>(326)</b>	<b>(421)</b>	<b>95</b>
<b>(Surplus) / Deficit</b>	<b>1,245</b>	<b>1,192</b>	<b>(53)</b>	<b>(47)</b>	<b>(6)</b>
General Balance 01/04/2019	(18,260)	(18,260)	0	0	0
<b>General Balance 31/03/2020</b>	<b>(17,015)</b>	<b>(17,068)</b>	<b>(53)</b>	<b>(47)</b>	<b>(6)</b>

### Income

110. As at Month 11 the rental income is forecast to under recover by £678k, a nil movement on Month 10.

111. Other income is forecast to over recover by £405k, a favourable movement of £101k on Month 10 due to an increase in income from leaseholders' charges of £101k.

112. The number of RTB applications received in the first eleven months of 2019/20 was 159 compared to 150 for the same period in 2018/19, an increase of 6%. There have been 48 RTB completions in the first eleven months of 2019/20 compared to 46 for the same period in 2018/19. The 2019/20 RTB sales forecast for the year is 50, nil movement on Month 10.

### Expenditure

113. The Housing management service is forecast to overspend by £331k, an adverse movement of £83k on Month 10 due to increased forecast spend on running costs including legal 24k; third party service charges £14k; and utilities £45k.

114. Tenant services is forecast to overspend by £123k, a favourable movement of £14k on Month 10 due to reduced forecast spend of £7k on staffing and £7k on running costs.
115. The repairs budget is forecast to overspend by £331k, an adverse movement of £41k on Month 10 due to increased forecast spend on void repairs. The planned maintenance budget is forecast to underspend by £1,111k, a favourable movement of £15k on Month 10 due to reduced forecast spend on remedial works.
116. As at Month 11 there is nil movement compared to Month 10 on the capital programme funding, interest and investment income and the development and risk contingency budgets.

## HRA Capital Expenditure

117. 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 £47,134k with a net variance of £27,985k of which £26,711k is due to re-phasing and £1,274k due to a cost underspend. The net movement from Month 10 is a decrease of £1,707k due to an increase in the underspend of £28k and an increase in re-phasing of £1,679k.

**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
<b>Major Projects (Note 1)</b>								
New General Needs Housing Stock	40,146	31,297	0	(8,849)	144,495	144,736	241	0
New Build - Shared Ownership	10,607	2,666	0	(7,941)	15,377	15,377	0	0
New Build - Supported Housing Provision	3,960	2,336	(500)	(1,124)	6,418	5,918	(500)	0
<b>Total Major Projects</b>	<b>54,713</b>	<b>36,299</b>	<b>(500)</b>	<b>(17,914)</b>	<b>166,290</b>	<b>166,031</b>	<b>(259)</b>	<b>0</b>
<b>HRA Programmes of Work</b>								
Works to stock programme	17,755	10,010	(20)	(7,725)	59,501	59,481	(20)	0
Major Adaptations to Property	2,489	700	(728)	(1,061)	10,204	9,476	(728)	(28)
ICT	162	125	(26)	(11)	162	136	(26)	0
<b>Total HRA Programmes of Work</b>	<b>20,406</b>	<b>10,835</b>	<b>(774)</b>	<b>(8,797)</b>	<b>69,867</b>	<b>69,093</b>	<b>(774)</b>	<b>(28)</b>
<b>Total HRA Capital</b>	<b>75,119</b>	<b>47,134</b>	<b>(1,274)</b>	<b>(26,711)</b>	<b>236,157</b>	<b>235,124</b>	<b>(1,033)</b>	<b>(28)</b>
Movement on Month 7	0	(1,707)	(28)	(1,679)	0	(28)	(28)	

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

## Major Projects

118. The 2019/20 Major Projects programme revised budget is £54,713k. Forecast expenditure is £36,299k, with a re-phasing of £17,914k 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

119. The 2019/20 General Needs Housing Stock revised budget is £40,146k. There is a forecast re-phasing of £8,849k across the General Needs programme partly due to the commencement of some projects being later than initially expected. There has been a decrease in forecast expenditure of £172k compared to Month 10 due mainly to 1 Buyback no longer progressing.
120. 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.
121. The main contractors and external consultants have been appointed for the redevelopment of the former Willow Tree depot into general needs housing and construction work was started last month.
122. The main contractors are 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.
123. Currently 51 buybacks have been approved, 45 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 £16,899k inclusive of stamp duty, legal fees & expected void repairs costs.
124. 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 £1,297k 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.
125. 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 now completed with the purchase of the remaining 6 units in West Drayton expected to complete before March 2020.
126. The redevelopment of the former garage sites at Petworth Gardens into 9 houses has received Cabinet approval and is expected to start on site towards in latter half of 2020 with some preliminary costs being incurred this financial year.

