

COUNCIL BUDGET: 2019/20 REVENUE AND CAPITAL OUTTURN

Cabinet Member	Councillor Ray Puddifoot MBE Councillor Jonathan Bianco
Cabinet Portfolio	Leader of the Council Finance, Property and Business Services
Report Author	Paul Whaymand, Corporate Director of Finance
Papers with report	Appendices A –H

HEADLINES

Purpose of report	<p>This report provides the Council's financial position and performance against the 2019/20 revenue budgets and Capital Programme.</p> <p>An underspend of £2,691k is reported against 2019/20 General Fund budgets for normal activities, representing an improvement of £618k from the position reported at Month 11 as uncommitted contingency and growth balances were not utilised in-year. This would have delivered outturn General Balances £1,019k higher than anticipated at the time of budget setting for the new year in February 2020. In addition to this as part of the outturn work £2,274k of Highways capital spend was capitalised rather than being funded from earmarked revenue reserves to provide greater financial resilience for dealing with Covid-19.</p> <p>The resultant overall improvement from Council Tax setting of £3,293k has been earmarked for dealing with any service impacts of Covid-19 that remain unfunded by central government. This leaves unallocated General Balances of £34,240k at 31 March 2020, in line with that assumed at Council Tax setting.</p> <p>The latest positions on other funds and the Capital Programme are detailed within the body of this report, with continuing pressures on High Needs placements in the Schools Budget feeding through to a £15,002k cumulative deficit on the ringfenced Dedicated Schools Grant account. This represents an adverse movement of £738k from the previously reported position at Month 11.</p>
Contribution to our plans and strategies	<p>Putting our Residents First: <i>Financial Management</i></p> <p>Achieving Value for Money is an important element of the Council's Medium Term Financial Plan.</p>
Financial Cost	N/A

Relevant Policy Overview Committee	Corporate Services, Commerce & Communities
Ward(s) affected	All

RECOMMENDATIONS

That Cabinet:

1. Note the budget position as at March 2020 (Outturn), including the in-year release of Development and Risk Contingency funds into Directorate Operating budgets as outlined in Table 5.
2. To ratify a further COVID-19 related emergency decision taken by the Leader of the Council on 20 May 2020 to provide interim financial assistance for SEN Transportation Services Suppliers (during May-July 2020) at a cost of approx. £330k.
3. Note the use of Capital Receipts to fund service transformation as set out in Appendix E.
4. Note the Treasury Management update as at March 2020 (Outturn) at Appendix F.
5. Continue the delegated authority up until the next Cabinet meeting to the Chief Executive to approve any consultancy and agency assignments over £50k, with final sign-off of any assignments made by the Leader of the Council. Cabinet are also asked to note those consultancy and agency assignments over £50k approved under delegated authority between 23 April to 25 June Cabinet meetings, detailed at Appendix G.
6. Ratify three decisions taken during May and June 2020, as set out in Appendix H on the following matters:
 - a. 4 May 2020 - Award of Contracts: Care and Wellbeing Services for People with Learning Disabilities and / or Autism;
 - b. 22 May 2020 - Award of Contract for Servicing, Repairs & Maintenance of Communal Housing & Corporate Gas Heating and Hot water Installations - Lot 2
 - c. 1 June 2020 - Electrical Testing, Repairs and Upgrades contract – Borough Wide. Extension of Contract.
7. Approves re-phasing of £26,047k 2019/20 General Fund capital expenditure and financing budgets as set out in Table 20 of the report.
8. Approves re-phasing of £26,272k 2019/20 HRA capital expenditure and financing budgets into future years as set out in Table 19 of the report.
9. Accepts the annual grant funding from The Mayor's Office for Policing and Crime (MOPAC) of £16,739 per annum as a contribution to the Appropriate Adult Service within Hillingdon.
10. Approve the acceptance of Youth Music Grant funding totalling £19,175 over two years (£9,950 and £9,225 for years one and two respectively) from the Music Education Hub Development Fund, which, in addition to cash and in-kind match funding totalling £7,340, will support increased inclusion and engagement in music education for a more diverse group of young people.
11. Approve acceptance of gift funding in relation to a Planning Performance Agreement in accordance with the provisions of Section 93 of the Local Government Act 2003 for;
 - a. Stonefield Close, Ruislip - £12,000
 - b. GSK Stockley Park: £50,000
 - c. Harefield Road (Wickes/Halfords Site): £40,000
 - d. Douglas Webb House; £16,250

e. Frays Court, 71-73 Cowley Road: £10,000

12. Agree that the Council donates £28.5k to the Mayor of Hillingdon's Charitable Trust to support local good causes, with further donations to top up the overall income for the year to £100k.
13. Accepts West London Better Homes capital grant of £40k to provide accommodation for single homeless people.
14. Accepts 2020/21 Rough Sleeper Initiative grant funding of £2,187k from the Ministry for Housing, Communities and Local Government.

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 Outturn against budgets approved by Council on 21 February 2019. This recommendation also seeks a ratification of the release of Development and Risk Contingency completed during the closure of the 2019/20 accounts.
2. **Recommendation 2** Hillingdon currently operates 215 routes providing transportation services to approximately 829 Children, Looked After Children and Young People with SEN across the Borough. Additionally, this includes transportation for older residents to attend outreach and day centre activities. As a result of COVID-19 and the subsequent closure of schools and day centres, alongside the strict application of social distancing rules, the provision of the demand for these services has significantly reduced. This financial assistance approved by the Leader was in the form of 40% monthly advance payment based on route revenue that the provider would have received for routes currently not running, plus financial assistance to purchase PPE (as evidenced by invoiced details) as an additional requirement to any contract provisions. **Recommendation 2** will ensure essential and specialist capacity is retained in the supply chain to support full resumption of transportation services in the future. Cabinet is asked to ratify the Leader of the Council's decision for public record.
3. **Recommendation 3** provides an update on the use of Capital Receipts to fund the costs of service transformation, with further background at paragraph 27. An update on the Council's Treasury Management activities is signposted in **Recommendation 4**, with Appendix E providing a comprehensive update.
4. **Recommendation 5** is intended to enable continued delegation of approval for appointment of consultancy and agency appointments over £50k to the Chief Executive, with final sign-off from the Leader of the Council. In addition, Appendix F reports on use of this delegated authority previously granted by Cabinet.
5. **Recommendation 6** There have been three Cabinet-level contractual decisions taken by the Leader and relevant Cabinet Member under interim or urgency provisions that now require ratification by the Cabinet as per the Council's Constitution. They are set out in Appendix H.
6. **Recommendation 7** The re-phasing of £26,047k 2019/20 General Fund capital expenditure and financing budgets and **Recommendation 8** £26,272k HRA capital expenditure and financing budgets are required to enable existing projects to be delivered in future years. The details are set out in Table 20 and Table 19 of the report respectively.
7. **Recommendation 9** It is recommended that the Authority accept annual grant funding from The Mayor's Office for Policing and Crime (MOPAC) of £16,739 per annum, received on a quarterly basis, over a three year period. This is as a contribution towards the cost of the contract for the provision of an Appropriate Adult Service within Hillingdon, which was agreed

by Cabinet in March 2020 and has an annual value of £36,389. This 24/7 service will ensure that all children aged between 10 and 17 and all vulnerable adults who are being held in Custody Suites are allocated an 'Appropriate Adult' in the absence of a parent, carer or guardian to be present during several police processes and procedures.

8. **Recommendation 10** is proposed in order to support the sustained engagement in music education of groups of young people who previously did not participate. Cash match funding from Hillingdon Music Hub totalling £1,920 and in-kind match funding from Hillingdon Music Hub, Sound Connections and LBH Youth Services for new equipment, staff time and performance spaces respectively totalling £5,420 will supplement the grant awarded from the MEH Development fund across the two year period. totalling £7,340 will support increased inclusion and engagement in music education for a more diverse group of young people.
9. Gift funding has been offered by developers which if accepted by Cabinet will be utilised to fund dedicated staff to support this pre-application and application work. **Recommendation 11** seeks authority from Cabinet to approve the acceptance of £128k, in relation to a number of major developments.
10. Cabinet on 19 June 2014 agreed that the proceeds from the kerbside textile waste initiative introduced in 2013 would be donated to the Mayors charity. The proceeds from this scheme in 2019/20 amounted to £7k. With match funding this brings the donation to £14k. **Recommendation 12** seeks authority for this payment to the Mayor's Charity alongside an additional contribution of £14.5k from civic events cancelled as a result of lockdown restrictions (£8k for the New Years Day parade and £6.5k for the Civic Dinner). In addition the recommendation seeks agreement to make the total Mayors charity collections up to £100k once all other donations have been finalised.
11. **Recommendation 13** it is proposed to utilise £40k West London Better Homes grant held by the London Borough of Hammersmith and Fulham on behalf of West London authorities, to work in partnership with Trinity Homeless Projects to refurbish four properties at High Street, Ickenham for use by single homeless people.
12. **Recommendation 14** the MHCLG have awarded the Council £2,187k Rough Sleeper Initiative grant funding for 2020/21. This programme is now in its third year and the funding will allow the Council to build on service developments facilitated by previous grant awards in developing accommodation and support services for Rough Sleepers.

SUMMARY

Revenue

13. A headline underspend of £2,691k was reported on normal activities and funding for the 2019/20 financial year, representing an improvement of £618k from the forecast at Month 11. This improvement was driven by the release of unallocated growth and contingency balances, while the overall outturn continues to primarily be the result of workforce underspends across the Council.
14. While the above outturn position was not materially affected by the COVID-19 pandemic, the improvement in the monitoring position since setting budgets for the new financial year in February 2020 of £1,019k and £2,274k funds previous earmarked to finance Highways capital investment are to be set aside to provide a dedicated reserve of £3,293k to manage costs associated with the pandemic not funded from other sources.
15. This outturn position and earmarking of funds to manage COVID-19 will result in General Balances totalling £34,240k at 31 March 2020, in line with the Council's budget strategy as approved by Cabinet and Council in February 2020.
16. 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 were covered by alternative measures during 2019/20 and are expected to be delivered in full during 2020/21.
17. A surplus of £1,161k is reported within the Collection Fund relating to a favourable position on Business Rates, which is predominantly driven by the levy and the carry forward surplus, alongside an adverse position within Council Tax. The budget approved in February 2020 will release £459k of this sum to support General Fund budgets in 2020/21, with the remaining £702k available to support delivery of services in the following financial year.
18. The Dedicated Schools Grant (DSG) outturn position is an in-year overspend of £6,510k. This is an adverse movement of £738k from the Month 11 position, due to continuing pressures in the cost of education placements. Where it has not been possible to place pupils in borough, as local provision is at capacity, they have had to be placed in more costly, Independent and Non Maintained Special Schools. When the £8,492k deficit brought forward from 2018/19 is taken into account, the cumulative deficit carried forward to 2020/21 is £15,002k. This deficit is ultimately underwritten by the Department of Education and does not represent a pressure on the Council's own resources.

Capital

An underspend of £28,058k is reported across the £86,237k 2019/20 Capital Programme, consisting of £2,011k cost underspends and £26,047k re-phasing into future years. The element of the General Fund Capital Programme financed by council resources totalled £31,629k. This is funded by £3,066k of capital receipts, £4,541k of CIL receipts and £24,022k of prudential borrowing.

FURTHER INFORMATION

General Fund Revenue Budget

19. An underspend of £2,691k is reported at outturn across normal operating activities and funding, representing an improvement of £618k from the position reported at Month 11. This improvement reflects the release of £250k unallocated General Contingency and £210k of uncommitted Priority Growth a range of smaller movements across the organisation. As highlighted in previous months, the headline underspend is primarily driven by workforce underspends which are sufficient to contain identified pressures on Early Years Centres, Education and ICT.
20. £8,141k of savings are included in the 2019/20 General Fund revenue budget. At outturn, £7,891k are banked. £250k savings relating to Digital Strategy are in the early stages of delivery but are ultimately expected to be delivered in full, with alternative measures and underspends sufficient to cover these in 2019/20. It is expected that this residual £250k savings will be banked in full in the new financial year.
21. While the outturn position for 2019/20 has not been materially impacted by the onset of COVID-19 and associated lockdown, the above outturn position represents a £1,019k improvement from that assumed at budget setting in February 2020. In order to provide a mechanism to finance any expenditure on managing the pandemic or resulting loss of income that cannot ultimately be recovered from other sources, it is proposed that this £1,019k alongside £2,274k of funds previously earmarked to support capital investment are set aside from General Balances.

