

# COUNCIL BUDGET - 2020/21

## REVENUE AND CAPITAL MONTH 2 BUDGET MONITORING

<b>Cabinet Member</b>	Councillor Jonathan Bianco
<b>Cabinet Portfolio</b>	Finance, Property and Business Services
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<b>Papers with report</b>	Appendices A - F

### HEADLINE INFORMATION

<b>Purpose of report</b>	<p>This report provides the Council's forecast financial position and performance against the 2020/21 revenue budget and Capital Programme.</p> <p>A net in-year underspend of £361k is reported against General Fund revenue budget normal activities as of May 2020 (Month 2), with unallocated reserves projected to total £28,266k at 31 March 2020.</p> <p>In-year COVID-19 pressures of £25,182k are being reported as an exceptional item. This report outlines that actual government grant awards of £13,653k and estimated further funding of £8,500k can be applied to this pressure in 2020/21. The Council has a £3,293k COVID-19 pressures reserve that was set aside as part of outturn in 2019/20 and £2,356k of Public Health reserves that can be applied to cover the balancing figure of £3,029k. There are further service specific reserves of £3,477k that take the total earmarked reserves available to £9,126k. Over the coming months, the impact of this pressure and associated funding will continue to be closely monitored and the impact on future years' budgets will be dealt with as part of the MTFP process.</p> <p>The latest positions on other funds and the Capital Programme are detailed within the body of this report.</p>
<b>Contribution to our plans and strategies</b>	<p><b>Putting our Residents First: <i>Financial Management</i></b></p> <p>Achieving Value for Money is an important element of the Council's Medium Term Financial Plan.</p>
<b>Financial Cost</b>	N/A
<b>Relevant Policy Overview Committee</b>	Corporate Services, Commerce & Communities
<b>Ward(s) affected</b>	All

## RECOMMENDATIONS

### That Cabinet:

1. Note the budget position as at May 2020 (Month 2) as outlined in Table 1.
2. Note the Treasury Management update as at May 2020 at Appendix E.
3. Continue the delegated authority up until the September 2020 Cabinet meeting to the Chief Executive to approve any consultancy and agency assignments over £50k, with final sign-off of any assignments made by the Leader of the Council. Cabinet are also asked to note those consultancy and agency assignments over £50k approved under delegated authority between the 25 June 2020 and 23 July 2020 Cabinet meetings, detailed at Appendix F.
4. Accept a grant of £40k from the GLA Greener City Fund towards wetland creation and ecological improvements at Hillingdon House Farm.
5. Approve the acceptance of £25k additional GLA funding for Adult Education from the 'Skills for Londoners COVID – 19 Response Fund Programme' to support the delivery of Adult Education during the pandemic.
6. Agree to enter into a three year strategic partnership with Trees for Cities, at a total cost to the Council of £75,000 (£25,000 per year) to be funded by existing budgets within Green Spaces.

## INFORMATION

### Reasons for Recommendations

1. The reason for **Recommendation 1** is to ensure that the Council achieves its budgetary objectives, providing Cabinet with an update on performance at Month 2 against budgets approved by Council on 20 February 2020. An update on the Council's Treasury Management activities is signposted in **Recommendation 2**.
2. **Recommendation 3** is intended to enable continued delegation of approval for appointment of consultancy and agency appointments over £50k to the Chief Executive, with final sign-off from the Leader of the Council. In addition, Appendix K reports back on use of this delegated authority previously granted by Cabinet.
3. **Recommendation 4** covers a GLA grant award of £40k from the Greener City Fund Community Grant Scheme towards the creation of wetlands & ecological improvements at Hillingdon House Farm, Uxbridge. The total project is £70k including £30k Section 106 match funding. The works will be completed in 2020/21 and will be reported under Environmental and Recreational Initiatives.
4. The acceptance of the £25k GLA Adult Education grant in **Recommendation 5** will support the continued access to learning opportunities for Learners while traditional classroom settings are either closed, or space-limited due to social distancing restrictions during the COVID-19 pandemic. The fund is intended to support providers in the development of the necessary infrastructure for increased online learning provision and to equip learners who are at risk of digital exclusion. In this way, service users can continue to 'develop skills to access new employment opportunities and gain confidence in digital skills'.

5. **Recommendation 6** is proposed to provide a variety of community based tree planting and greening projects to increase engagement and volunteering from local communities to improve existing open spaces and encourage cleaner air. Through encouraging work via the Trees for Cities Corporate Volunteering Programme, this will provide support to the Green Spaces team with the management and maintenance of existing woodlands, parks and green spaces and help to support Hillingdon's Local Environmental Plan. With this multi-year agreement in place, it is expected that this will then increase opportunities for grant and corporate funding and leverage a further £75,000 (£25,000 per year) through Trees for Cities-led and joint approaches.