## New Build - Shared Ownership

127. The New Build Shared Ownership 2019/20 revised budget is £10,607k. The forecast expenditure is £2,666k with a projected re-phasing of £7,941k. This is predominantly stemming from the later than anticipated construction commencement date with respect to the Woodside and Belmore developments.
128. 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

129. 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 £2,336k. There is a forecast underspend of £500k relating to the development at Grassy Meadow.

130. 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**

131. The Works to Stock revised budget is £17,755k. Forecast expenditure has reduced to £10,010k with a cost underspend of £20k within the roofing programme and re-phasing variance of £7,725k, across various work streams. The reduction in month is mainly due to ongoing remedial works at Packet Boat House continuing into next year.
132. The major adaptations revised budget is £2,489k and there is forecast re-phasing of £1,061k 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 £728k.
133. 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**

134. There have been 48 Right to Buy (RTB) sales of council dwellings as at the end of February 2020 for a total gross sales value of £8,812k and a further 2 sales are forecast to bring the yearly total to 50, totalling £9,200k in 2019/20.
135. 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	5,667	163	0	163	6,223	6,223	0
2,486	Housing Programme	7	35	35	0	0	0	35	35	0
262	Belmore Allotments	86	5,075	58	(5,017)	0	(5,017)	10,556	10,556	0
271	Maple and Poplar Day Centre	34	4,565	41	(4,524)	0	(4,524)	6,116	6,116	0
181	Willow Tree	10	2,488	77	(2,411)	0	(2,411)	2,761	2,761	0
84	Housing Programme - Tranche 4	14	2,286	35	(2,251)	0	(2,251)	2,617	2,617	0
107	Nelson Road	6	1,938	236	(1,702)	0	(1,702)	2,201	2,201	0
0	Great Bentley (Note 1)	9	0	12	12	0	12	3,143	3,143	0
0	Coleridge Way Acquisition	2	756	283	(473)	0	(473)	756	756	0
0	TCM House Acquisition	7	3,289	3,289	0	0	0	3,289	3,289	0
0	191 Harefield Road Acquisition	28	1,307	1,297	(10)	0	(10)	1,307	1,307	0
0	Acquisition of 3 Sites	2	584	584	0	0	0	584	584	0
0	Acquisitions Including Buybacks	17	5,665	5,395	(270)	0	(270)	5,665	5,665	0
0	Internal Developments	TBC	14,666	16,899	2,233	0	2,233	64,675	64,675	0
0	Bartram Close (Note 2)	TBC	0	0	0	0	0	46,866	46,866	0
343	Woodside Development	N/A	0	0	0	0	0	0	241	241
20,149	Grassy Meadow	27	2,594	58	(2,536)	0	(2,536)	3,077	3,077	0
12,746	Parkview	88	990	490	(500)	(500)	0	990	490	(500)
3	Yiewsley	60	2,641	1,844	(797)	0	(797)	2,641	2,641	0
<b>37,979</b>		<b>12</b>	<b>330</b>	<b>0</b>	<b>(330)</b>	<b>0</b>	<b>(330)</b>	<b>2,787</b>	<b>2,787</b>	<b>0</b>
4,120	New General Needs Housing Stock	166	40,146	31,297	(8,849)	0	(8,849)	144,495	144,736	241
960	New Build - Shared Ownership	116	10,607	2,666	(7,940)	0	(7,940)	15,377	15,377	0
32,899	New Build - Supported Housing	160	3,960	2,336	(1,624)	(500)	(1,124)	6,418	5,918	(500)
<b>37,979</b>		<b>442</b>	<b>54,713</b>	<b>36,299</b>	<b>(18,415)</b>	<b>(500)</b>	<b>(17,914)</b>	<b>166,290</b>	<b>166,031</b>	<b>(259)</b>

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

136. As at Month 11 an under spend of £28,075k is reported on the 2019/20 General Fund Capital Programme of £86,189k, 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 under spend of £1,260k.
137. General Fund Capital Receipts of £4,996k are forecast for 2019/20, with a surplus of £646k in total forecast receipts to 2023/24.
138. Overall, Prudential Borrowing required to support the 2019/20 to 2023/24 capital programmes is forecast to be within budget by £2,457k. This is due to a net surplus of £653k on other sources of funding (capital receipts and CIL) and an increase in grants and contributions applied of £544k, and net cost under spends of £1,260k.