Table 1: General Fund Overview

Original Budget £'000	Budget Changes £'000	Service	Month 12		Variance (As at Month 12) £'000	Variance (As at Month 11) £'000	Movement from Month 11 £'000
			Revised Budget £'000	Outturn £'000			
210,620	2,490	Directorate Operating Budgets	213,110	212,488	(622)	(503)	(119)
7,436	(211)	Corporate Operating Budgets	7,225	6,612	(613)	(612)	(1)
12,863	(2,789)	Development & Risk Contingency	10,074	8,829	(1,245)	(956)	(289)
(991)	510	Unallocated Budget Items	(481)	(691)	(210)	0	(210)
229,928	0	Sub-total Normal Activities	229,928	227,238	(2,690)	(2,071)	(619)
		<u>Exceptional Items</u>					
0	0	Capital EMR	0	(2,274)	(2,274)	0	(2,274)
0	0	COVID-19 EMR	0	3,293	3,293	0	3,293
229,928	0	Total Net Expenditure	229,928	228,257	(1,671)	(2,071)	400
(222,152)	0	Corporate Funding	(222,152)	(222,153)	(1)	(2)	1
7,776	0	Net Total	7,776	6,104	(1,672)	(2,073)	401
(40,344)		Balances b/fwd	(40,344)	(40,344)			
(32,568)	0	Balances c/fwd 31 March 2019	(32,568)	(34,240)			

22. The COVID-19 reserve transfers are presented as exceptional items below, and result in a net underspend of £1,672k being reported at outturn in line with the forecast at the time of budget setting in February. This reduces the budgeted release of £7,776k and results in

closing General Balances of £34,240k at 31 March 2020 in line with the current MTFF strategy.

Directorate Operating Budgets

23. Directorate Operating Budgets represent the majority of the Council's investment in day-to-day services for residents, with more volatile or demand-led areas of activity tracked separately through the Development and Risk Contingency. Further information on the outturn position 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 12		Variance (As at Month 12) £'000	Variance (As at Month 11) £'000	Movement from Month 11 £'000	
			Revised Budget £'000	Outturn £'000				
8,110 (1,207)	381 (361)	Chief Executive's Office	Expenditure	8,491	8,672	181	19	162
			Income	(1,568)	(1,715)	(147)	(15)	(132)
6,903	20		Sub-Total	6,923	6,957	34	4	30
19,069 (3,221)	179 (134)	Finance	Expenditure	19,248	19,403	155	122	33
			Income	(3,355)	(3,526)	(171)	(185)	14
15,848	45		Sub-Total	15,893	15,877	(16)	(63)	47
116,482 (43,966)	2,997 (2,194)	Residents Services	Expenditure	119,479	119,536	57	1	56
			Income	(46,160)	(46,504)	(344)	(66)	(278)
72,516	803		Sub-Total	73,319	73,032	(287)	(65)	(222)
148,761 (33,408)	868 754	Social Care	Expenditure	149,629	152,533	2,904	736	2,168
			Income	(32,654)	(35,911)	(3,257)	(1,115)	(2,142)
115,353	1,622		Sub-Total	116,975	116,622	(353)	(379)	26
210,620	2,490	Total Directorate Operating Budgets		213,110	212,488	(622)	(503)	(119)

24. A pressure of £34k is report on the Chief Executive's Office at outturn, representing a £30k adverse movement on Month 11 due to lower than anticipated income within Democratic Services. Across Finance, a net underspend of £16k is reported although this represents a £47k adverse movement from Month 11 due to late notification of an uplift in external audit fees.
25. A net underspend of £287k is reported across Residents Services at outturn, with £222k improvement from Month 11 in the round. The headline position continues to reflect underlying pressures on ICT contracts and Education services, which are offset by staffing underspends and other minor underspends.
26. Social Care budgets are reporting a £353k underspend at outturn, representing a marginal £26k adverse movement on Month 11. As previously reported, this headline position reflects pressures relating to delays in securing additional health contributions towards placements and a deficit on operation of the Early Years Centres, being offset by additional Troubled Families Grant income, settlement of a long running case in the Council's favour and more efficient use of the Better Care Fund.
27. 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. The outturn position includes £3,879k for such costs. An analysis of this £3,879k of transformation expenditure and its link to savings incorporated the MTFF is shown in Appendix E.

Progress on Savings

28. Savings of £8,141k were included in the 2019/20 budget. At outturn, £7,891k are banked. £250k savings are in the early stages of delivery. Savings at an earlier stage of delivery are ultimately expected to be delivered in full in the new financial year, with alternative measures and underspends covering these in 2019/20.

Table 3: Savings Tracker Month 12

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

Corporate Operating Budgets

29. Corporately managed expenditure includes the revenue costs of the Council's Capital Programme, the net impact of Housing Benefit Subsidy arrangements on the Council, externally set levies and income arising from the provision of support services to other funds and ring-fenced budgets.
30. An underspend of £613k is reported against Corporate Operating Budgets at outturn, a favourable movement of £1k from Month 11. This position reflects lower capital expenditure and associated borrowing being slipped from 2019/20, alongside proactive use of capital grants and alternative funding, giving a £249k underspend 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 have been 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 £613k.

Table 4: Corporate Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 12		Variance (As at Month 12) £'000	Variance (As at Month 11) £'000	Movement from Month 11 £'000
			Revised Budget £'000	Outturn £'000			
0	0	Interest and Investment Income	Salaries	0	0	0	0
7,777	(69)		Non-Sal Exp	7,708	7,420	(288)	(288)
(87)	(186)		Income	(273)	(234)	39	40
7,690	(255)		Sub-Total	7,435	7,186	(249)	(248)
490	0	Levies and Other Corporate Budgets	Salaries	490	490	0	1
12,570	65		Non-Sal Exp	12,635	12,626	(9)	(8)
(12,289)	100		Income	(12,189)	(12,545)	(356)	(357)
771	165		Sub-Total	936	571	(365)	(364)
0	0	Housing Benefit Subsidy	Salaries	0	0	0	0
147,629	(32,647)		Non-Sal Exp	114,982	114,981	(1)	0
(148,654)	32,526		Income	(116,128)	(116,126)	2	0
(1,025)	(121)		Sub-Total	(1,146)	(1,145)	1	0
7,436	(211)	Total Corporate Operating Budgets		7,225	6,612	(613)	(612)

Development & Risk Contingency

31. 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 budgets, £10,074k remained available to manage the full range of issues facing the council.
32. The final outturn position on contingency items is a headline underspend of £1,245k and an improvement of £289k from Month 11. There has been limited movement on specific contingency items, with the movement primarily driven by the release of £250k General Contingency held back to manage any exceptional pressures in the final weeks of the year.

Table 5: Development & Risk Contingency

	Revised Budget £'000	Month 12 Outturn £'000	Month 12 Variance £'000	Month 11 Variance £'000	Movement from Month 11 £'000
Residents Services					
Impact of Welfare Reform on Homelessness	1,072	587	(485)	(504)	20
Development Control Income	0	91	91	193	(102)
Housing Legal Challenges	0	746	746	634	112
Waste Disposal Levy & Associated Contracts	1,200	0	(1,200)	(1,100)	(100)
Sub-Total	2,272	1,424	(848)	(777)	(70)
Social Care					
Asylum Service	1,885	695	(1,190)	(1,190)	0
Demographic Growth - Looked After Children	2,870	2,700	(170)	(170)	0
Demographic Growth - Children with Disabilities	650	895	245	245	0
Social Worker Agency Contingency	277	244	(34)	(34)	0
SEN transport	738	1,903	1,165	1,133	32
Demographic Growth - Adult Social Care	950	1,700	750	750	0
Additional BCF Income	0	(331)	(331)	(331)	0
Sub-Total	7,370	7,805	435	403	32
Corporate Items					
Additional Investment Income	(400)	(400)	0	0	0
General Contingency	832	0	(832)	(582)	(250)
Sub-Total	432	(400)	(832)	(582)	(250)
Total	10,074	8,829	(1,245)	(956)	(289)

33. The call on contingency relating to homelessness at outturn was £587k, £485k below the budgeted provision. The reduced call on contingency was achieved through an increase in prevention and move-on activity and the close monitoring of unit costs.
34. There was a marked downturn in volumes of major planning applications submitted to the Council during the first three quarters of 2019/20, with increased activity towards the end of quarter four for household and minor applications with the call on General Contingency of £91k.
35. During 2019-20 the Housing Service has incurred significant legal costs defending challenges against the Housing Allocation Policy. Expenditure above budgeted levels is reported against General Contingency. The Allocation Policy has since been updated and this should mitigate the risk of further legal challenges.
36. At outturn, no call was required 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 £1,200k compared with budget.
37. 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.
38. Social Worker Agency Contingency has a £244k call on contingency, £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.

39. SEN Transport is reporting a £1,903k call on contingency, £1,165k higher than the budgeted amount. This represents an adverse movement of £32k on the Month 11 position due to additional pressure within SEN Transport. 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.
40. There were no calls on the unallocated General Contingency, with the additional calls on contingency being contained within the overall contingency during 2019/20.

Unallocated Priority Growth

41. There was a budget of £250k Unallocated Priority Growth in 2019/20, with £210k remaining uncommitted at outturn and being released into the wider outturn position.

HIP Initiatives

42. £200k of HIP Initiative funding is included in the 2019/20 General Fund revenue budget, which is supplemented by £718k brought forward balances, to provide total resources of £918k. £380k of projects have been approved for funding from HIP resources, with £104k underspend relating to projects completed in 2018/19, there is £641k available for future releases.

Table 6: HIP Initiatives

Original Budget	Budget Changes	HIP Initiatives	Month 12		
			Revised Budget	Approved Allocations	Unallocated Balance
£'000	£'000		£'000	£'000	£'000
200	0	HIP Initiatives Budgets	200	-	-
0	718	B/fwd Funds	718		
200	718	Total HIP Initiatives	918	237	(676)

Schools Budget

43. At Outturn the Dedicated Schools Grant position is an in-year overspend of £6,510k. This is predominantly due to continuing pressures in the cost of High Needs. When the £8,492k deficit brought forward from 2018/19 is taken into account, the deficit to carry forward to 2020/21 is £15,002k. This represents an adverse movement of £738k on the previously reported position, primarily as a result of the increase demand for High Needs Provision and the Early Years Block.
44. The in year overspend of £6,510k as at Month 12 is made up of £5,815k High Needs linked relates to backdated funding growth in pupils with SEN requiring additional resources, £676k to the Central Schools Service Block, £205k for early years provision offset by £222k underspend in the Schools Block.

Collection Fund

45. The Collection Fund outturn position is a surplus of £1,161k, relating to a favourable position on Business Rates, which is predominantly driven by the levy and the carry forward surplus, alongside an adverse position within Council Tax. The budget approved in February 2020 will release £459k of this sum to support General Fund budgets in 2020/21, with the remaining £702k available to support delivery of services in the following financial year.

Housing Revenue Account

46. The Housing Revenue Account (HRA) delivered an in-year overall drawdown from reserves of £1,185k which is a £60k improvement on the budgeted deficit of £1,245k. This represents a net £7k favourable movement on the position reported at Month 11. The favourable movements are due to a £78k favourable movement on stock movements and £111k on increased leaseholder income. There was a £321k adverse movement on Housing management service, including community safety, insurance and legal cost.
47. There have been 52 Right to Buy (RTB) sales of council dwellings as at the end of March 2020, an increase of 2 from the projection at Month 11. The interest and investment income movement is favourable by £130k compared to Month 11. This is due to favourable movements in the interest earned on HRA balances of £272k and debt repayment of £97k, offset by an adverse movement of £239k which relates to the interest repayment to MHCLG for the quarter 4 unused RTB 1-4-1 receipts.

Future Revenue Implications of Capital Programme

48. Appendix D provides the details of the capital outturn position. An underspend of £28,058k is reported on the £86,237k General Fund capital programme for 2019/20, consisting of £2,011k cost underspends and £26,047k re-phasing into future years. Prudential borrowing has an adverse variance of £3,176k due mainly to an under recovery of capital receipts against budget.