**Alternative options considered**

6. There are no other options proposed for consideration.

## SUMMARY

### REVENUE

7. General Fund pressures totalling £25,182k are projected in relation to the impacts of the COVID-19 pandemic and the Council's response during the 2020/21 financial year, with confirmed grant awards from the first 2 tranches of Covid-19 funding totalling £15,617k and an estimated further £8,500k to come from the recent tranche 3 announcement which includes funding for 75% of fees and charges pressures over a 5% threshold. £1,964k of the confirmed funding was applied in 2019/20 leaving £13,653k to fund 2020/21 pressures. It is expected that these funding allocations, together with the use of earmarked reserves of £3,029k will contain this exceptional pressure in the current financial year. The Council has earmarked reserves available that can be applied to meet the balancing funding requirement and any additional pressures should they materialise. The Council set aside £3,293k into an earmarked reserve to fund potential unfunded COVID-19 pressures as part of the outturn for 2019/20. In addition to this, the Council holds £2,356k of earmarked Public Health Reserves which can also be directed at COVID-19 related spend that meets the criteria for Public Health grant spend. There are further service specific reserves of £3,477k that take the total available to £9,126k and give sufficient headroom to avoid any requirement to call on General Balances.
8. On the assumption that this funding strategy for COVID-19 pressures can be achieved, an underspend of £361k is projected across General Fund budgets at Month 2 consisting of £241k service underspends alongside a £120k underspend on capital financing and funding. Taking account of the budgeted £6,334k drawdown from General Balances, this will result in unallocated General Balances totalling £28,266k at 31 March 2021 – which is marginally higher than anticipated in the budget strategy approved by Cabinet and Council in February 2020. This position reflects the likelihood of a higher than budgeted pay award for 2020/21, although this ongoing cost pressure is being offset by temporary underspends.
9. Within this position, £1,973k of the £6,386k savings planned for 2020/21 are on track for delivery in full by 31 March 2021, with £4,413k being tracked as being at an earlier stage of implementation or at risk as a result of the COVID-19 pandemic. While any in year pressures relating to delays in implementing savings have been incorporated into the COVID-19 pressure noted above, it will be necessary to monitor the impact of any delays on the 2021/22 budget.
10. Within the Collection Fund, a pressure of £3,973k is reported at Month 2 as a result of the significant growth in demand for the Council Tax Reduction Scheme as well as slower than budgeted growth in both Council Tax and Business Rates taxbases. These pressures reflect the impact of COVID-19 on local tax collection. The government have recently announced that the deficit on the Collection Fund can be recouped from the General Fund over a period of 3 years rather than the usual 1 to help spread the funding strategy for covid-19 over a longer period of time.
11. While a funding strategy is in place to contain the financial effects of COVID-19 in the current financial year, it appears likely that development of a budget for the 2021/22 financial year will be challenging. The budget strategy approved by Cabinet and Council in February 2020 assumed £10,644k savings and a £3,000k release from General Balances would be required to balance the 2021/22 budget. This savings requirement is likely to be revised upwards to reflect slippage in 2020/21 savings, a level of on-going COVID-19 pressures, the impact of a higher than anticipated pay award for 2020/21 and the projected deficit on the Collection Fund. However, it is also reasonable to expect that government will provide some degree of further Covid-19 funding in 2021/22 to meet the on-going pressures relating to Covid-19.

## **CAPITAL**

12. As at Month 2 an under spend of £22,441k is reported on the 2020/21 General Fund Capital Programme of £113,271k, due mainly to re-phasing of project expenditure into future years with some schemes temporarily put on hold during the Coronavirus pandemic. This position reflects an initial view which will be refined in future reports as the impact of the pandemic on the progress of individual schemes and programmes becomes clearer. The forecast outturn variance over the life of the 2020/21 to 2024/25 programme is an under spend of £3,623k.

## FURTHER INFORMATION

### General Fund Revenue Budget

13. **Normal Activities** - An underspend of £361k is reported across normal operating activities at Month 2, with the most significant gross pressures relating to the Social Care directorate, driven by a pressure within Children's Services, being offset by an underspend on Provider and Commissioned Care to a net pressure of £298k. These are offset by underspends predominately in the Business Services, Transport & Business Improvement directorate (£438k), largely driven by an underspend in Highways. There are underspends reported against Interest and Investment Income and Levies and Other Corporate Budgets, with further details on all of these variances later in this report. A minor £4k overachievement of income is reported on Corporate Funding, as the exact level of grant funding for the year was not confirmed until after Cabinet and Council approved budgets in February 2020.
14. **COVID-19 Financial Impact** - There is a significant pressure of £25,182k relating to the in-year impact of the COVID-19 pandemic being reported under Exceptional Items in the table below. In terms of funding this pressure there are confirmed grant awards from the first 2 tranches of Covid-19 funding totalling £15,617k and an estimated further £8,500k to come from the recent tranche 3 announcement which includes funding for 75% of fees and charges pressures over a 5% threshold. £1,964k of the confirmed funding was applied in 2019/20 leaving £13,653k to fund 2020/21 pressures. It is expected that these funding allocations, together with the use of earmarked reserves of £3,029k, based on this forecast, will contain this exceptional pressure in the current financial year. The Council set aside £3,293k into an earmarked reserve to fund potential unfunded COVID-19 pressures as part of the outturn for 2019/20. In addition to this the Council holds £2,356k of earmarked Public Health Reserves which can also be directed at COVID-19 related spend that meets the criteria for Public Health grant spend. There are further service specific reserves of £3,477k that take the total available to £9,126k and give sufficient headroom to avoid any requirement to call on General Balances.
15. The COVID-19 financial pressure is being driven largely by a reduction in Fees and Charges income, partly due to services not running during the pandemic and partly due to the Council ceasing Fees and Charges to support the residents during times of financial hardship. In addition to this the Council is continuing to support the Social Care provider market, to ensure consistency in service delivery to our more vulnerable residents, compounded by a forecast increase in demand for these services during the pandemic. Alongside this, the Council also continues to support homelessness and rough sleepers, ensuring this group are protected during the pandemic.
16. **Savings** - £6,386k of savings are included in the 2020/21 General Fund revenue budget. Currently, delivery is on track against £1,973k of this total, with £4,413k either in the early stages of delivery or deemed higher risk. The high value of the savings at risk are directly attributable to the COVID-19 pandemic, due to delays in implementing the saving programme as a result of the Council's efforts to redirect resources during these difficult times, protecting vulnerable residents and supporting local businesses, particularly within the Social Care market place. Where savings are not expected to be delivered in full during the current financial year, the resulting pressures form part of the reported COVID-19 pressure and associated funding strategy.
17. **2020/21 Pay Award** - The Council budgeted for a 2% pay award being agreed based on the latest intelligence available at the time the budget was set at February Council. Since this time, an offer of 2.75% has been rejected by the unions, leading to further negotiations needing to take place. The in-year monitoring position reported below has been forecast on the basis of a