### Capital Programme Overview

139. 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	52,937	330	220
Self Financing Developments	79,490	79,490	-	-
Main Programme	114,774	115,162	388	88
Programme of Works	154,025	153,492	(533)	190
General Contingency	7,445	6,000	(1,445)	(1,445)
<b>Total Capital Programme</b>	<b>408,341</b>	<b>407,081</b>	<b>(1,260)</b>	<b>(947)</b>
<b>Movement</b>	255	(692)	(947)	

140. The revised budget has increased by £255k due partly to a contribution of £120k from the Highways earmarked reserve towards the Street Lighting programme for works required at Ruislip Manor Bridge. There are also two further Section 106 allocations to new green spaces and highways projects.
141. The Schools Expansions programme is reporting an overall forecast over spend of £330k mainly relating to additional works implemented at Vyners Secondary School that were beyond the original contract scope. The new building was completed last year and re-modelling of the existing school finished in December 2019. Two primary schools expansions at Hillside and Warrender primary schools are complete including external works and final accounts have been agreed with the contractor. Works at Ruislip High are in progress and expected to be complete in the summer of 2020.

142. 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.
143. 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.
144. 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.
145. Within the main programme, the previously reported over spend within Gateway Hillingdon town centre improvements programme has increased to £388k, relating to further term contractor charges for the rain garden works at Eastcote town centre. The re-provision of Hillingdon Outdoor Activity Centre will re-commence following confirmation that HS2 is proceeding. The planning application for the provision of a new leisure centre in Yiewsley and West Drayton was approved by planning committee in March. Planning consent was obtained in January for the expansion of the Rural Activities Garden Centre.
146. 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 March. Works at Yeading library are scheduled to commence in March.
147. The previously reported under spend of £350k on the Civic Centre programme is proposed to be reallocated to support a new project to relocate services to the mezzanine area. The Property Works Programme reports an under spend of £225k mainly due to uncommitted funding this financial year and also reflecting cost apportionment to Hillingdon First for electricity substation works required for the new residential development in South Ruislip.
148. There are various other cumulative net under spends totalling £308k on several programmes such as Corporate Technology and Innovation/ICT equipment (£133k), Private Sector Renewal Grants (£60k), the Schools Conditions Building Programme (£38k), Environmental and Recreational Initiatives (£27k) and other smaller programmes. This is due to a combination of uncommitted funding and/or net under spends on completed schemes.
149. Works are in various stages of progress on numerous carriageway refurbishments within the Highways improvement programme and refurbishment works at several bowls clubs are forecast to be completed in time for the summer bowling season. Within Corporate Technology and Innovation, the project to upgrade computer hardware and transition to Windows 10/Microsoft 365 commenced in January and is in progress.
150. 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 and other eligible expenditure.

151. In March, Cabinet approved the transfer of £55k from the £1,500k general capital contingency funds to enable the purchase of electronic point of sale tills across the Borough's libraries. The unallocated 2019/20 remaining contingency funds of £1,445k are now reported as under spend at this late stage of the financial year. There is further general capital contingency funding of £1,500k in the 2020/21 budget approved by Council in February.

## Capital Financing - General Fund

152. Table 20 below outlines the latest financing projections for the capital programme, with a favourable medium term variance of £2,457k 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	30,561	(24,989)	297,672	295,868	(1,804)	(984)
<b>Financed By Prudential Borrowing</b>							
Self Financing	11,000	8,250	(2,750)	77,946	77,946	-	
Invest to Save projects	3,670	1,785	(1,885)	8,090	7,995	(95)	(75)
Service Delivery	28,082	11,023	(17,059)	139,035	136,673	(2,362)	(1,279)
<b>Total Borrowing</b>	<b>42,752</b>	<b>21,058</b>	<b>(21,694)</b>	<b>225,071</b>	<b>222,614</b>	<b>(2,457)</b>	<b>(1,354)</b>
<b>Financed By Other Council Resources</b>							
Capital Receipts	8,298	4,996	(3,302)	47,101	47,747	646	113
CIL	4,500	4,507	7	25,500	25,507	7	257
<b>Total Council Resources</b>	<b>55,550</b>	<b>30,561</b>	<b>(24,989)</b>	<b>297,672</b>	<b>295,868</b>	<b>(1,804)</b>	<b>(984)</b>
Grants & Contributions	30,639	27,553	(3,086)	110,669	111,213	544	37
<b>Capital Programme</b>	<b>86,189</b>	<b>58,114</b>	<b>(28,075)</b>	<b>408,341</b>	<b>407,081</b>	<b>(1,260)</b>	<b>(947)</b>
Movement	255	(4,260)	(4,515)	255	(692)	(947)	