Appendix A – Detailed Group Forecasts (General Fund)

Chief Executive's Office Month 12 (£34k pressure, £30k adverse movement)

49. The CEO directorate is reporting an outturn overspend of £34k, representing an adverse movement of £30k on Month 11.

Table 7: Chief Executive Office Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 12		Variance (As at Month 12) £'000	Variance (As at Month 11) £'000	Movement from Month 11 £'000	
			Revised Budget £'000	Outturn £'000				
1,479	0	Democratic Services	Salaries	1,479	1,493	14	15	(1)
1,721	1		Non-Sal Exp	1,722	1,839	117	(25)	142
(701)	(1)		Income	(702)	(806)	(104)	18	(122)
2,499	0		Sub-Total	2,499	2,526	27	8	19
1,900	(146)	Human Resources	Salaries	1,754	1,802	48	46	2
830	526		Non-Sal Exp	1,356	1,363	7	(1)	8
(230)	(360)		Income	(590)	(617)	(27)	(24)	(3)
2,500	20		Sub-Total	2,520	2,548	28	21	7
2,124	0	Legal Services	Salaries	2,124	2,110	(14)	(18)	4
56	0		Non-Sal Exp	56	65	9	2	7
(276)	0		Income	(276)	(292)	(16)	(9)	(7)
1,904	0		Sub-Total	1,904	1,883	(21)	(25)	4
5,503	(146)	Chief Executive's Office Directorate	Salaries	5,357	5,405	48	43	5
2,607	527		Non-Sal Exp	3,134	3,267	133	(24)	157
(1,207)	(361)		Income	(1,568)	(1,715)	(147)	(15)	(132)
6,903	20		Total	6,923	6,957	34	4	30

50. The adverse movement across Democratic Services at Month 12 is primarily related to scaling back of the operations of the Registrars Service, including deferral of a citizenship ceremony in late March, as a result of lockdown restrictions.

Finance (£16k underspend, £47k adverse)

51. The overall reported position for the Finance Group at outturn is an underspend of £16k, which represents an adverse movement of £47k on the Month 11 position. The adverse movement is as a result of notification of a significant increase in contract costs for the provision of external audit services.

Table 8: Finance Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 12		Variance (As at Month 12) £'000	Variance (As at Month 11) £'000	Movement from Month 11 £'000	
			Revised Budget £'000	Outturn £'000				
6,021	(21)	Exchequer and Business Assurance Services	Salaries	6,000	5,936	(64)	(43)	(21)
3,505	132		Non-Sal Exp	3,637	3,620	(17)	20	(37)
(2,683)	(189)		Income	(2,872)	(2,944)	(72)	(80)	8
6,843	(78)		Sub-Total	6,765	6,612	(153)	(103)	(50)
1,743	(57)	Procurement	Salaries	1,686	1,677	(9)	(22)	13
3,243	8		Non-Sal Exp	3,251	3,335	84	105	(21)
(93)	55		Income	(38)	(85)	(47)	(61)	14
4,893	6		Sub-Total	4,899	4,927	28	22	6
4,213	(94)	Corporate Finance	Salaries	4,119	4,147	28	23	5
344	211		Non-Sal Exp	555	688	133	39	94
(445)	0		Income	(445)	(497)	(52)	(44)	(8)
4,112	117		Sub-Total	4,229	4,338	109	18	91
11,977	(172)	Finance Directorate	Salaries	11,805	11,760	(45)	(42)	(3)
7,092	351		Non-Sal Exp	7,443	7,643	200	164	36
(3,221)	(134)		Income	(3,355)	(3,526)	(171)	(185)	14
15,848	45		Total	15,893	15,877	(16)	(63)	47

52. Corporate Finance is showing an overspend position at outturn of £109k, an adverse movement of £91k. This is as a result of the notification from EY in March, the Council's external auditors, that the fees for auditing the 2019/20 statement of accounts are increasing by £83k. This pressure has been partly offset by underspends within Internal Audit and Insurance.
53. One-off pressures within the Fleet Service arising from the implementation of the capital acquisition programme, now nearing completion, have been largely off-set by additional income from the auction of Fleet vehicles and external grant funding from MHCLG for revenues inspections.

Residents Services (£287k underspend, £222k favourable movement)

54. The outturn position for the Residents Services directorate for 2019/20 is an underspend of £287k, excluding pressure areas that have identified contingency provisions. The overall variance is a result of pressures across Education functions, ICT, Highways and Street Lighting being netted down by underspends in Administrative, Technical and Business Services.

Table 9: Residents Services Operating Budget

Original Budget £'000	Budget Changes £'000	Service	Outturn		Variance (Outturn) £'000	Variance (As at Month 11) £'000	Movement from Month 11 £'000	
			Revised Budget £'000	Outturn £'000				
17,619	(43)	Infrastructure, Waste and ICT	Salaries	17,576	17,574	(2)	4	(6)
32,237	772		Non-Sal	33,009	33,471	462	508	(46)
(10,590)	(58)		Exp	(10,648)	(10,743)	(95)	(104)	9
39,266	671		Income	(10,648)	(10,743)	(95)	(104)	9
			Sub-Total	39,937	40,302	365	408	(43)
19,221	787	Housing, Environment, Education, Health & Wellbeing	Salaries	20,008	19,670	(338)	(322)	(16)
24,490	1,128		Non-Sal	25,618	25,843	225	222	3
(18,024)	(1,676)		Exp	(19,700)	(19,427)	273	356	(83)
25,687	239		Income	(19,700)	(19,427)	273	356	(83)
			Sub-Total	25,926	26,086	160	256	(96)
4,324	25	Planning, Transportation & Regeneration	Salaries	4,349	4,361	12	(86)	98
1,240	174		Non-Sal	1,414	1,675	261	90	171
(4,534)	(206)		Exp	(4,740)	(5,019)	(279)	16	(295)
1,030	(7)		Income	(4,740)	(5,019)	(279)	16	(295)
			Sub-Total	1,023	1,017	(6)	20	(26)
13,486	50	Administrative, Technical & Business Services	Salaries	13,536	12,870	(666)	(578)	(88)
3,865	104		Non-Sal	3,969	4,072	103	163	(60)
(10,818)	(254)		Exp	(11,072)	(11,315)	(243)	(334)	91
6,533	(100)		Income	(11,072)	(11,315)	(243)	(334)	91
			Sub-Total	6,433	5,627	(806)	(749)	(57)
54,650	819	Residents Services Directorate	Salaries	55,469	54,475	(994)	(982)	(12)
61,832	2,178		Non-Sal	64,010	65,061	1,051	983	68
(43,966)	(2,194)		Exp	(46,160)	(46,504)	(344)	(66)	(278)
72,516	803		Income	(46,160)	(46,504)	(344)	(66)	(278)
			Total	73,319	73,032	(287)	(65)	(222)

55. The Council's 2019/20 contingency budget contained provision for areas of expenditure or income within Residents Services for which there was a greater degree of uncertainty. At outturn, the required contingency call was £1,424k below the budgeted position. The position against these contingency items is shown in Table 2 below.

Table 10: Development and Risk Contingency

Original Budget	Budget Changes	Development & Risk Contingency	Outturn		Variance (Outturn)	Variance (As at Month 11)	Movement from Month 11
			Revised Budget	Outturn			
£'000	£'000		£'000	£'000	£'000	£'000	£'000
1,072	0	Impact of Welfare Reform on Homelessness	1,072	587	(485)	(504)	20
1,972	(772)	Waste Disposal Levy & Associated Contracts	1,200	0	(1,100)	(1,100)	(100)
0	0	Development Control – Income	0	91	91	193	(102)
0	0	Housing Legal Challenges	0	746	746	634	112
3,044	(772)	Current Commitments	2,272	1,424	(848)	(777)	(71)

56. The outturn 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, a quarter 4 increase at the end of 2019-20 mirroring the trend for 2018-19 has seen the overall level of Temporary Accommodation in use rise, resulting in an increase in the number of clients placed in Bed and Breakfast accommodation. This is due to a reduction in alternative supply. Management actions to meet forward MTFF targets continue to be implemented.

Table 11: Housing Needs performance data

	January 20	February 20	March 20
All Approaches	286	286	309
Full Assessment Required	223	213	190
New into Temporary Accommodation (Homeless and Relief)	33	46	50
Households in Temporary Accommodation	413	441	448
Households in B&B	137	163	178

57. As in previous years, a contingency was 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 at outturn was £587k, £485k below the budgeted provision, an adverse movement of £19k from the month 11 forecast. The reduced call on contingency was achieved through an increase in prevention and move-on activity and the close monitoring of unit costs.
58. At outturn, no call was required 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 £1,200k compared with budget, comprising the following elements:
- The WLWA disbursed excess reserves to boroughs, with Hillingdon having received £331k at the end of July 2019.

- The retendering of the Council's contract for the collection and processing of highways arising, bulky items and street litter resulted in the appointment of a new supplier for that element relating to highways arising and street sweepings, at a reduced cost.
 - Aggregate Pay as you Throw tonnage projections and other Waste Disposal Contract costs were below budgeted levels.
59. Whilst market conditions during the year affected 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 were incurred in relation to fly tipping clearance and disposal, these factors were managed within base budgets.
60. There was a marked downturn in volumes of major planning applications submitted to the Council during the first three quarters of 2019/20, with increased activity towards the end of quarter four for household and minor applications. Additional Community Infrastructure Levy retained admin fees of £13k and recovery of planning fees against internal schemes of £89k accounts for the total improvement of £102k from Month 11, reducing the call on General Contingency to £91k.
61. During 2019-20 the Housing Service has incurred significant legal costs defending challenges against the Housing Allocation Policy. Expenditure above budgeted levels is reported against General Contingency. The Allocation Policy has since been updated and this should mitigate the risk of further legal challenges.

Infrastructure, Waste and ICT (£365k overspend, £43k favourable movement)

62. At outturn the service reported an overspend of £365k, a favourable movement of £43k against the Month 11 position. The favourable movement includes reduced reactive and compliance expenditure across the corporate estate (£82k), reduced ICT contract expenditure (£13k) and reduced pre-capital spend within the Construction team (£58k), offset by an increase on street lighting and maintenance spend within Highways of £91k.
63. The Highways overspend at outturn is £380k, 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. The £163k adverse movement compared with Month 11 is attributable to increased highways and street lighting maintenance spend and a further reduction in permit scheme income.
64. The Waste Service is reporting an overall underspend of £33k at outturn, though this is inclusive of an earmarked reserve drawdown of £310k to offset a gross pressure across the service's budget. The underlying pressure includes a staffing overspend of £624k 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.
65. There was a £78k favourable movement for Waste Services at outturn, attributable to reduced agency spend and an uplift in recharge income reflecting increased internal waste disposal activity towards the year end. 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 £306k income over-achievement, largely reflecting strong trade tipping activity at the New Years Green Lane CA site.

66. ICT is reporting a net underspend of £64k at outturn, a pressure on contract costs of £319k, being offset by (i) a £296k staff costs underspend, reflecting vacancies and recruitment delays whilst the service progresses a BID restructure and more general staff turnover and (ii) £87k of fee recharges to ICT capital projects. This represents a £22k favourable movement compared to the Month 11 position, largely attributable to additional fee recharges relating to the Microsoft 365 project

Housing, Environment, Education and Community Services (£160k overspend, £96k favourable movement)

67. At outturn the service reported an overspend of £160k, a favourable movement of £96k against the Month 11 position.
68. The overall position within Green Spaces reflects the additional non staffing costs within Grounds Maintenance, Parks and Opens Spaces and the delay in the planned closure of Ruislip Golf Course. This is largely offset by staffing underspends across the service; particularly in Youth Services, non-staffing underspends across Events, Museums and Performing Arts and the HS2 compensation for Ruislip Golf Course.
69. The final outturn within Housing Services is an overspend of £178k resulting from reduced enforcement income. An increase in the number of appeals received in year resulted in greater uncertainty regarding the timing and value of income to be received.
70. Parking Services is reporting an overall underspend of £158k, with a favourable position across staffing and non-staffing costs and income. The £37k improvement compared with Month 11 is largely attributable to reduced spend on equipment repairs and maintenance, partly offset by an adverse movement in revenue from car parks.

Planning, Transportation & Regeneration (£6k underspend, £26k favourable movement)

71. The overall position within Planning, Transportation & Regeneration is primarily driven by the use of agency staff and external consultants to provide specialist technical support where posts have been held vacant across the service. The shortfall in Development Control income is offset by an increase in retained CIL admin fees and fee recovery from internal schemes with the remainder being funded by General Contingency.

Administrative, Technical & Business Services (£806k underspend, £57k improvement)

72. There is a favourable variance of £806k across Business & Technical Services at outturn, an overall improvement of £57k compared with Month 11. A £72k favourable movement within staff costs is largely attributable to ongoing recruitment delays across the Technical Admin and Contact Centre teams. Partly offsetting this is an adverse movement of £12k in non-staffing costs resulting from additional spend associated with postage and Hillingdon First cards.

SOCIAL CARE (£353k underspend, £26k adverse movement)

73. Social Care is reporting an underspend of £353k at outturn, an adverse movement of £26k on the Month 11 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.