2.75% uplift in pay, but any award above 2% will also require a funding strategy going forward which will be dealt with as part of the MTFF.

**Table 1: General Fund Overview**

Original Budget £'000	Budget Changes £'000	Service	Month 2		Variance (As at Month 2) £'000
			Revised Budget £'000	Forecast Outturn £'000	
213,955	(1,483)	Directorate Operating Budgets	212,472	212,231	(241)
7,093	0	Corporate Operating Budgets	7,093	6,977	(116)
13,657	0	Development & Risk Contingency	13,657	13,657	0
(421)	1,483	Unallocated Budget Items	1,062	1,062	0
<b>234,284</b>	<b>0</b>	<b>Sub-total Expenditure</b>	<b>234,284</b>	<b>233,927</b>	<b>(357)</b>
(227,950)	0	Corporate Funding	(227,950)	(227,954)	(4)
<b>6,334</b>	<b>0</b>	<b>Total Normal Activities</b>	<b>6,334</b>	<b>5,973</b>	<b>(361)</b>
		<u>Exceptional Covid-19 items</u>			
0	0	Pressures	0	25,182	25,182
0	0	Confirmed grant funding	0	(13,653)	(13,653)
0	0	Estimated further grant funding	0	(8,500)	(8,500)
0	0	Earmarked Reserves applied	0	(3,029)	(3,029)
<b>234,284</b>	<b>0</b>	<b>Total Net Expenditure</b>	<b>234,284</b>	<b>233,927</b>	<b>(361)</b>
(34,239)	0	Balances b/fwd	(34,239)	(34,239)	
<b>(27,905)</b>	<b>0</b>	<b>Balances c/fwd 31 March 2021</b>	<b>(27,905)</b>	<b>(28,266)</b>	

18. General Fund Balances are expected to total £28,266k at 31 March 2021 as a result of the forecast position detailed above, which remains broadly consistent with the budget strategy agreed in February 2020. The Council's current MTFF assumes that unallocated balances will remain between £15,000k and £32,000k to manage emergent risks, with any sums above that level earmarked for use to smooth the impact of government funding cuts.

## Directorate Operating Budgets

19. The Directorate Operating Budgets are presented in the format of the new structures approved by Council. They 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. The impacts of COVID-19 are being reported discretely under Exceptional Items as detailed in Table 1, the position presented in Table 2 therefore represents the position reported against normal activities. Further information on latest projections for each service is contained within Appendix A to this report, with salient risks and variances within this position summarised in the following paragraphs.

**Table 2: Directorate Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service	Month 2		Variance (As at Month 2) £'000	
			Revised Budget £'000	Forecast Outturn £'000		
19,303 (3,400)	19 (19)	Finance	Expenditure	19,322	19,358	36
			Income	(3,419)	(3,457)	(38)
<b>15,903</b>	<b>0</b>		<b>Sub-Total</b>	<b>15,903</b>	<b>15,901</b>	<b>(2)</b>
166,186 (38,158)	(1,840) 308	Social Care	Expenditure	164,346	164,683	337
			Income	(37,850)	(37,889)	(39)
<b>128,028</b>	<b>(1,532)</b>		<b>Sub-Total</b>	<b>126,496</b>	<b>126,794</b>	<b>298</b>
49,148 (35,800)	6 0	Environment, Education & Community Services	Expenditure	49,154	49,243	89
			Income	(35,800)	(35,959)	(159)
<b>13,348</b>	<b>6</b>		<b>Sub-Total</b>	<b>13,354</b>	<b>13,284</b>	<b>(70)</b>
48,439 (11,076)	1 (1)	Building Services, Transport & Business Improvement	Expenditure	48,440	48,146	(294)
			Income	(11,077)	(11,221)	(144)
<b>37,363</b>	<b>0</b>		<b>Sub-Total</b>	<b>37,363</b>	<b>36,925</b>	<b>(438)</b>
21,275 (1,962)	44 (1)	Corporate Resources & Services	Expenditure	21,319	21,203	(116)
			Income	(1,963)	(1,876)	87
<b>19,313</b>	<b>43</b>		<b>Sub-Total</b>	<b>19,356</b>	<b>19,327</b>	<b>(29)</b>
<b>213,955</b>	<b>(1,483)</b>	<b>Total Directorate Operating Budgets</b>		<b>212,472</b>	<b>212,231</b>	<b>(241)</b>