153. Forecast capital receipts in 2019/20 amount to £4,996k after financing transformation costs. 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 March after agreement of a final extension. Offers have also recently been accepted on two marketed residential properties although one is not now expected to be completed this financial year after the highest bidder withdrew. Two further former garage sites planned auction sales have been deferred to the new financial year.

154. 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, and the transfer of the South Ruislip residential development site to Hillingdon First.

155. As at the end of February, a total of £4,409k Community Infrastructure Levy (CIL) receipts (after administration fees) have been invoiced or received this financial year, a movement of £438k from last month. 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.

156. Forecast grants and contributions are £544k 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 favourable movement in prudential borrowing in 2019/20 of £1,354k is mainly due to reduced forecast expenditure this year on projects and programmes including the 2019/20 general contingency budget.

## 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
	<b>Education and Children Services</b>										
137,159	Former Primary School Expansions	10	10	0	0	10	10	0	10	0	0
12,952	New Primary Schools Expansions	2,889	2,937	50	(2)	3,592	3,642	50	1,300	2,144	198
5,097	Secondary Schools Expansions	12,292	10,147	0	(2,145)	40,688	40,968	280	21,366	19,602	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	99	0	(20)	119	119	0	119	0	0
0	Meadow School	240	0	0	(240)	240	240	0	240	0	0
<b>200,950</b>	<b>Total Schools Programme</b>	<b>16,050</b>	<b>13,648</b>	<b>50</b>	<b>(2,452)</b>	<b>52,607</b>	<b>52,937</b>	<b>330</b>	<b>27,035</b>	<b>25,620</b>	<b>282</b>

## 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
	<b>Self Financing Developments</b>										
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
<b>68</b>	<b>Total Main Programme</b>	<b>11,000</b>	<b>8,250</b>	<b>0</b>	<b>(2,750)</b>	<b>79,490</b>	<b>79,490</b>	<b>0</b>	<b>77,946</b>	<b>0</b>	<b>1,544</b>

## 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
<b>Community, Commerce and Regeneration</b>											
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	446	388	0	58	446	388	446	0	0
1,466	Uxbridge Change of Heart	622	530	0	(92)	622	622	0	496	0	126
27	Uxbridge Cemetery Gatehouse	10	4	0	(6)	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	38	0	(162)	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	615	0	(285)	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	16	0	(84)	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	337	0	(222)	598	598	0	598	0	0
<b>24,105</b>	<b>Total Main Programme</b>	<b>3,694</b>	<b>3,021</b>	<b>388</b>	<b>(1,061)</b>	<b>114,774</b>	<b>115,162</b>	<b>388</b>	<b>85,226</b>	<b>318</b>	<b>29,618</b>

## 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	177	(5)	(147)	1,129	1,124	(5)	1,124	0	0
N/A	Chrysalis Programme	1,124	983	(19)	(122)	5,124	5,105	(19)	5,102	0	3
N/A	Playground Replacement Programme	250	308	0	58	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	1,325	(38)	(2,995)	10,758	10,720	(38)	2,744	6,982	994
N/A	Civic Centre Works Programme	2,686	709	0	(1,977)	5,428	5,428	0	5,428	0	0
N/A	Corporate Technology and Innovation	4,344	4,505	(133)	294	8,700	8,567	(133)	8,567	0	0
N/A	Property Works Programme	1,805	1,270	(225)	(310)	4,527	4,302	(225)	4,102	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	5,708	0	(5,829)	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	2,600	0	(2,097)	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	40	(60)	0	500	440	(60)	235	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	517	0	(517)	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	236	0	(1,189)	1,425	1,425	0	1,425	0	0
N/A	Harlington Road Depot Improvements	439	55	6	(390)	639	645	6	645	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	667	547	0	(120)	2,996	2,996	0	2,876	0	120
N/A	Environmental/Recreational Initiatives	889	553	(27)	(309)	889	862	(27)	822	40	0
N/A	Section 106 Projects	767	422	(7)	(338)	767	760	(7)	0	0	760
	<b>Total Programme of Works</b>	<b>54,000</b>	<b>33,195</b>	<b>(533)</b>	<b>(20,272)</b>	<b>154,025</b>	<b>153,492</b>	<b>(533)</b>	<b>99,661</b>	<b>47,512</b>	<b>6,319</b>