Table 12: Social Care Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 12		Variance £'000	Variance (as at Month 11) £'000	Movement from Month 11 £'000	
			Revised Budget £'000	Outturn £'000				
18,442	(1,200)	Children's Services	Salaries	17,242	16,739	(503)	(515)	12
17,704	1,088		Non-Sal Exp	18,792	19,656	864	809	55
(7,656)	(32)		Income	(7,688)	(8,454)	(766)	(719)	(47)
28,490	(144)		Sub-Total	28,346	27,941	(405)	(425)	20
2,051	(652)	SEND	Salaries	1,399	1,759	360	306	54
186	272		Non-Sal Exp	458	549	91	71	20
(427)	337		Income	(90)	(229)	(139)	(184)	45
1,810	(43)		Sub-Total	1,767	2,079	312	193	119
7,720	213	Adult Social Work	Salaries	7,933	7,887	(46)	(41)	(5)
72,847	447		Non-Sal Exp	73,294	75,237	1,943	110	1,833
(21,829)	722		Income	(21,107)	(22,383)	(1,276)	465	(1,741)
58,738	1,382		Sub-Total	60,120	60,741	621	534	87
18,286	116	Provider and Commissioned Care	Salaries	18,402	18,177	(225)	(746)	521
11,525	584		Non-Sal Exp	12,109	12,529	420	742	(322)
(3,496)	(273)		Income	(3,769)	(4,845)	(1,076)	(677)	(399)
26,315	427		Sub-Total	26,742	25,861	(881)	(681)	(200)
46,499	(1,523)	Social Care Directorate Total	Salaries	44,976	44,562	(414)	(996)	582
102,262	2,391		Non-Sal Exp	104,653	107,971	3,318	1,732	1,586
(33,408)	754		Income	(32,654)	(35,911)	(3,257)	(1,115)	(2,142)
115,353	1,622		Total	116,975	116,622	(353)	(379)	26

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

74. 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 £353k. This represents an adverse movement of £26k on the Month 11 position due to additional pressure within SEN Transport
75. 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 13: Social Care Development & Risk Contingency

Original Budget £'000	Budget Changes £'000	Development & Risk Contingency	Month 12		Variance (As at Month 12) £'000	Variance (As at Month 11) £'000	Movement from Month 11 £'000
			Revised Budget £'000	Outturn £'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	0
277	0	Social Worker Agency Contingency	277	244	-34	(34)	0
997	(259)	SEN transport	738	1,903	1,165	1,133	32
1,938	(988)	Demographic Growth - Adult Social Care	950	1,700	750	750	0
0	0	Additional BCF Income	0	-331	-331	(331)	0
9,387	(2,017)	Current Commitments	7,370	7,805	435	403	32

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

76. The service drawdown was £695k from the Asylum contingency at outturn, which is in line with the month 11 position. This is due to the service implementing further improvements to 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)

77. The service drawdown was £2,700k from the Contingency, representing an underspend of £170k at outturn and a nil movement on the Month 11 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.

78. 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)

79. The service drawdown was £895k from the CWD Contingency at outturn, no change on the Month 11 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, no change)

80. The service drawdown was £244k from the contingency at outturn, no change on the Month 11 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.
81. 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
82. 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 (£1,165k overspend, £32k adverse)

83. The service drawdown was £1,903k from the SEN Transport contingency at outturn, a £32k adverse movement from the month 11 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.
84. 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)

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

86. 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

DIRECTORATE OPERATING BUDGETS (£385k overspend, £8k improvement)

Children's Services (£405k overspend, £20k adverse)

87. The service is projecting an underspend of £403k, a £20k adverse movement on the Month 11 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 (£312k overspend, £119k adverse)

88. The outturn position for the SEND service is an overspend of £312k, an adverse movement of £119k on the Month 11 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 represents the requirement to fund additional agency staffing costs covering vacant posts and clearing backlogs of work.

Adult Social Work (£621k overspend, £87k adverse)

89. The Adult Social work out-turn position was an overspend of £621k, an adverse movement of £87k on the Month 11 position. The movement of £87k is as a result of adverse movements of £227k in placements costs being offset by £140k in Staffing and other operational costs.
90. The overspend includes the impact of a reduction in the amount of income that the Council received 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 were funded under other less generous health funding mechanisms.
91. Additionally, a review of all S117 clients (including those not previously funded by the CCG), resulted in a shortfall in the additional income generated when compared to the saving proposal. However, it was agreed that this shortfall can be covered by implementing the new approach to managing the Better Care Fund capital grant.

Provider and Commissioned Care (£881k underspend, £200k improvement)

92. The services outturn was an underspend of £881k, a £200k favourable movement on the Month 11 position. However, it should be noted that this position includes an overspend of £561k on the Early Years Centres. This overspend was 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.

Appendix B – Other Funds

COLLECTION FUND (£1,161k underspend, £829k favourable movement)

93. A surplus of £1,161k is reported within the Collection Fund relating to a favourable position on Business Rates, which is predominantly driven by the levy and the carry forward surplus, alongside an adverse position within Council Tax. The budget approved in February 2020 will release £459k of this sum to support General Fund budgets in 2020/21, with the remaining £702k available to support delivery of services in the following financial year.
94. 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 14: Collection Fund

Original Budget	Budget Changes	Service	Month 12		Variance (As at Month 12)	Variance (As at Month 11)	Movement from Month 11	
			Revised Budget	Outturn				
£'000	£'000		£'000	£'000	£'000	£'000	£'000	
(125,113)	0	Council Tax	Gross Income	(125,113)	(125,011)	102	(228)	330
10,613	0		Council Tax Support	10,613	10,672	59	81	(22)
(734)	0		B/fwd Surplus	(734)	(592)	142	142	0
(115,234)	0		Sub-Total	(115,234)	(114,931)	303	(5)	308
(110,633)	0	Business Rates	Gross Income	(110,633)	(110,811)	(178)	(392)	214
(5,286)	0		Section 31 Grants	(5,286)	(5,205)	81	139	(58)
51,960	846		Less: Tariff	52,806	52,806	0	0	0
8,549	(846)		Less: Levy	7,703	6,918	(785)	508	(1,293)
(302)	0		B/fwd Surplus	(302)	(884)	(582)	(582)	0
(55,712)	0	Sub-Total	(55,712)	(57,176)	(1,464)	(327)	(1,137)	
(170,946)	0	Total Collection Fund	(170,946)	(172,107)	(1,161)	(332)	(829)	

95. At Month 12 a deficit of £303k is reported against Council Tax, which is an adverse movement of £308k from Month 11, the movement includes an adverse position reported against Gross Income of £102k, which is being driven by an increase in the bad debt provision, as debt collecting activity ceased near the end of 2019/20 due to the Covid-19 pandemic. A further adverse variance against the brought forward surplus of £142k is compounding this position.
96. A £1,464k surplus is reported across Business Rates at outturn, which is a favourable movement of £1,137k from Month 11, this is predominantly being driven by a favourable movement in the levy as a result of clarification received from the London Business Rates Retention Pool as the benefit of the pool is dependent upon the pan-London position within Business Rates. Gross Rates continue to generate a favourable position, albeit with an adverse movement of £214k on Month 11, with an additional benefit within the brought forward surplus increasing the overall surplus for the year.

Appendix B – Other Funds

SCHOOLS BUDGET

Dedicated Schools Grant (£6,510k overspend, £738k adverse)

97. The Dedicated Schools Grant (DSG) outturn position is an in-year overspend of £6,510k, an adverse movement of £738k on the month 11 position. This overspend is due to ongoing pressures in the cost of High Needs placements, where growth continued throughout the year. Where it has not been possible to place pupils in borough, as local provision is at capacity, they have had to be placed in more costly, Independent and Non Maintained Special Schools. This 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 carried forward to 2020/21 is £15,002k.

Table 15: DSG Income and Expenditure 2019/20

Original Budget	Budget Changes	Funding Block	Outturn			Variance (at Month 11)	Movement from Month 11
			Revised Budget	Outturn	Variance		
			£'000	£'000	£'000		
(278,655)	(414)	Dedicated Schools Grant Income	(279,069)	(279,033)	36	0	36
215,155	0	Schools Block	215,155	214,933	(222)	(142)	(80)
24,821	0	Early Years Block	24,821	25,026	205	(63)	268
3,173	14	Central School Services Block	3,187	3,863	676	748	(72)
35,506	400	High Needs Block	35,906	41,721	5,815	5,229	586
0	0	Total Funding Blocks	0	6,510	6,510	5,772	738
0	0	Balance Brought Forward 1 April 2019	8,492	8,492			
0	0	Balance Carried Forward 31 March 2020	8,492	15,002			

Dedicated Schools Grant Income ((£36k overspend, £36k adverse)

98. The adverse movement is as a result of a late final adjustment to the DSG in relation to an import/export adjustment data error made by the ESFA. This has resulted in a £36k reduction to the DSG for 2019/20 which the local authority was notified of in March 2020.

Schools Block (£222k underspend, £80k favourable)

99. 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.
100. 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.

Early Years Block (£205k overspend, £268k adverse)

101. 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. The number of two year olds recorded as accessing the free entitlement on the January 2020 census date is now known, and the estimated retrospective funding adjustment which will follow has been calculated which has resulted in an estimated £59k shortfall in funding for 2019/20.

102. The 3 and 4 year old retrospective funding adjustment relating to 2018/19 was lower than anticipated which has resulted in a £204k pressure in 2019/20. The number of children accessing the additional 15 hours has continued to increase throughout the year and there will be a funding adjustment in July 2020 based on the numbers of 3 and 4 year olds accessing the free entitlement in the January 2020 census which has been estimated in the outturn position.
103. There were underspends in the Families Information Service as a result of two vacant posts within the team for part of the year. The vulnerable children budget and SEN inclusion fund ended the year with underspends due to lower than expected number of referrals being made for additional funding. These underspends were off-set by a £42k overspend on the Early Years Advisory Service due to the under achievement of the full savings target set by Schools Forum.

Central School Services Block (£676k overspend, £72k favourable)

104. The overspend is predominantly as the result of an increase in the number of pupils accessing Alternative Provision along with an increase in the number of looked after children in high cost, out of borough residential placements. In the case of the looked after children placements, if the setting is providing education, a proportion of the cost is funded from the DSG. The numbers of young people accessing an Alternative Provision setting have been consistently in excess of the commissioned number, resulting in a significant cost pressure in 2019/20. The 2020/21 budget for both of these areas has been increased to reflect the current pressures.
105. The cost of Alternative Provision is partly off-set by the AWPU funding clawed back from schools that have excluded pupils. However, the income in 2019/20 related to this was £25k less than the budgeted.
106. The overspends were partly off-set by small underspends in a number of other budget headings which cumulatively off-set the total overspend of the Central School Services block by £29k.

High Needs Block (£5,815k overspend, £586k adverse)

107. The outturn position for the High Needs Block is an overspend of £5,815k at the end of the 2019/20 financial year. The adverse movement from month 11 relates to backdated funding for a further growth in pupils with SEN requiring additional resources to meet their needs.
108. 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.
109. 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 continued in 2019/20.
110. 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 has resulted 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.

111. The lack of capacity has also resulted in a significant increase in the expenditure on specialist tuition for pupils with SEN. In 2018/19 the expenditure on SEN tuition was £160k, whilst in 2019/20 this has increased to £469k.
112. 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 has placed additional pressure on the High Needs block.
113. 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.
114. There has been a significant 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 total exceptional SEN funding allocated to mainstream schools was £171k, this is an increase of £107k when compared to the previous financial year.
115. 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 total spend on ESF in 2019/20 was £479k.

Maintained School Balances & Budgets

116. A review of balances at the end of the 2019/20 financial year identified five schools which ended the year in deficit. Additionally 36 schools (66.7%) had an in year deficit. Any schools that fall into deficit are subject to more focused monthly monitoring by LA officers to ensure that everything possible is being done to address the situation.
117. The table below provides an update on the revenue financial position of schools maintained by the Council (this excludes academy schools), based on school outturns for 2019/20 and 2018/19.