20. An underspend of £2k is reported on Finance budgets at Month 2. There are compensating movements reported in Exchequer and Business Assurance Services and Procurement, which relate to the implementation of BID reviews. This is primarily relating to extended notice periods and staffing vacancies.
21. At this early stage in the financial year a net pressure of £298k is reported across Social Care before COVID-19 pressures, with this variance being driven largely by the use of agency staff within Children's Services to fill vacant posts, offset by reductions in Provider and Commissioned Care where some services have been unable to run during the lockdown period.
22. Environment, Education & Community Services is reporting a net underspend of £70k, within this position is an overspend on Housing, Education and Trading Standards offset mostly by a large underspend in Green Spaces. The underspend in Green Spaces is linked to a number of services not being operational due to the pandemic and underspends in staffing due to vacant posts.

23. A net £438k underspend is reported across Building Transport & Business Improvement with £210k relating to slippage in Highways works. Waste Services is also reporting an underspend resulting from recruitment delays.
24. Corporate Resources & Services are reporting compensating variances to an overall £29k underspend. There is an underspend in Legal Services due to vacant posts, which is offsetting the overspend in HR following BID transformation changes.
25. The Council is permitted to finance the costs associated with service transformation from Capital Receipts, with both one-off implementation costs and the support for service transformation, including the BID team, being funded from this resource. Current projections include an estimate of £1,474k for such costs, which will remain under review over the remainder of the year and have been excluded from the reported monitoring positions. It is anticipated that these costs will be financed from a combination of Capital Receipts and Earmarked Reserves.

### Progress on Savings

26. The savings requirement for 2020/21 is £6,136k. In addition, there are savings of £250k brought forward from 2019/20, which gives an overall total of £6,386k reported below. Of this sum £1,973k are either banked or on track for delivery at this early stage of the year. £1,651k savings are in the early stages of delivery or potentially subject to greater risk to delivery, with the remaining £2,762k being reported as having a serious problem with delivery.
27. The high number of savings being reported as having a serious problem with delivery (£2,762k) are directly attributed to the COVID-19 pandemic and the delay this has caused in implementing the saving programme as the Council has needed to redirect resources to manage the pandemic. This value has been included within the Council's COVID-19 pressures under Exceptional Items and is therefore not included within the reported position on normal activities quoted in Table 1. It will be necessary to reassess these at risk savings over the coming months to ensure these are appropriately reflected in future iterations of the Council's MTFP.

**Table 3: Savings Tracker**

2020/21 General Fund Savings Programme	Finance	Social Care	DEECS	BSTBI	Corporate Resources	Cross-Cutting	Total 2020/21 Savings	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%
B Banked	0	0	0	0	0	0	0	0.0%
G On track for delivery	0	(1,383)	0	0	0	(590)	(1,973)	30.9%
A Potential significant savings shortfall or a significant or risky project which is at an early stage;	(228)	(1,112)	(80)	(200)	(31)	0	(1,651)	25.9%
R Serious problems in the delivery of the saving	0	0	(1,461)	(400)	0	(901)	(2,762)	43.3%
<b>Total 2020/21 Savings</b>	<b>(228)</b>	<b>(2,495)</b>	<b>(1,541)</b>	<b>(600)</b>	<b>(31)</b>	<b>(1,491)</b>	<b>(6,386)</b>	<b>100.0%</b>

### Corporate Operating Budgets

28. Corporately managed expenditure includes revenue costs of the Council's Capital Programme, the net impact of Housing Benefit Subsidy arrangements on the Council, externally set levies and income arising from the provision of support services to other funds and ring-fenced budgets, as such Corporate Operating Budgets are not forecasting any COVID-19 pressures at this time.
29. Corporate Operating Budgets are currently forecasting a £116k favourable variance, primarily as a result of borrowing costs being lower than anticipated at the time of budget setting, through a proactive review of the Council's approach to providing for the repayment of debt. In addition, minor variances are reported across corporate levies at this time.