## Appendix E – Treasury Management Report as at 29<sup>th</sup> February 2020

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

Period	Actual (£m)	Actual (%)	Benchmark (%)
Call Accounts and MMF's*	17.5	53.85	70.00
Up to 1 Month Fixed-Term Deposits	0.0	0.00	0.00
Over 1 Month Fixed-Term Deposits	0.0	0.00	0.00
<b>Total</b>	<b>17.5</b>	<b>53.85</b>	<b>70.00</b>
Strategic Pooled Funds	15.0	46.15	30.00
<b>Total</b>	<b>32.5</b>	<b>100.00</b>	<b>100.00</b>

\*Money Market Funds

157. 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.
158. The average rate of return on day-to-day operational treasury balances is 0.66%. As part of the Council's investment strategy for 2019/20, 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.
159. 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 February, 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.
160. Liquidity was maintained throughout February by placing surplus funds in instant access accounts and making short-term deposits with the DMADF. In addition a further £20m of short-term temporary borrowing was arranged ensuring cash balances were kept above minimum levels. Cashflow was managed by aligning deposit maturities with cash 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: 0.90%**

	Actual (£m)	Actual (%)
<b>General Fund</b>		
PWLB	48.57	16.93
Long-Term Market	15.00	5.23
Temporary	40.00	13.94
<b>HRA</b>		
PWLB	150.32	52.40
Long-Term Market	33.00	11.50
<b>Total</b>	<b>286.89</b>	<b>100.00</b>

161. There were no scheduled debt repayments during February. Gilt yields moved up during the first half of the month but tailed off again by the end of the February. With the ongoing need to take further borrowing and with restrictive premiums, early repayment of debt remains unfeasible.
162. There were no breaches of the Prudential Indicators or non-compliance with the Treasury Management Policy and Practices.
163. In order to maintain liquidity for day-to-day business operations during March, cash balances will be placed in instant access accounts and short-term deposits. In addition, £10m of forward dated temporary borrowing was secured in February with settlement dates in March. Cashflow forecasts suggest a further £15m of temporary borrowing is required to ensure minimum cash levels are maintained throughout March.

## Appendix F

### 2020/21 AFFORDABLE RENT CHARGE FOR ACOL CRESCENT -ROUNDEL HOUSE

164. Hillingdon Council signed a Right To Buy (RTB) agreement with the Government in 2013 which had the expectation that Councils would deliver affordable homes part funded from 1-4-1 RTB receipts. The intention was that these properties would be charged an affordable rent. The intention behind this flexibility is to generate additional capacity for investment in new affordable housing.
165. Affordable rent allows local authorities to set rents at levels that are typically higher than social rents, and properties let on affordable rent terms fall within the definition of social housing.
166. Properties let on affordable rent terms should be made available at a rent of **up to 80% of the gross market rents inclusive of service charges**. In addition, an affordable rent should be **no lower than the potential formula rent for the property**.
167. Acol Crescent Roundel House is a HRA new build in the South Ruislip area (HA4 6ES). This comprises of 33 flats (19 general needs and 14 shared ownership). The general needs properties comprise of 9 one bed-roomed flats and 10 two bed-roomed flats.
168. The rents contained in this Appendix refer to the General Needs properties.
169. The Head of Property and Estates has assessed the market place for comparables for the Acol Crescent - Roundel House properties to determine the valuation of the gross market rents inclusive of service charges.
170. The total gross market rent inclusive of service charges is valued at £281.60 per week per one bed-roomed property. **The affordable rent maximum charge is £225.28 (80% of gross market rents)**. In order to provide a margin of safety in case market rents reduce **the recommended affordable rent is £174.59 per week (62% of gross market rents)**.
171. The total gross market rent inclusive of service charges is valued at £355.51 per week per two bed-roomed property. **The affordable rent maximum charge is £284.41 (80% of gross market rents)**. In order to provide a margin of safety in case market rents reduce **the recommended affordable rent is £231.08 per week (65% of gross market rents)**.
172. Under the formula rent methodology, the rent charge for the one bed-roomed flats would be £122.49 per week and the services charges £14.92 per week, giving an overall total charge of £137.41 per week. The affordable rent cannot be lower than this.
173. Under the formula rent methodology, the rent charge for the two bed-roomed flats would be £143.89 per week and the services charges £14.92 per week, giving an overall total charge of £158.81 per week. The affordable rent cannot be lower than this.