Table 16: School Deficit by School Type

School Type	Total Number of Schools	Number of Schools In Deficit 2019/20	Value of Deficit 2019/20 £000	Number of Schools In Deficit 2018/19	Value of Deficit 2018/19 £000
Nursery	1	0	0	0	0
Primary	49	4	168	1	13
Secondary	2	1	3,466	1	3,387
Special	2	0	0	0	0
Total	54	5	3,634	2	3,400

118. Maintained schools ended the 2019/20 financial year with a cumulative closing surplus balance of £10.7m (£10.0m revenue and £0.7m capital). This was a £1.6m decrease from the previous year total. Despite the relatively healthy total balance, there is a wide spread across individual school balances, with a number of schools having low balances that are expected to experience financial difficulties in 2020/21.
119. In addition, it is known that 6 academy schools out of a total of 45 schools are also in deficit as at 31 August 2019. This is the same number of academy schools which were in deficit in the previous year. Additionally, 21 academy schools had an in year deficit in 2018/19.
120. In 2019/20 there were 20 maintained schools that were RAG risk rated red as a consequence of their financial position and were therefore more closely monitored. The local authority agreed that three of these schools could set a licenced deficit budget. The remainder managed to set a balanced budget but with very low balances. It is expected that the number of schools unable to set a balanced budget will increase in 2020/21.
121. Once budget plans have been submitted and analysed the schools will be RAG risk rated in order to identify those that require closer focus in the coming year. The financial position of maintained schools will continue to be reported to Members and Schools Forum throughout the 2020/21 financial year

Appendix C – HOUSING REVENUE ACCOUNT

122. As at 31st March 2020 the Housing Revenue Account (HRA) General Balance is £17,075k and the Major Repairs Reserve (MRR) is £15,229k.
123. Overall the HRA shows an in-year drawdown of reserves of £1,185k compared to a budgeted £1,245k drawdown of reserves, an underspend of £60k for the year and a favourable movement of £7k from Month 11. The table below presents key variances by service area:

Table 18: Housing Revenue Account

Service	Outturn		Variance (+ adv / - fav)		
	Revised Budget	Outturn	Variance (Outturn)	Variance (As at Month 11)	Movement from Month 11
	£'000	£'000	£'000	£'000	£'000
Rent Income	(56,186)	(55,586)	600	678	(78)
Other Income	(5,224)	(5,740)	(516)	(405)	(111)
Net Income	(61,410)	(61,326)	84	273	(189)
Housing Management	13,230	13,882	652	331	321
Tenant Services	4,411	4,433	22	123	(101)
Repairs	5,294	6,042	748	331	417
Planned Maintenance	4,255	2,849	(1,406)	(1,111)	(295)
Capital Programme Funding	18,820	18,557	(263)	(205)	(58)
Interest & Investment Income	15,385	15,460	75	205	(130)
Development & Risk Contingency	1,260	1,288	28	0	28
Operating Costs	62,655	62,511	(144)	(326)	182
(Surplus) / Deficit	1,245	1,185	(60)	(53)	(7)
General Balance 01/04/2019	(18,260)	(18,260)	0	0	0
General Balance 31/03/2020	(17,015)	(17,075)	(60)	(53)	(7)

Income

124. Rental Income shows a favourable movement of £78k on Month 11 and this is due to favourable stock movements including voids.
125. Other Income shows a favourable movement of £111k on Month 11 and this is due to increased leaseholders' income in March.
126. The number of Right to Buy (RTB) applications received in 2019/20 was 173, whilst in 2018/19 it was 164. The number of RTB completions in 2019/20 was 52 and in 2018/19 it was also 52. The 2019/20 52 RTB completions is an increase of 2 compared to the Month 11 forecast of 50 and a reduction of 8 compared to the 60 assumed in the budget.

Expenditure

127. The Housing management service shows an adverse movement of £321k compared to Month 11, due to increased costs relating to community safety £70k, insurance £63k, legal costs £158k and various smaller running costs totalling £30k.

128. There is a favourable movement, compared to Month 11, of £101k in tenancy services relating to caretaking costs of £43k and £58k on various running costs including utilities.
129. There is a net adverse movement of £122k on repairs and planned maintenance compared to Month 11. There is an adverse movement on Month 11 of £417k in the repairs service due to void repairs £110k, day to day repairs £223k, materials £42k and other repairs running costs £42k. There is a favourable movement of £295k across the planned maintenance service contracts, compared to Month 11, due to a combination of timing of the completion of work, difficulty of access to properties and contractors' issues in March 2020.
130. The capital programme funding shows a favourable movement of £58k compared to Month 11 and this is due to the depreciation calculation, which is based on external valuations and completed at the end of the financial year.
131. The interest and investment income movement is favourable by £130k compared to Month 11. This is due to favourable movements in the interest earned on HRA balances of £272k and debt repayment of £97k, offset by an adverse movement of £239k which relates to the interest repayment to MHCLG for the quarter 4 unused RTB 1-4-1 receipts.
132. The development and risk contingency shows a small adverse movement of £28k on Month 11 due to running costs. The development and risk contingency includes the annual charge for bad debt provision, which is £547k in 2019/20. The cumulative balance of the bad debt provision as at 31st March 2020 is £1,876k which represents 53% of overall HRA arrears.

HRA Capital Expenditure

133. The 2019/20 HRA capital programme is set out in the table below. The spend for the year is £47,026k with a full year variance of £28,406k consisting of a cost underspend of £2,134k and a re-phasing variance of £26,272k. Overall, there is a net expenditure reduction of £108k compared to the Month 11 position.

Table 19: HRA Capital Expenditure

2019/20 HRA Capital Programme Outturn					Analysis of 2019/20 Variance	
Programme	2019/20 Budget £'000	2019/20 Actual £'000	2019/20 Variance £'000	Movement from Month 11 £'000	Cost Variance £'000	Re-Phasing Variance £'000
Major Projects						
New General Needs Housing	40,146	29,868	(10,278)	(1,429)	(50)	(10,228)
New Build - Shared Ownership	10,607	2,611	(7,996)	(55)	0	(7,996)
New Build - Supported Housing	3,960	2,260	(1,700)	(76)	(555)	(1,145)
Total Major Projects	54,713	34,739	(19,974)	(1,560)	(605)	(19,369)
HRA Programmes of Work						
Works to stock programme	18,068	11,466	(6,602)	1,456	(70)	(6,532)
Major Adaptations to Property	2,489	701	(1,788)	1	(1,417)	(371)
ICT	162	120	(42)	(5)	(42)	0
Total HRA Programmes of Work	20,719	12,287	(8,432)	1,452	(1,529)	(6,903)
Total HRA Capital Programme	75,432	47,026	(28,406)	(108)	(2,134)	(26,272)
Movement from Month 11	313	(108)	(421)		(860)	439

Major Projects

134. The 2019/20 Major Projects programme has a favourable variance of £19,974k, of which £19,369k is re-phasing whilst £605k represents a net cost under spend. There was a reduction in expenditure of £1,560k from Month 11 due partly to identified buy back acquisitions falling through and further re-phasing on internal development projects in various stages of progress.
135. Cost under spends increased by £105k on completed schemes within the general needs and supported housing programmes.

HRA Programmes of Work

136. The Works to Stock (WTS) and other programmes outturn expenditure is £12,287k and there is a cost under spend for the year of £1,529k across various work-streams, mainly on the uncommitted element of the annual major adaptations to property budget. Proposed re-phasing amounts to £6,903k, largely on various committed schemes within the WTS programme that are continuing into the new financial year.

HRA Capital Financing

137. The HRA capital programme expenditure of £47,026k was funded from £35,208k contributions from the Major Repairs Reserve; £8,875k from Capital Receipts (£7,990k RTB receipts and £885k non- RTB receipts); £2,667k from grants and other contributions; and the appropriation £276k of land from the General Fund.
138. The cumulative RTB 1-4-1 spend requirement for 2019/20 quarter 4 was not met and the shortfall was £5,444k. Therefore, the Right to Buy 1-4-1 capital receipts of £1,633k plus interest of £239k was paid to MHCLG in April 2020. However, it is expected that these monies will be paid back to the HRA in due course as Hillingdon Council has opted in to the Mayor of London's Right to Buy Ring-Fence Offer, whereby Right to Buy 1-4-1 capital receipts and interest returned to MHCLG is re-routed back to individual councils through the GLA as a conditional grant.

139. The total HRA RTB capital receipts for 2019/20 was £10,315k. This included 52 RTB sales totalling £9,429k. From these receipts the provisional amount the Council is able to retain for investing in housing stock regeneration is £6,471k. These funds must be spent or committed within a deadline of three years from each quarterly retained receipt.
140. The Major Repairs Reserve decreased by a net £16,649k from £31,878k as at 1st April 2019 to £15,229k as at 31st March 2020. The net reduction included using £35,208k to fund the HRA capital programme and an increase of £18,559k in Major Repairs Reserve funds (depreciation £10,782k and revenue contribution to capital £7,777k).

Appendix D - GENERAL FUND CAPITAL PROGRAMME

141. An underspend of £28,058k is reported across the £86,237k 2019/20 Capital Programme, consisting of £2,011k cost underspends and £26,047k re-phasing into future years.

Capital Programme Overview

142. Table 20 below sets out the outturn on General Fund capital projects, with project level detail contained in annexes A - D to this report.

Table 20: General Fund Capital Programme

2019/20 General Fund Capital Programme Outturn					Analysis of 2019/20 Variance	
Directorate	2019/20 Budget £'000	2019/20 Actual £'000	2019/20 Variance £'000	Movement from Month 11 £'000	Cost Variance £'000	Re-Phasing Variance £'000
Schools Programme	16,050	15,662	(388)	2,013	249	(637)
Self Financing Developments	11,000	7,068	(3,932)	(1,182)	0	(3,932)
Main Programme	3,694	2,683	(1,011)	(337)	442	(1,453)
Programme of Works	54,048	32,766	(21,282)	(429)	(1,780)	(19,502)
General Contingency	1,445	0	(1,445)	-	(922)	(523)
Total Capital Programme	86,237	58,179	(28,058)	65	(2,011)	(26,047)
Movement from Month 11	48	65	17		(471)	488

143. The total under spend of £28,058k consists of £2,011k net cost underspend variances and £26,047k net rephasings proposed to be carried forward into future financial years. There was a slight overall increase in expenditure of £65k from the Month 11 forecast.

144. Favourable movements in cost under spends amounting to £471k include adaptations funded by Disabled Facilities Grant, where uncommitted grant was utilised in financing additional Social Care equipment capitalisation, and general equipment capitalisation. Year end re-phasing reduced by £488k due mainly to accelerated spend on the expansion of Ruislip High School which is in progress. An amount of £523k is to be re-phased from unspent general contingency to support planned works to relocate services to the Mezzanine.

145. The general contingency budget had £922k remaining funds that were not required in the year.

Capital Financing - General Fund

146. Table 21 below outlines the outturn financing of the capital programme

Table 21: Capital Financing

	Revised Budget 2019/20 £'000	Outturn 2019/20 £'000	Variance £'000	Financing Cost Variance £'000	Financing Re-Phasing Variance £'000
Council Resource Requirement	55,237	31,629	(23,608)	418	(24,026)
Financed By					
Capital Receipts	8,298	3,066	(5,232)	(2,799)	(2,433)
CIL	4,500	4,541	41	41	0
Prudential Borrowing	42,439	24,022	(18,417)	3,176	(21,593)
Total Council Resources	55,237	31,629	(23,608)	418	(24,026)
Grants & Contributions	31,000	26,550	(4,450)	(2,429)	(2,021)
Total Programme	86,237	58,179	(28,058)	(2,011)	(26,047)

147. Capital receipts applied in year to finance capital expenditure totalled £3,066k after top slicing £2,843k to fund transformation expenditure. Appropriations to the HRA totalling £276k in respect of one site for residential development are included in the capital receipts outturn figure. The variance of £5,232k on budget reflects actual levels of capital receipts secured in 2019/20, including £2,433k re-phasing into 2020/21.

148. Community Infrastructure Levy receipts for the year totalled £4,541k from various developments, a minor favourable variance of £41k on the revised income budget. CIL receipts have been fully utilised to support financing of infrastructure related capital expenditure in 2019/20. The variance of £4,450k on Grants and Contributions reported at outturn partly relates to the rephasing of activity into the new financial year, with £26,550k such contributions being applied to finance 2019/20 expenditure.

149. Prudential borrowing has a favourable variance of £18,417k with the cost variance of £3,176k due partly to under recovery of capital receipts and also releasing the Highways earmarked reserve from capital financing. An amount of £21,593k requires to be re-phased to fund continuing and future schemes, adjusted for phasing movements on other capital financing sources such as capital receipts and grants.