**Table 4: Corporate Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service	Month 2		Variance (As at Month 2) £'000	
			Revised Budget £'000	Forecast Outturn £'000		
0	0	Interest and Investment Income	Salaries	0	0	0
8,359	0		Non-Sal Exp	8,359	8,251	(108)
(487)	0		Income	(487)	(487)	0
<b>7,872</b>	<b>0</b>		<b>Sub-Total</b>	<b>7,872</b>	<b>7,764</b>	<b>(108)</b>
499	0	Levies and Other Corporate Budgets	Salaries	499	501	2
12,476	0		Non-Sal Exp	12,476	12,466	(10)
(12,289)	0		Income	(12,289)	(12,289)	0
<b>686</b>	<b>0</b>		<b>Sub-Total</b>	<b>686</b>	<b>678</b>	<b>(8)</b>
0	0	Housing Benefit Subsidy	Salaries	0	0	0
147,893	0		Non-Sal Exp	147,893	147,893	0
(149,358)	0		Income	(149,358)	(149,358)	0
<b>(1,465)</b>	<b>0</b>		<b>Sub-Total</b>	<b>(1,465)</b>	<b>(1,465)</b>	<b>0</b>
<b>7,093</b>	<b>0</b>	<b>Total Corporate Operating Budgets</b>		<b>7,093</b>	<b>6,977</b>	<b>(116)</b>

## Development & Risk Contingency

30. For 2020/21 £16,127k was set aside to manage uncertain elements of budgets within the Development & Risk Contingency, which included £15,627k in relation to specific risk items and £500k as General Contingency to manage unforeseen issues, since this date, £2,470k has been released into directorates' base budgets, leaving £13,657k to finance expenditure in these areas.
31. At this early stage in the financial year, the majority of contingency items continue to be forecast at budgeted levels although a pressure of £226k on homelessness reflects higher than anticipated number of households requiring support. It is expected that this pressure can be managed within the £500k budget set aside for General Contingency. All contingency items will continue to be closely monitored over the coming months and forecasts refreshed accordingly.

**Table 5: Development & Risk Contingency**

Original Budget £'000	Budget Changes £'000	Service	Month 2		Variance (As at Month 2) £'000	
			Revised Budget £'000	Forecast Outturn £'000		
1,063	0	Social Care	Asylum Service	1,063	1,063	0
3,211	0		Demographic Growth - Looked After Children	3,211	3,211	0
895	0		Demographic Growth - Children with Disabilities	895	895	0
2,873	(150)		SEN transport	2,723	2,723	0
3,842	(1,049)		Demographic Growth - Adult Social Care	2,793	2,793	0
1,736	(914)	Environment, Education & Community Services	Impact of Welfare Reform on Homelessness	822	1,048	226
2,407	(357)	Building Services, Transport & Business Improvement	Waste Disposal Levy & Associated Contracts	2,050	2,050	0
(400)	0	Corp Items	Additional Investment Income	(400)	(400)	0
500	0		General Contingency	500	274	(226)
<b>16,127</b>	<b>(2,470)</b>	<b>Total Development &amp; Risk Contingency</b>		<b>13,657</b>	<b>13,657</b>	<b>(0)</b>

## Exceptional Items – COVID-19 Pressures

32. The majority of the COVID-19 pressure is relating to Social Care, and Environment, Education & Community Services, these two areas represent £19,746k of the £25,182k pressure.
- a. Within Social Care, the Council is forecasting a pressure of just over £7m, driven by support offered to providers, additional demand for services and Personal Protective Equipment (PPE) to enable to Council to ensure that some of the more vulnerable residents are supported and receive the care they need during the pandemic.

- b. In addition to this, approximately £1m of support has been provided to support homeless residents of the borough and ensure their safety during COVID-19, with a further £1.3m being used to fund environmental services including the mortuary and crematorium services, alongside waste management.
  - c. Included within this pressure is a forecast decline in Fees and Charges income of approximately £12m, some of which relates to services not running during the pandemic, alongside a number of Fees and Charges that the Council has temporarily suspended in order to support residents during difficult times, with the suspension of parking charges making up approximately £4m of this value.
33. Included within this position is a forecast assumption that the overall pressure caused by COVID-19 will be funded by Central Government and other funding strategies. To date, the Council has received £15,617k of unringfenced grant funding, with £13,653k of this being utilised in 2020/21, with the balance having been applied in 2019/20.
34. The strategy to deal with any unfunded in-year Covid-19 costs is to utilise earmarked reserves. As part of the outturn for 2019/20, the Council took the decision to transfer £3,293k into an Earmarked Reserve to boost the Council's financial resilience in 2020/21. A further £2,356k is held in Public Health earmarked reserves and £3,477k in service specific reserves which can be utilised if necessary to fund any further in-year pressures.

### **HIP Initiatives**

35. There is £200k of HIP Initiative funding included in the 2020/21 budget, funded from Earmarked Reserves, which is supplemented by £677k brought forward balances, to provide total resources of £877k. Due to the COVID-19 pandemic, there have been no HIP meetings or allocations in 2020/21, leaving £877k available for future releases.

### **Schools Budget**

36. At Month 2 the Dedicated Schools Grant position is reporting an in-year overspend of £8,333k. This is predominantly due to continuing pressures in the cost of High Needs. When the £15,002k deficit brought forward from 2018/19 is taken into account, the deficit to carry forward to 2019/20 is forecast at £23,335k. This pressure will ultimately be funded from future grant awards and will therefore not impact upon the Council's own resources.