174. The table below summarises the rents inclusive of service charges for the General Needs properties mentioned in this Appendix.

Table 23: Summary of rents inclusive of service charges (one bedroom)

<b>Acol Crescent - Roundel House Rents</b>	<b>2020/21</b>
	<b>£ per week per property</b>
Gross Market Rent	281.60
Affordable Rent - Maximum	225.28
<b>Recommended Affordable Rent</b>	<b>174.59</b>
Affordable Rent – Minimum (i.e. Total charge under formula rent)	137.41

Table 24: Summary of rents inclusive of service charges (two bedroom)

<b>Acol Crescent - Roundel House Rents</b>	<b>2020/21</b>
	<b>£ per week per property</b>
Gross Market Rent	355.51
Affordable Rent - Maximum	284.41
<b>Recommended Affordable Rent</b>	<b>231.08</b>
Affordable Rent – Minimum (i.e. Total charge under formula rent)	158.81

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

175. 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
<b>Chief Executive's Office and Finance Directorate</b>						
Principal Accountant - Financial Planning	30/09/2019	17/02/2020	17/05/2020	23	30	53
Benefit Officer	03/08/2018	03/02/2020	03/05/2020	251	15	266
Finance Business Partner - Capital	12/08/2019	02/03/2020	24/05/2020	56	32	88
<b>Residents Services</b>						
Customer Service Advisor	30/05/2016	23/03/2020	21/06/2020	47	8	55
Corporate Building Planned Works Manager	26/08/2019	24/02/2020	15/05/2020	61	30	91
Programme Manager (Project Manager)	03/06/2019	06/04/2020	05/07/2020	46	25	71
Planning Service Manager	01/07/2019	30/03/2020	29/06/2020	84	29	112
Senior Land Contamination Officer	18/11/2018	30/03/2020	29/06/2020	96	19	114
Interim Pre-Applications Manager	04/06/2018	30/03/2020	28/06/2020	191	26	218
Air Quality Officer	21/09/2015	30/03/2020	28/06/2020	115	10	126
Imported Food Office Manager	18/02/2019	02/03/2020	17/04/2020	114	17	131
Education Strategy & Quality Assurance Manager	29/04/2015	28/07/2019	01/12/2019	569	55	624
Senior School Improvement Advisor	07/03/2016	28/07/2019	03/11/2019	329	50	379
Senior School Improvement Advisor	07/03/2016	28/07/2019	03/11/2019	236	26	262
<b>Social Care</b>						
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