Annex A – Schools Programme

Prior Year Cost	Project	2019/20 Revised Budget £'000	2019/20 Actual £'000	2019/20 Variance £'000	2019/20 Cost Variance £'000	Project Re-phasing to future years	2019/20 Project Financed by:		
							Council Resources	Government Grants	Other Cont'ns
137,159	Former Primary School Expansions	10	4	(6)	(6)	0	0	4	0
12,952	New Primary Schools Expansions	2,889	3,275	386	50	336	0	3,257	18
5,097	Secondary Schools Expansions	12,292	11,881	(411)	280	(691)	776	10,925	180
0	Schools SRP	500	458	(42)	0	(42)	0	458	0
45,742	Secondary Schools Replacement	119	44	(75)	(75)	0	0	44	0
0	Meadow School	240	0	(240)	0	(240)	0	0	0
200,950	Total Schools Programme	16,050	15,662	(388)	249	(637)	776	14,688	198

Annex B - Self Financing Developments

Prior Years Cost	Project	2019/20 Revised Budget	2019/20 Outturn	2019/20 Variance	Cost Variance	Project Re-phasing to future years	2019/20 Project Financed by:		
							Council Resources	Government Grants	Other Cont'ns
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Self-Financing Developments								
68	Yiewsley Site Development	1,000	197	(803)	0	(803)	197	0	0
0	Housing Company Financing	10,000	6,871	(3,129)	0	(3,129)	6,871	0	0
68	Total Self Financing Developments	11,000	7,068	(3,932)	0	(3,932)	7,068	0	0

Annex C – Main Programme

Prior Year Cost	Project	2019/20 Revised Budget £'000	2019/20 Actual £'000	2019/20 Variance £'000	2019/20 Cost Variance £'000	Proposed Re-phasing £'000	2019/20 Project Financed by:		
							Council Resources £000	Government Grants £000	Other Cont'ns £000
1,164	Bessingby FC and Boxing Clubhouse	393	321	(72)	0	(72)	321	0	0
23	Rural Activities Garden Centre	100	35	(65)	0	(65)	35	0	0
6,749	Battle of Britain Visitors Centre	32	12	(20)	0	(20)	12	0	0
57	Battle of Britain Underground Bunker	200	35	(165)	0	(165)	35	0	0
27	Uxbridge Cemetery Gatehouse	10	4	(6)	0	(6)	4	0	0
723	Hillingdon Outdoor Activity Centre	50	50	0	0	0	0	0	50
0	Yiewsley/West Drayton Leisure Centre	900	1,032	132	0	132	544	0	488
2,550	Cedars & Grainges Car Park	121	2	(119)	0	(119)	2	0	0
0	Uxbridge Mortuary Extension	0	7	7	0	7	7	0	0
0	New Museum	50	0	(50)	0	(50)	0	0	0
2	1 & 2 Merrimans Housing Project	20	0	(20)	0	(20)	0	0	0
542	Inspiring Shopfronts	145	147	2	2	0	117	0	30
3,092	Gateway Hillingdon	58	448	390	390	0	405	0	43
1,466	Uxbridge Change of Heart	622	130	(492)	0	(492)	57	0	73
7,294	Hayes Town Centre Initiative	980	397	(583)	0	(583)	0	325	72
2,813	Projects Completing in 2019/20	13	63	50	50	0	63	0	0
26,502	Total Main Programme	3,694	2,683	(1,011)	441	(1,452)	1,602	325	756

**Annex C
– Main
Program
me**

Annex D - Programme of Works

Prior Years Cost	Project	2019/20 Revised Budget	2019/20 Outturn	2019/20 Variance	Cost Variance	Project Re-phasing to future years	2019/20 Project Financed by:		
							Council Resources	Government Grants	Other Cont'ns
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Programme of Works								
N/A	Leader's Initiative	329	168	(161)	(5)	(156)	9	159	0
N/A	Chrysalis Programme	1,124	978	(146)	(19)	(127)	974	0	4
N/A	Playground Replacement Programme	250	330	80	0	80	330	0	0
N/A	Libraries Refurbishment Programme	1,000	680	(320)	0	(320)	612	0	68
N/A	Leisure Centres Refurbishment	500	4	(496)	0	(496)	4	0	0
N/A	Devolved Capital to Schools	1,953	1,953	0	0	0	0	647	1,306
N/A	School Building Condition Works	4,358	1,364	(2,994)	(38)	(2,956)	0	1,200	164
N/A	Civic Centre Works Programme	2,686	881	(1,805)	0	(1,805)	881	0	0
N/A	Corporate Technology and Innovation	4,344	4,408	64	0	64	4,408	0	0
N/A	Property Works Programme	1,792	1,303	(489)	(140)	(349)	760	477	66
N/A	Car Park Pay & Display Machines	520	0	(520)	0	(520)	0	0	0
N/A	Highways Structural Works	11,537	5,853	(5,684)	0	(5,684)	5,853	0	0
N/A	Road Safety	189	4	(185)	(25)	(160)	4	0	0
N/A	Transport for London	4,697	2,604	(2,093)	(572)	(1,521)	0	2,591	13
N/A	HS2 Road Safety Fund	645	0	(645)	0	(645)	0	0	0
N/A	Disabled Facilities Grant	2,852	1,268	(1,584)	(1,584)	0	0	1,163	105
N/A	PSRG / LPRG	100	43	(57)	(57)	0	26	0	17
N/A	Equipment Capitalisation - Social Care	1,172	2,205	1,033	1,033	0	0	2,205	0
N/A	Equipment Capitalisation - General	921	617	(304)	(304)	0	596	21	0
N/A	Public Health England Alcohol Fund	70	58	(12)	(12)	0	0	58	0
N/A	Bowls Club Refurbishments	1,034	462	(572)	(16)	(556)	462	0	0
N/A	CCTV Programme	503	1,111	608	0	608	1,111	0	0
N/A	Youth Provision	1,125	5	(1,120)	0	(1,120)	5	0	0
N/A	Harlington Road Depot Improvements	400	14	(386)	0	(386)	14	0	0
N/A	Harlington Road Depot Resurfacing	39	47	8	8	0	47	0	0
N/A	Purchase of Vehicles	7,585	4,999	(2,586)	0	(2,586)	4,999	0	0
N/A	Street Lighting Replacement	667	593	(74)	0	(74)	593	0	0
N/A	Environmental/Recreational Initiatives	889	508	(381)	(42)	(339)	468	0	40
N/A	Section 106 Projects	767	306	(461)	(7)	(454)	27	0	279
	Total Programme of Works	54,048	32,766	(21,282)	(1,780)	(19,502)	22,183	8,521	2,062

Appendix E - Transformation Capitalisation Schedule

Directorate	Saving Description	Savings			Transformation Costs
		2019/20 £'000	2020/21 £'000	Total £'000	2019/20 £'000
CEO	BID Review of Human Resources	-123	-31	-154	214
CEO Total		-123	-31	-154	214
Finance	Finance BID Review - HB Digital Strategy 2019/20	0	0	0	166
Finance Total	Business Assurance	0	0	0	166
Residents Services	Facilities Management Contract Savings 2019/20	0	0	0	44
	Leisure Management Contract 2020/21	0	-986	-986	129
	ICT Contracts 2020/21		-200	-200	1,084
Residents Services Total		0	-1,186	-986	1,257
Social Care	Review of Social Care Staffing Structures 2017/18	0	0	0	40
	Improved Efficiency of Social Care Support Function in 2020/21	0	-380	-380	743
Social Care Total		0	-380	-380	783
Cross-Cutting		0	0	0	
Cross-Cutting Total		0	0	0	0
Sub-Total		-123	-1,597	-1,520	2,420
Other Savings		-6,486	-4,539	-11,025	
Cross-Cutting Support for Service Transformation / BID Programme					1,459
Grand Total		-6,609	-6,136	-12,545	3,879

Appendix F – Treasury Management Report as at 31 March 2020

150. This report summaries the Council's treasury management activities during 2019/20 and presents details of capital financing, borrowing, debt management and investment transactions alongside an outturn position.
151. Although internal borrowing continued to be utilised during the year, significant external borrowing was also required during 19/20 to ensure liquidity was maintained. £20m of PWLB EIP borrowing was arranged in the first quarter of this year and throughout the period temporary local authority loans were taken, peaking at £65m in March. Over the year the Council's loan portfolio had an average rate of 3.11% (3.38% 2018/19). The portfolio increased by £36.1m as a result of £20m of new PWLB EIP borrowing, an increase in temporary borrowing held over year end of £35m and £18.9 of naturally maturing longer term debt, leaving a balance at year-end of £308.9m (GF £127.3m, HRA £181.6m). Interest paid over the year totalled £8.3m (GF £2.1m, HRA £6.2m).
152. The investment income return for the year on day-to-day operational treasury balances was 0.65% (0.62% 2018/19), resulting in income for 2019/20 of £237k. As part of the Council's investment strategy for 19/20 a total of £15m continued to be invested in three long-dated strategic pooled funds (£5m in each). During 2019/20 dividends received from these strategic pooled funds totalled £519k with a decrease in fair value of £1,192k in 19/20 (total decrease in fair value of £1,349k since inception). The nature of this financial instrument means the fair value may rise and fall with short-term security and liquidity being less of a consideration. The key objectives instead being regular revenue income of above £400k a year and long term price stability. The Council would only seek to sell when market conditions were favourable and holdings were at or above original investment values.

The Borrowing Requirement and Debt Management

Table 22 Capital Financing Requirement

	Balance on 31/3/2019 £m	New Borrowing £m	Debt Maturing £m	Debt Prematurely Repaid £m	Balance on 31/3/2020 £m	Year-End Average Rate %
CFR	401.30				410.91	
GF Loans						
PWLB Fixed Rate	41.27	20.00	13.95	-	47.32	2.46
Market Fixed Rate	15.00	-	-	-	15.00	4.28
PWLB Variable Rate	1.50	-	1.50	-	0.00	0.00
Temporary LA Borrowing	30.00	70.00	35.00	-	65.00	0.94
Total GF Loans	87.77	90.00	50.45	-	127.32	
HRA Loans						
PWLB Fixed Rate	152.07	-	3.50	-	148.57	3.21
Market Fixed Rate	33.00	-	-	-	33.00	4.03
Total HRA Loans	185.07	-	3.50	-	181.57	
Total Loans	272.84	-	53.95	-	308.89	2.76
Other Long Term Liabilities	1.17				0.79	
Total External Debt	274.01				309.68	

153. The Council's underlying need to borrow is measured by the Capital Financing Requirement (CFR) which, as at 31/3/2020, was £410.91m (31/3/2019 £401.30m). The Council's borrowing requirement, the difference between the CFR and total physical borrowing, was £101.23m. This amount represents the level of internal borrowing, primarily supported by the Council's own reserves.
154. At 31 March 2020, the Council held £195.9m of PWLB debt (£47.3m General Fund and £148.6m HRA) containing a broad range of loan types including both Maturity and EIP loans with fixed rates and with varying maturities. In addition, the Council has £48m of market loans (£15m General Fund and £33m HRA). £12m are fixed-rate loans and £36m are LOBO loans. Out of the LOBO loans, a £6m loan was in its option state in 2019/20. During the year the lender of this loan did not exercise any call options and therefore the loans remain outstanding on the same terms. The General Fund also had £65m of local authority temporary borrowing.
155. As at 31st March 2020, the Council's loan portfolio had an average rate 2.76% with the General Fund Loans average rate of 1.90% and HRA average rate of 3.36%. Although new borrowing in the form of two £10m PWLB EIP loans and various local authority temporary loans taken during the year, by using internal resources in lieu of some borrowing, loan interest costs for the year totalled £8.3m, avoiding additional interest costs of approximately £2.8m that would have been incurred otherwise. During the year there was £18.9m of naturally maturing longer term debt and £35m of local authority short term borrowing maturities.

PWLB Borrowing Update

156. On 9th October 2019 the PWLB raised the cost of certainty rate borrowing by 1% to 1.8% above UK gilt yields as HM Treasury was concerned about the overall level of local authority debt. PWLB borrowing remains available but the margin of 180bp above gilt yields appears relatively very expensive. Market alternatives are available and new products will be developed; however, the financial strength of individual authorities will be scrutinised by investors and commercial lenders
157. The Chancellor's March 2020 Budget statement included significant changes to Public Works Loan Board (PWLB) policy and launched a wide-ranging consultation on the PWLB's future direction. Announcements included a reduction in the margin on new HRA loans to 0.80% above equivalent gilt yields, the value of this discount is 1% below the rate at which the authority usually borrows from the PWLB, available from 12th March 2020 and £1.15bn of additional "infrastructure rate" funding at gilt yields plus 0.60% to support specific local authority infrastructure projects for England, Scotland and Wales for which there is a bidding process.
158. The consultation contains proposals on allowing authorities that are not involved in "debt for yield" activity to borrow at lower rates as well as stopping local authorities using PWLB loans to buy commercial assets primarily for yield without impeding their ability to pursue their core policy objectives of service delivery, housing, and regeneration. The consultation also broaches the possibility of slowing, or stopping, individual authorities from borrowing large sums in specific circumstances.
159. The consultation closes on 31st July 2020 with implementation of the new lending terms expected in the latter part of this calendar year or financial year beginning 2021/22. Hillingdon will be responding in this consultation seeking to ensure that the borough has access to affordable funding for its long term projects.

Investment Activity

160. The table below shows day-to-day operational treasury balances investment balances on 31st March 2020. The weighted average balance of these investments over the year was £36.4m.