### **Collection Fund**

37. The Collection Fund is forecasting a deficit of £3,973k as at Month 2, with the variance being largely driven by a large adverse position being reported against Council Tax Support. This is being driven by increased demand as households face financial difficulties as a result of COVID-19 alongside reduced assumptions against taxbase growth for both Council Tax and Business Rates, again associated with COVID-19.

### **Housing Revenue Account**

38. The Housing Revenue Account is currently forecasting a breakeven position, resulting in a drawdown of reserves of £2,057k. This results in a projected 2020/21 closing HRA General Balance of £15,018k. This excludes the potential cost pressures of COVID-19, which are estimated at £1,011k. These pressures have not been included in the Month 2 forecast position for HRA revenue or capital as firstly they may not all materialise and secondly they are at a level that is fundable in-year. In addition lobbying for specific HRA Covid-19 funding from government is ongoing.

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

39. Appendix D to this report outlines the forecast outturn on the 2020/21 to 2024/25 Capital Programme, with a balanced position over the five-year programme. Alongside marginal variances on Government Grant income and Capital Receipts, Prudential Borrowing is projected to be £2,586k higher. The increase in the borrowing requirement would result in a £149k per annum pressure to revenue, which represents a minor variance when set in the context of the current MTFF position on capital financing costs.
40. Capital Projects have been affected by the pandemic and the ability to deliver to previous timescales is being reviewed on an ongoing basis. A number of schemes have had to be put on hold until the autumn and this is likely to increase slippage on the programme further than that initially flagged in this Month 2 monitoring report.

## Appendix A – Detailed Group Forecasts (General Fund)

### FINANCE

41. There is a forecast underspend of £2k reported for the Finance Directorate as at Month 2 against normal activities, with £396k being reported against the COVID-19 pressure within Exceptional Items. Pressures within Exchequer and Business Assurance relating to the implementation of the recent BID review of the Housing Benefits function with extended notice periods for staff to ensure continuity of service have been netted down by vacant posts held open pending a BID review of Procurement and non-staffing underspends within Fleet.

**Table 6: Finance Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service	Month 2		Variance (As at Month 2) £'000	
			Revised Budget £'000	Forecast Outturn £'000		
4,224	0	Corporate Finance	Salaries	4,224	4,207	(17)
636	0		Non-Sal Exp	636	694	58
(445)	0		Income	(445)	(471)	(26)
<b>4,415</b>	<b>0</b>		<b>Sub-Total</b>	<b>4,415</b>	<b>4,430</b>	<b>15</b>
6,029	78	Exchequer and Business Assurance Services	Salaries	6,107	6,186	79
3,306	0		Non-Sal Exp	3,306	3,309	3
(2,837)	(78)		Income	(2,915)	(2,927)	(12)
<b>6,498</b>	<b>0</b>		<b>Sub-Total</b>	<b>6,498</b>	<b>6,568</b>	<b>70</b>
1,790	(59)	Procurement	Salaries	1,731	1,688	(43)
3,318	0		Non-Sal Exp	3,318	3,274	(44)
(118)	59		Income	(59)	(59)	0
<b>4,990</b>	<b>0</b>		<b>Sub-Total</b>	<b>4,990</b>	<b>4,903</b>	<b>(87)</b>
12,043	19	Finance Directorate	Salaries	12,062	12,081	19
7,260	0		Non-Sal Exp	7,260	7,277	17
(3,400)	(19)		Income	(3,419)	(3,457)	(38)
<b>15,903</b>	<b>0</b>		<b>Total</b>	<b>15,903</b>	<b>15,901</b>	<b>(2)</b>

### Exceptional Items – COVID-19 Pressures

42. Within the Finance Service, £396k is being reported against COVID-19 pressures under Exceptional Items, the pressure is being driven by additional staffing resource requirements (£81k) and court fee income pressures (£315k) within the service arising from the operational impact of the COVID pandemic.

## SOCIAL CARE

43. Social Care is projecting an overspend of £298k at Month 2 on normal activities, excluding COVID-19 exceptional items of £7,225k that are covered under development and risk contingency below. This is predominantly as a result of pressures on agency spend, with an adverse variance reported against Children's Services due to agency covering vacant posts, partly offset by a reduction in agency spend in Provider and Commissioned Care. Improvements in the projected income targets for the year are predominantly within the Educational Psychologists Service, with any pressures on income as a result of COVID-19 covered by contingency.