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
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
Social Worker (CHC)	03/01/2017	02/03/2020	29/03/2020	153	4	157
Team Manager	17/07/2017	30/03/2020	03/05/2020	281	10	291
Senior Social Worker	01/04/2013	30/03/2020	03/05/2020	229	8	237
Social Worker	06/04/2017	30/03/2020	03/05/2020	219	8	227
Social Worker	23/10/2017	30/03/2020	03/05/2020	170	6	176
Social Worker	16/12/2016	30/03/2020	03/05/2020	256	8	264
Social Worker	21/08/2016	30/03/2020	03/05/2020	258	8	266
Social Worker	10/07/2017	30/03/2020	03/05/2020	187	8	195
Social Worker	07/11/2016	30/03/2020	03/05/2020	267	8	275
Social Worker	04/05/2015	30/03/2020	03/05/2020	313	7	320
Social Worker	13/04/2015	30/03/2020	03/05/2020	352	8	360
Social Worker	11/07/2016	30/03/2020	03/05/2020	279	8	287
Social Worker	01/08/2015	30/03/2020	03/05/2020	316	9	325
Social Worker	27/10/2016	30/03/2020	03/05/2020	250	8	258
Social Worker	01/12/2016	30/03/2020	03/05/2020	202	7	209
Educational Psychologist	04/02/2019	30/03/2020	03/05/2020	168	14	182
Educational Psychologist	15/11/2015	30/03/2020	03/05/2020	358	10	368
Special Needs Officer	01/12/2016	30/03/2020	03/05/2020	218	7	225
Social Worker	11/08/2014	30/03/2020	03/05/2020	450	8	458
Social Worker	01/01/2013	30/03/2020	03/05/2020	469	8	477
Social Worker	01/04/2013	30/03/2020	03/05/2020	264	8	272
Social Worker	26/08/2016	30/03/2020	03/05/2020	248	7	255
Support Worker	20/12/2015	30/03/2020	03/05/2020	119	4	123
Social Worker	04/07/2016	30/03/2020	03/05/2020	302	8	310
Social Worker	03/07/2016	30/03/2020	03/05/2020	304	9	313
Social Worker	21/11/2016	30/03/2020	03/05/2020	240	8	248
Social Worker	01/01/2013	30/03/2020	03/05/2020	465	8	473
Senior Social Worker	29/06/2017	30/03/2020	03/05/2020	230	8	238
Senior Educational Psychologist	15/08/2016	30/03/2020	03/05/2020	298	14	312
Social Worker	02/07/2017	30/03/2020	03/05/2020	181	8	189
Independent Domestic Violence Advocate	01/10/2018	30/03/2020	03/05/2020	78	5	83
Senior Social Worker	30/04/2012	30/03/2020	03/05/2020	270	8	278

<b>Post Title</b>	<b>Original Start Date</b>	<b>Approved From</b>	<b>Proposed End Date</b>	<b>Previous Approval £'000</b>	<b>Approved £'000</b>	<b>Total £'000</b>
Education Health and Care Officer	04/03/2019	30/03/2020	03/05/2020	64	6	70
Senior Social Worker	21/11/2017	30/03/2020	03/05/2020	85	8	93
Senior Social Worker	19/12/2011	30/03/2020	03/05/2020	90	9	99
Social Worker	01/04/2018	30/03/2020	03/05/2020	158	8	166
Social Worker	24/11/2015	30/03/2020	03/05/2020	122	5	127
SEND Team Manager - Primary	29/07/2019	30/03/2020	03/05/2020	68	10	78
Social Worker	01/04/2013	30/03/2020	03/05/2020	81	8	89
Senior Residential Worker	03/09/2018	30/03/2020	03/05/2020	71	4	75
Support Worker	03/04/2017	30/03/2020	03/05/2020	103	4	107
Senior Residential Worker	03/12/2018	30/03/2020	03/05/2020	48	4	52
Support Worker	03/10/2016	30/03/2020	03/05/2020	82	2	85
Support Planner	03/09/2018	30/03/2020	03/05/2020	53	3	56
Care Worker	06/07/2016	30/03/2020	03/05/2020	107	3	110
Care Worker	06/03/2017	30/03/2020	03/05/2020	87	3	90
Nursery Practitioner	01/10/2017	30/03/2020	03/05/2020	80	3	83
SENDIASS Manager	29/04/2019	30/03/2020	03/05/2020	83	9	91
Early Years Practitioner	01/04/2018	30/03/2020	03/05/2020	54	3	56
Early Years Practitioner	06/02/2017	30/03/2020	03/05/2020	80	3	83
Early Years Practitioner	01/04/2018	30/03/2020	03/05/2020	53	3	56
Early Years Practitioner	01/04/2018	30/03/2020	03/05/2020	53	3	56
Early Years Practitioner	25/03/2016	30/03/2020	03/05/2020	88	3	90
Nursery Officer	05/09/2016	30/03/2020	03/05/2020	82	3	85
Early Years Practitioner	23/02/2015	30/03/2020	03/05/2020	114	3	116
Service Development & Quality Assurance Officer	01/04/2019	30/03/2020	03/05/2020	117	11	128
FIS Officer	01/04/2018	30/03/2020	03/05/2020	62	4	66
Online Services Co-ordinator	04/03/2019	30/03/2020	03/05/2020	73	6	79
Senior Business Analyst (Liquid Logic Implementation)	01/07/2019	30/03/2020	03/05/2020	58	9	66