Table 23 Investments

Investments	Balance on 31/03/2019 £m	Balance on 31/03/2020 £m
Call Accounts	6.50	0.00
Money Market Funds	10.00	0.50
Short Duration Pooled Funds	0.00	0.00
Short Term Investments	0.00	30.90
Total Investments	16.50	31.40
Average Rate % Received	0.65%	0.62%

161. In addition to the day-to-day operational treasury deposits, in April 2018 £15m was placed in three long-dated strategic pooled funds (£5m in each), the Council continued to have holdings in these funds as part of the investment portfolio throughout 19/20. The strategic pooled funds have a 3-5 year investment horizon with dividends being distributed periodically. During 2019/20 dividends received from these strategic pooled funds totalled £519k. Up until February 2020 previous losses in fair values on these funds had been recuperated. However since the COVID 19 outbreak and significant economic downturn the fair value on these funds now have a total decreased in value of £1,349k since inception. The long investment horizon should mitigate overall fluctuations over the life of the asset.
162. Security of capital remained the Council's chief investment objective and this was maintained by following the Council's counterparty policy as set out in its Treasury Management Strategy Statement for 2019/20. Investments during the year included deposits with the Debt Management Office as well as investments in AAA-rated Money Market Funds and Pooled Funds. In addition, instant access balances were held with UK Banks within the Councils counterparty limits. All bank placements held a minimum or higher credit rating of A- for UK counterparties.
163. **Credit Risk:** Counterparty credit quality was assessed and monitored with reference to credit ratings (Council's minimum long-term counterparty rating of A- across all three rating agencies, Fitch, Standard & Poor's and Moody's). However reliance does not rest solely with these agencies and are augmented by use of market/economic information, media updates and intelligence from the Council's Treasury Advisors. With the introduction of the Banking Reform Act in January 2015 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, funds need to be held in instant access facilities to manage daily cashflow. It is therefore not possible to protect Council funds from bail-in risk. At the end of March, 100% of the Council's total funds had exposure to bail-in risk compared to a March benchmark average of 56% in the Local Authority sector (latest benchmark provided quarterly by the Council's treasury advisors Arlingclose).
164. The Council's exposure reduces to 0% once instant access facilities are excluded from the total bail-in percentage.
165. **Liquidity:** In keeping with CLG's Guidance on Investments, the Council maintained a sufficient level of liquidity through the use of Money Market Funds, targeted maturity deposits and the use of instant access call accounts.
166. **Yield:** The Council sought to optimise returns commensurate with its objectives of security and liquidity. The Bank of England, which had held policy rates steady at 0.75% through most

of 2019/20, moved in March to cut rates to 0.25% and then swiftly thereafter brought them down further to the record low of 0.1%, resulting in continued low levels being achievable within the short-term money market. During 19/20 short-term money was placed in instant access accounts and short-term deposits with the DMADF to ensure liquidity was maintained. Rates payable on these activities were comparable with other medium-term duration deposit options and so there was no opportunity cost in keeping cash liquid, which resulted in an average return on Investments of 0.65%.

167. Returns from Strategic Pooled Funds during 19/20 yielded 3.46%, which significantly enhanced investment income for the year.
168. All investments made during the year complied with the Council's agreed Treasury Management Strategy, Treasury Indicators, Treasury Management Practices and prescribed limits. Maturing investments were repaid to the Council in full and in a timely manner.

Compliance with the Prudential Code and Prudential Indicators

169. The Council can confirm that it complied with the Treasury Indicators for 2019/20, set in February 2019 as part of the Council's Treasury Management Strategy. The levels of debt were measured on an ongoing basis during the year for compliance with the Authorised Limit of £620m and the Operational Boundary of £590m, the former being somewhat higher to allow for fluctuations in cash-flow. The Council maintained its total external borrowing and other long-term liabilities within both limits; at its peak this figure was £309.68m.

Table 24 Maturity Structure of Fixed Rate borrowing:

	Upper limit %	Lower limit %	Actual Borrowing as at 31/3/2020 (£m)	Percentage of total as at 31/3/2020
under 12 months	50	0	81.22	26.30%
12 months and within 24 months	50	0	5.83	1.89%
24 months and within 5 years	50	0	27.50	8.90%
5 years and within 10 years	100	0	43.17	13.98%
10 years and within 20 years	100	0	63.00	20.39%
20 years and within 30 years	100	0	11.57	3.25%
30 years and within 40 years	100	0	28.60	9.26%
40 years and within 50 years	100	0	39.00	12.62%
50 years and above	100	0	9.00	2.91%

(The above table includes LOBO's as fixed rate and at their maturity date)

170. For 2019/20 the Treasury Indicator which limits principal sums invested for periods longer than 364 days was set at £35m. As at the end of 19/20 the £15m held in Strategic Pooled Funds fall into this category of investments.
171. Non-treasury related Prudential Indicators are included in Annex F1

Balanced Budget

172. The Council complied with the requirement to maintain a Balanced Budget

Training

173. As part of the Council's continuous performance and development programmes, officers received treasury management training by attending workshops and seminars provided by the Council's treasury advisers Arlingclose and CIPFA.

Annex -Non Treasury Prudential Indicators 2019/20

Table 26 Estimated and Actual Capital Expenditure

	2019/20 Estimated £m	2019/20 Outturn £m
General Fund	109.7	59.9
HRA	76.2	46.5
Total	185.9	106.4

Table 27 Estimated and Actual Ratio of Financing Costs to Net Revenue Stream

	2019/20 Estimated %	2019/20 Outturn %
General Fund	3	3
HRA	25	25

Table 28 Capital Financing Requirement

	Estimated (£m) 2019/20	Outturn (£m) 2019/20
General Fund	301	227.9
HRA	199	183.0
Total	500	410.9

174. The reduction in CFR compared to the estimate is due to the cumulate effect of Capital programme re-phasing of a number of projects to be funded from future borrowing and Revenue Contributions to repay debt. The Council was also able to fund more of its capital programme through early receipt of grants and from Revenue Contributions to Capital.

Table 29 Actual External Debt

As at 31/03/2019	£m
Borrowing	308.89
Other Long-term Liabilities	0.79
Total	309.68



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

176. 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 30: Consultancy and agency assignments over £50k

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
Chief Executive's Office and Finance Directorate						
Benefit Officer	03/04/2017	02/03/2020	31/03/2021	139	12	151
Pensions Accountant	02/12/2019	27/02/2020	04/09/2020	39	39	78
Pensions Accountant	02/12/2019	29/05/2020	04/09/2020	78	53	131
Residents Services						
Domestic Abuse – Programme Lead	28/08/2017	24/02/2020	12/07/2020	239	26	266
Major Application (PPA) Planner	20/03/2017	27/04/2020	26/07/2020	310	26	336
Private Sector Housing Officer*3	04/02/2019	04/05/2020	26/07/2020	185	44	229
Housing Options and Homeless Prevention Officers*2	24/09/2018	04/05/2020	20/09/2020	96	42	138
Planning Enforcement Officers	15/04/2019	23/05/2020	23/08/2020	74	18	92
Customer Service Advisor	10/05/2018	25/04/2020	24/07/2020	44	8	51
Mobile Electrician/Multi trade	01/12/2018	17/05/2020	16/08/2020	42	11	53
Senior Environmental Health Officer	02/09/2019	04/05/2020	24/08/2020	59	30	89
Senior Environmental Health Officer	06/11/2017	25/05/2020	16/08/2020	33	23	56
Imported Food Manager	18/02/2019	20/04/2020	28/06/2020	130	26	156
Education Project Manager	01/09/2018	26/04/2020	16/08/2020	229	44	273
Media & Campaigns Officer	23/07/2018	26/04/2020	19/07/2020	104	17	121
Homeless Prevention Caseworker	01/04/2019	20/04/2020	18/10/2020	53	27	80
Social Care						
Approved Mental Health Worker	05/02/2018	04/05/2020	31/05/2020	117	4	121
AMHP	04/02/2019	04/05/2020	31/05/2020	96	6	102
Social Worker	29/04/2019	04/05/2020	31/05/2020	62	6	68
AMHP	03/06/2019	04/05/2020	31/05/2020	71	6	77
Social Worker POA	01/07/2019	04/05/2020	31/05/2020	65	6	71
AMHP	01/07/2019	04/05/2020	31/05/2020	65	6	71
Social Worker	03/08/2019	04/05/2020	31/05/2020	56	6	61
AMHP	30/09/2019	04/05/2020	31/05/2020	46	6	52
AMHP	30/09/2019	04/05/2020	31/05/2020	46	6	52
Social Worker	01/11/2019	04/05/2020	31/05/2020	44	7	51
AMHP	04/11/2019	04/05/2020	31/05/2020	64	10	74
Social Worker (CHC)	03/01/2017	04/05/2020	31/05/2020	162	4	166
Team Manager	17/07/2017	04/05/2020	31/05/2020	292	8	300
Senior Social Worker	01/04/2013	04/05/2020	31/05/2020	236	6	242
Social Worker	06/04/2017	04/05/2020	31/05/2020	227	6	233

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
Social Worker	23/10/2017	04/05/2020	31/05/2020	177	5	182
Social Worker	16/12/2016	04/05/2020	31/05/2020	263	6	269
Social Worker	21/08/2016	04/05/2020	31/05/2020	265	6	271
Social Worker	10/07/2017	04/05/2020	31/05/2020	195	6	201
Social Worker	07/11/2016	04/05/2020	31/05/2020	274	6	280
Social Worker	04/05/2015	04/05/2020	31/05/2020	320	5	325
Social Worker	13/04/2015	04/05/2020	31/05/2020	360	6	366
Social Worker	11/07/2016	04/05/2020	31/05/2020	287	6	293
Social Worker	01/08/2015	04/05/2020	31/05/2020	324	7	331
Social Worker	27/10/2016	04/05/2020	31/05/2020	257	6	263
Social Worker	01/12/2016	04/05/2020	31/05/2020	209	6	215
Educational Psychologist	04/02/2019	04/05/2020	31/05/2020	182	11	193
Educational Psychologist	15/11/2015	04/05/2020	31/05/2020	368	8	376
Special Needs Officer	01/12/2016	04/05/2020	31/05/2020	226	6	232
Social Worker	11/08/2014	04/05/2020	31/05/2020	457	6	463
Social Worker	01/01/2013	04/05/2020	31/05/2020	476	6	482
Social Worker	01/04/2013	04/05/2020	31/05/2020	272	6	278
Social Worker	26/08/2016	04/05/2020	31/05/2020	255	6	261
Support Worker	20/12/2015	04/05/2020	31/05/2020	123	3	126
Social Worker	04/07/2016	04/05/2020	31/05/2020	310	6	316
Social Worker	03/07/2016	04/05/2020	31/05/2020	312	7	319
Social Worker	21/11/2016	04/05/2020	31/05/2020	248	6	254
Social Worker	01/01/2013	04/05/2020	31/05/2020	473	6	479
Senior Social Worker	29/06/2017	04/05/2020	31/05/2020	238	6	244
Senior Educational Psychologist	15/08/2016	04/05/2020	31/05/2020	312	11	323
Social Worker	02/07/2017	04/05/2020	31/05/2020	189	6	195
Independent Domestic Violence Advocate	01/10/2018	04/05/2020	31/05/2020	83	4	87
Senior Social Worker	30/04/2012	04/05/2020	31/05/2020	278	6	284
Education Health and Care Officer	04/03/2019	04/05/2020	31/05/2020	70	5	75
Senior Social Worker	21/11/2017	04/05/2020	31/05/2020	93	7	100
Senior Social Worker	19/12/2011	04/05/2020	31/05/2020	98	7	105
Social Worker	01/04/2018	04/05/2020	31/05/2020	166	6	172
Social Worker	24/11/2015	04/05/2020	31/05/2020	127	4	131
SEND Team Manager - Primary	29/07/2019	04/05/2020	31/05/2020	78	8	86
Social Worker	01/04/2013	04/05/2020	31/05/2020	88	6	94
Senior Residential Worker	03/09/2018	04/05/2020	31/05/2020	75	3	79
Support Worker	03/04/2017	04/05/2020	31/05/2020	107	3	110
Registered Manager	04/02/2019	04/05/2020	31/05/2020	48	5	53
Support Worker	03/10/2016	04/05/2020	31/05/2020	85	2	86
Support Planner	03/09/2018	04/05/2020	31/05/2020	56	3	59
Care Worker	06/07/2016	04/05/2020	31/05/2020	110	2	112
Care Worker	06/03/2017	04/05/2020	31/05/2020	90	2	92
Brokerage Officer	03/09/2018	04/05/2020	31/05/2020	48	2	50
Nursery Practitioner	01/10/2017	04/05/2020	31/05/2020	83	2	85