**Table 7: Social Care Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service	Month 2		Variance (As at Month 2) £'000	
			Revised Budget £'000	Forecast Outturn £'000		
21,123	(696)	Provider and Commissioned Care	Salaries	20,427	19,951	(476)
9,849	696		Non-Sal Exp	10,545	10,631	86
(4,876)	0		Income	(4,876)	(4,819)	57
<b>26,096</b>	<b>0</b>		<b>Sub-Total</b>	<b>26,096</b>	<b>25,763</b>	<b>(333)</b>
7,350	0	Adult Social Work	Salaries	7,350	7,385	35
77,244	(1,795)		Non-Sal Exp	75,449	75,443	(6)
(23,405)	308		Income	(23,097)	(23,097)	0
<b>61,189</b>	<b>(1,487)</b>		<b>Sub-Total</b>	<b>59,702</b>	<b>59,731</b>	<b>29</b>
17,371	(36)	Children's Services	Salaries	17,335	17,829	494
21,311	(9)		Non-Sal Exp	21,302	21,327	25
(9,600)	0		Income	(9,600)	(9,600)	0
<b>29,082</b>	<b>(45)</b>		<b>Sub-Total</b>	<b>29,037</b>	<b>29,556</b>	<b>519</b>
1,714	0	SEND	Salaries	1,714	1,863	149
178	0		Non-Sal Exp	178	198	20
(125)	0		Income	(125)	(221)	(96)
<b>1,767</b>	<b>0</b>		<b>Sub-Total</b>	<b>1,767</b>	<b>1,840</b>	<b>73</b>
351	0	Public Health	Salaries	351	368	17
6,822	0		Non-Sal Exp	6,822	6,805	(17)
(45)	0		Income	(45)	(45)	0
<b>7,128</b>	<b>0</b>		<b>Sub-Total</b>	<b>7,128</b>	<b>7,128</b>	<b>0</b>
456	0	Health Integration & Voluntary Sector Partnerships	Salaries	456	466	10
2,417	0		Non-Sal Exp	2,417	2,417	0
(107)	0		Income	(107)	(107)	0
<b>2,766</b>	<b>0</b>		<b>Sub-Total</b>	<b>2,766</b>	<b>2,776</b>	<b>10</b>
48,365	(732)	<b>Social Care Directoriate Total</b>	Salaries	47,633	47,862	229
117,821	(1,108)		Non-Sal Exp	116,713	116,821	108
(38,158)	308		Income	(37,850)	(37,889)	(39)
<b>128,028</b>	<b>(1,532)</b>		<b>Total</b>	<b>126,496</b>	<b>126,794</b>	<b>298</b>

## SOCIAL CARE DEVELOPMENT AND RISK CONTINGENCY (Nil Variance)

44. The Council's 2020/21 Development and Risk Contingency includes provisions for areas of expenditure within Social Care for which there is a greater degree of uncertainty and relates to in-year demographic changes across Adults and Children's Social Care, including Asylum Seekers and SEN Transport. Table 8 sets out the Month 2 projected position for the Development and Risk Contingency.
45. At Month 2, Social Care contingency is forecast to budget. The contingency position is being closely monitored in line with the ongoing work on the overall impact of COVID-19 on Social Care budgets. As such, any demographic increases above the budgeted levels are being considered as an impact of COVID-19 and are being offset against the COVID-19 contingency, which has been the case within Adult Social Care, the Looked After Children and Children with Disabilities Services this month. This will continue to be monitored closely throughout the year.

**Table 8: Social Care Development & Risk Contingency**

Original Budget	Budget Changes	Development & Risk Contingency	Month 2		Variance (As at Month 2)
			Revised Budget	Forecast Outturn	
£'000	£'000		£'000	£'000	£'000
1,063	0	Asylum Service	1,063	1,063	0
3,211	0	Demographic Growth - Looked After Children	3,211	3,211	0
895	0	Demographic Growth - Children with Disabilities	895	895	0
2,873	(150)	SEN Transport	2,723	2,723	0
3,842	(1,049)	Demographic Growth - Adult Social Care	2,793	2,793	0
<b>11,884</b>	<b>(1,199)</b>	<b>Current Commitments</b>	<b>10,685</b>	<b>10,685</b>	<b>0</b>

### Exceptional Items – COVID-19 Pressures

46. Within Social Care, COVID-19 pressures of £7,225k are being reported, with approximately £5,925k of this value being reported against Adult Social Care and £1,300k being reported against Children's Services.
47. The Adult Social Care pressure includes £2,500k of support provided to external providers during the pandemic, to ensure continuation of care to eligible Social Care clients at a time when providers are facing financial difficulty. In addition to this, a further £2,200k is forecast to provide PPE within the wider Adult Social Care service delivery model. A further £1,000k is being forecast for additional demand within the service as a result of the pandemic. The remaining balance relates to workforce pressures within the service that are directly attributable to the pandemic.
48. The pressure associated with Children's Services relates to an increase in spend in Residential care as during the pandemic, the department are not able to move Children on to more suitable accommodation and therefore achieve a lower unit cost, based on providing a more appropriate level of care.

## **SOCIAL CARE OPERATING BUDGETS (£298k overspend)**

### **Provider and Commissioned Care (£333k underspend)**

49. At Month 2, Provider and Commissioned Care is showing an underspend of £333k. This is predominantly as a result of large staffing underspends of £476k driven by the cessation of agency contracts in services delivering a reduced provision during lockdown. This has been particularly apparent in services such as Passenger Transport, which was heavily impacted by school closures and the temporary closure of Children's Centres, where permanent staff were redeployed to Early Year's Centres to replace agency staffing.