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
SENDIASS Manager	29/04/2019	04/05/2020	31/05/2020	91	7	98
Early Years Practitioner	01/04/2018	04/05/2020	31/05/2020	56	2	59
Early Years Practitioner	06/02/2017	04/05/2020	31/05/2020	83	2	85
Early Years Practitioner	01/04/2018	04/05/2020	31/05/2020	56	2	58
Early Years Practitioner	01/04/2018	04/05/2020	31/05/2020	56	2	58
Early Years Practitioner	25/03/2016	04/05/2020	31/05/2020	90	2	93
Nursery Officer	05/09/2016	04/05/2020	31/05/2020	85	2	87
Early Years Practitioner	23/02/2015	04/05/2020	31/05/2020	116	2	118
Service Development & Quality Assurance Officer	01/04/2019	04/05/2020	31/05/2020	128	9	137
FIS Officer	01/04/2018	04/05/2020	31/05/2020	66	3	69
Online Services Co-ordinator	04/03/2019	04/05/2020	31/05/2020	79	5	84
Senior Business Analyst (Liquid Logic Implementation)	01/07/2019	04/05/2020	31/05/2020	66	7	73
Project Manager/Senior Business Analyst (Liquid Logic Implementation)	01/07/2019	04/05/2020	31/05/2020	70	7	77
Senior Business Analyst (Liquid Logic Implementation)	01/07/2019	04/05/2020	31/05/2020	66	7	74
Approved Mental Health Worker	05/02/2018	01/06/2020	28/06/2020	121	4	125
AMHP	04/02/2019	01/06/2020	28/06/2020	102	6	108
AMHP	03/06/2019	01/06/2020	28/06/2020	77	6	83
Social Worker POA	01/07/2019	01/06/2020	28/06/2020	71	6	77
AMHP	01/07/2019	01/06/2020	28/06/2020	71	6	77
Social Worker	03/08/2019	01/06/2020	28/06/2020	61	6	67
AMHP	30/09/2019	01/06/2020	28/06/2020	52	6	58
AMHP	30/09/2019	01/06/2020	28/06/2020	52	6	58
Social Worker	01/11/2019	01/06/2020	28/06/2020	51	7	58
Senior Social Worker	04/11/2019	01/06/2020	28/06/2020	47	6	53
AMHP	04/11/2019	01/06/2020	28/06/2020	44	6	50
AMHP	04/11/2019	01/06/2020	28/06/2020	74	10	83
Social Worker (CHC)	03/01/2017	01/06/2020	28/06/2020	166	4	170
Support Worker	03/04/2017	01/06/2020	28/06/2020	110	3	113
Registered Manager	04/02/2019	01/06/2020	28/06/2020	53	5	57
Support Worker	03/10/2016	01/06/2020	28/06/2020	86	2	88
Support Planner	03/09/2018	01/06/2020	28/06/2020	59	3	62
Care Worker	06/07/2016	01/06/2020	28/06/2020	112	2	114
Care Worker	06/03/2017	01/06/2020	28/06/2020	92	2	94
Brokerage Officer	03/09/2018	01/06/2020	28/06/2020	50	2	53
Nursery Practitioner	01/10/2017	01/06/2020	28/06/2020	85	2	88
SENDIASS Manager	29/04/2019	01/06/2020	28/06/2020	98	7	105
Early Years Practitioner	01/04/2018	01/06/2020	28/06/2020	59	2	61
Early Years Practitioner	06/02/2017	01/06/2020	28/06/2020	85	2	87
Early Years Practitioner	01/04/2018	01/06/2020	28/06/2020	58	2	60
Early Years Practitioner	01/04/2018	01/06/2020	28/06/2020	58	2	60
Early Years Practitioner	25/03/2016	01/06/2020	28/06/2020	93	2	95
Nursery Officer	05/09/2016	01/06/2020	28/06/2020	87	2	89
Early Years Practitioner	23/02/2015	01/06/2020	28/06/2020	118	2	121

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
Service Development & Quality Assurance Officer	01/04/2019	01/06/2020	28/06/2020	137	9	146
FIS Officer	01/04/2018	01/06/2020	28/06/2020	69	3	72
Online Services Co-ordinator	04/03/2019	01/06/2020	28/06/2020	84	5	89
Senior Business Analyst (Liquid Logic Implementation)	01/07/2019	01/06/2020	28/06/2020	73	7	80
Project Manager/Senior Business Analyst (Liquid Logic Implementation)	01/07/2019	01/06/2020	28/06/2020	77	7	84
Senior Business Analyst (Liquid Logic Implementation)	01/07/2019	01/06/2020	28/06/2020	74	7	81
Team Manager	17/07/2017	01/06/2020	28/06/2020	300	8	308
Senior Social Worker	01/04/2013	01/06/2020	28/06/2020	242	6	248
Social Worker	06/04/2017	01/06/2020	28/06/2020	233	6	239
Social Worker	23/10/2017	01/06/2020	28/06/2020	182	5	187
Social Worker	16/12/2016	01/06/2020	28/06/2020	270	6	276
Social Worker	21/08/2016	01/06/2020	28/06/2020	272	6	278
Social Worker	10/07/2017	01/06/2020	28/06/2020	201	6	207
Social Worker	07/11/2016	01/06/2020	28/06/2020	281	6	287
Social Worker	04/05/2015	01/06/2020	28/06/2020	326	5	331
Social Worker	13/04/2015	01/06/2020	28/06/2020	366	6	372
Social Worker	11/07/2016	01/06/2020	28/06/2020	293	6	299
Social Worker	01/08/2015	01/06/2020	28/06/2020	331	7	338
Social Worker	27/10/2016	01/06/2020	28/06/2020	264	6	270
Social Worker	01/12/2016	01/06/2020	28/06/2020	215	6	221
Educational Psychologist	04/02/2019	01/06/2020	28/06/2020	194	11	205
Educational Psychologist	15/11/2015	01/06/2020	28/06/2020	376	8	384
Special Needs Officer	01/12/2016	01/06/2020	28/06/2020	231	6	237
Social Worker	11/08/2014	01/06/2020	28/06/2020	463	6	469
Social Worker	01/01/2013	01/06/2020	28/06/2020	482	6	488
Social Worker	01/04/2013	01/06/2020	28/06/2020	278	6	284
Social Worker	26/08/2016	01/06/2020	28/06/2020	261	6	267
Support Worker	20/12/2015	01/06/2020	28/06/2020	126	3	129
Social Worker	04/07/2016	01/06/2020	28/06/2020	316	6	322
Social Worker	03/07/2016	01/06/2020	28/06/2020	319	7	326
Social Worker	21/11/2016	01/06/2020	28/06/2020	254	6	260
Social Worker	01/01/2013	01/06/2020	28/06/2020	479	6	485
Senior Social Worker	29/06/2017	01/06/2020	28/06/2020	244	6	250
Senior Educational Psychologist	15/08/2016	01/06/2020	28/06/2020	323	11	334
Social Worker	02/07/2017	01/06/2020	28/06/2020	195	6	201
Independent Domestic Violence Advocate	01/10/2018	01/06/2020	28/06/2020	87	4	91
Senior Social Worker	30/04/2012	01/06/2020	28/06/2020	284	6	290
Education Health and Care Officer	04/03/2019	01/06/2020	28/06/2020	75	5	80
Senior Social Worker	21/11/2017	01/06/2020	28/06/2020	99	7	106
Senior Social Worker	19/12/2011	01/06/2020	28/06/2020	105	7	112
Social Worker	01/04/2018	01/06/2020	28/06/2020	172	6	178
Social Worker	24/11/2015	01/06/2020	28/06/2020	131	4	135

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
Social Worker	01/04/2013	01/06/2020	28/06/2020	95	6	101
SEND Officer	04/11/2019	01/06/2020	28/06/2020	47	7	54

Appendix H – Recent Cabinet level contract decisions taken under interim / urgency provisions

In the absence of a Cabinet meeting or due to urgent circumstances presented, the Leader of the Council, with relevant Cabinet Members, took three contract decisions which would have ordinarily have been reserved to the Cabinet given that proposed contract values exceeded £500k. In compliance with Procurement Standing Orders, these decisions are now reported to Cabinet for ratification below:

4 May 2020 (Special Urgency) - Award of Contracts: Care and Wellbeing Services for People with Learning Disabilities and / or Autism;

RESOLVED:

That the Leader and Cabinet Member for Social Care, Health and Wellbeing:

- 1. Accept the tender from Support for Living Limited for the provision of a care and wellbeing service for people with learning disabilities and/or autism in respect of the Lot 1 supported living schemes described in the report to the London Borough of Hillingdon for a four year period from 1 September 2020 until 31 August 2024 at a contract price of £8,389,676 (£2,097,419 per annum). This comprises £4,374,012 (£1,093,503 per annum) for the core service and approximately £4,015,664 (£1,003,916 per annum) based on assessed need.**
- 2. Accept the tender from Comfort Care Services Limited for the provision of a care and wellbeing service for people with learning disabilities and/or autism in respect of the Lot 2 supported living schemes described in the report to the London Borough of Hillingdon for a four year period from 1 September 2020 until 31 August 2024 at a contract price of £17,305,352 (£4,326,338 per annum). This comprises £8,417,075 (£2,104,269 per annum) for the core service and approximately £8,888,277 (£2,222,069 per annum) based on assessed need.**
- 3. Agree that the contracts include the provision to be extended for up to two further years, subject to the approval of the Leader of the Council and the Cabinet Member for Social Services, Health and Wellbeing, in consultation with the Corporate Director of Social Care.**
- 4. Accepts a single tender from Craegmoor Healthcare for the provision of care and support services in supported living schemes in Herne House, Hayes, Horton Road, West Drayton and Hyde House, Hayes for the period 1 April 2020 to 31 August 2020 at a contract price of £82,746 for the core service and an estimated cost for the flexi support of £72,950.**
- 5. Accepts a single tender from Support for Living Limited for the provision of care and support services in supported living schemes in Frays Avenue, West Drayton and Queens Road, Cowley to the London Borough of Hillingdon for the period 10 July 2020 to 31 August 2020 at a contract price of £59,905 for the core service and an estimated cost for the flexi support of £26,723.**
- 6. Accepts a single tender from Comfort Care Services Ltd for the provision of a care and support service in Honeycroft Hill, Hillingdon supported living scheme to the London Borough of Hillingdon for the period for the period 10 July 2020 to 31 August 2020 at a**

contract price of £39,948 for the core service and an estimated cost for the flexi service of £61,230.

7. **Accepts a single tender from Care Management Group for the provision of a care and support service in Church Road, Uxbridge supported living scheme to the London Borough of Hillingdon for the period 10 July 2020 to 31 August 2020 at a contract price of £36,005 for the core service and an estimated cost for the flexi support of £89,345.**

Supporting information

This decision taken enabled the award of contracts to providers to deliver care and wellbeing services to people with learning disabilities and/or autism in ten supported living schemes, including one scheme that also supports people with mental health needs. The decision taken also agreed, should it be required, short extensions to existing contracts to ensure service stability pending the implementation of new provider arrangements. This decision will support Hillingdon residents who have learning disabilities and/or autism and also a small number of residents with mental health needs to live independently in the community as an alternative to more restrictive settings of care and support.

22 May 2020 - Award of Contract for servicing, Repair & Maintenance of Communal Housing & Corporate Gas Heating and Hot water Installations - Lot 2

RESOLVED:

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

1. **Accept the tender from Village Heating Ltd to deliver the works for Servicing, Repair & Maintenance of Communal Housing & Corporate Gas Heating and Hot water Installations (Lot 2) for a period of 4 years at a cost of £163.6k per annum; and**
2. **Furthermore, agree that this includes the provision to extend the contract for 1+1 year periods (6 years in total), delegating approval of any extension to the Leader of the Council and Cabinet Member for Finance, Property and Business Services, in consultation with the Deputy Chief Executive and Corporate Director of Residents Services.**

Supporting information

This decision accepted a tender for the Servicing, Repair & Maintenance of Communal Housing & Corporate Gas Heating and Hot Water Installations. The planned contract is for 4 years with the possibility to extend by a further 2 years. Under the Gas Safety regulations, the Council has a duty to maintain the gas installations in its tenanted and corporate properties in a safe condition and to carry out a safety checks and provide repairs when the units breakdown.

1 June 2020 (Special Urgency) - Electrical Testing, Repairs and Upgrades contract – Borough Wide. Extension of Contract

RESOLVED:

That the Leader of the Council and Cabinet Member agree to extend the current contract with PFL Electrical Services Ltd for the provision of Electrical testing, Repairs and upgrades contract Borough-wide to the London Borough of Hillingdon, for a one year period from 1 July 2020 to 30 June 2021, at an estimated value of £814k.

Supporting information

This contract extension enabled the statutory testing of electrical power circuits within home dwellings and communal areas for a further 12 months. The existing contract with PFL Electrical Services Ltd was the subject of a competitive tender exercise that conducted by officers in 2017. The Council does not possess the necessary capabilities in house to provide such services and has traditionally outsourced these to a specialist contractor.

BACKGROUND PAPERS

Decision Notices: 4 / 22 May 2020 and 1 June 2020