### **Adult Social Work (£29k overspend)**

50. The position reported at Month 2 is an overspend of £29k across Adult's Social Work, driven by a minor pressure on staffing budgets.
51. Placement budgets within Adult's Social Care are undergoing an extensive review in line with the pooled budget arrangements with the CCG and the use of the Hospital Discharge Grant to fund additional costs of discharges, to determine the long term impact of clients currently funded through this grant arrangement. The premise of the payment into the pooled budget with the CCG has been on the basis that hospital discharges as a result of COVID-19 should be on a cost neutral basis. While this review is ongoing the forecast at Month 2 is in line with budget to reflect this position.
52. NHS England is still to issue guidance on the likely cessation date of this funding arrangement, following which will be a transitional period of assessments before Social Care liability for placement costs are resumed. Once this guidance has been received, officers will be able to more accurately forecast the costs for the remainder of the year and the potential impact of COVID-19 on placement budgets.

### **Children's Services (£519k overspend)**

53. High levels of agency staff covering permanent posts within Children's Services is driving the overspend position at Month 2. BID reviews in a number of areas within the Service and the introduction of new agency staffing arrangements with Sanctuary Personnel, which will deliver the agency requirements at a lower cost, will aim to reduce this spend further.

### **SEND (£73k overspend)**

54. Pressures on staffing budgets within SEND are driven largely by the Educational Psychology Service, however, these additional staffing requirements are delivering income within the service and broadly net off this pressure. Across the remainder of the service, other minor staffing and non-staffing pressures caused by additional mediation and consultancy costs are driving the overspend position at Month 2.

### **Public Health (Breakeven position)**

55. The Public Health budgets are offset against the Public Health earmarked reserve, so any over or underspend are either funded by or contribute to the reserve each year. The main spend within Public Health is through contract provision, for which services have continued to be delivered through the lockdown period as far as possible and the Government advice has been to continue funding these contracts at full value

## **Health integration and Voluntary Sector Partnerships (£10k overspend)**

56. A fully established structure at Month 2 has led to a slight pressure within the Service of £10k. There is a budget of £2.2m within this Service area to fund contributions to the Voluntary Sector, which is forecast to spend to budget at Month 2.

## ENVIRONMENT, EDUCATION & COMMUNITY SERVICES

57. The Environment, Education and Community Services directorate is showing a projected outturn underspend of £70k at Month 2 on normal activities, with a further £12,521k being reported under the COVID-19 exceptional items disclosure. The overall variance on normal activities is a result of pressures within Trading Standards, Housing and Education offset by underspends in Green Spaces, Sport and Culture.

**Table 9: Environment, Education & Community Services Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service	Month 2		Variance (As at Month 2) £'000	
			Revised Budget £'000	Forecast Outturn £'000		
4,526	0	Planning, Transportation & Regeneration	Salaries	4,526	4,599	73
1,414	0		Non-Sal Exp	1,414	1,437	23
(4,770)	0		Income	(4,770)	(4,880)	(110)
<b>1,170</b>	<b>0</b>		<b>Sub-Total</b>	<b>1,170</b>	<b>1,156</b>	<b>(14)</b>
13,089	0	Green Spaces, Sports & Culture	Salaries	13,089	12,988	(101)
5,970	1		Non-Sal Exp	5,971	5,795	(176)
(10,767)	0		Income	(10,767)	(10,866)	(99)
<b>8,292</b>	<b>1</b>		<b>Sub-Total</b>	<b>8,293</b>	<b>7,917</b>	<b>(376)</b>
3,030	0	Housing	Salaries	3,030	3,148	118
3,940	6		Non-Sal Exp	3,946	3,895	(51)
(3,482)	0		Income	(3,482)	(3,431)	51
<b>3,488</b>	<b>6</b>		<b>Sub-Total</b>	<b>3,494</b>	<b>3,612</b>	<b>118</b>
973	0	Education	Salaries	973	923	(50)
4,230	0		Non-Sal Exp	4,230	4,378	148
(4,313)	0		Income	(4,313)	(4,312)	1
<b>890</b>	<b>0</b>		<b>Sub-Total</b>	<b>890</b>	<b>989</b>	<b>99</b>
2,419	0	Trading Standards, Environment Health & Licensing	Salaries	2,419	2,401	(18)
559	0		Non-Sal Exp	559	743	184
(3,134)	0		Income	(3,134)	(3,132)	2
<b>(156)</b>	<b>0</b>		<b>Sub-Total</b>	<b>(156)</b>	<b>12</b>	<b>168</b>
959	0	Parking Services	Salaries	959	900	(59)
2,958	0		Non-Sal Exp	2,958	2,958	0
(8,429)	0		Income	(8,429)	(8,429)	0
<b>(4,512)</b>	<b>0</b>		<b>Sub-Total</b>	<b>(4,512)</b>	<b>(4,571)</b>	<b>(59)</b>
2,364	0	Community Safety, Cohesion & Resilience	Salaries	2,364	2,219	(145)
2,716	0		Non-Sal Exp	2,716	2,859	143
(905)	0		Income	(905)	(909)	(4)
<b>4,175</b>	<b>0</b>		<b>Sub-Total</b>	<b>4,175</b>	<b>4,169</b>	<b>(6)</b>
27,360	0	Environment, Education & Community Services Directorate	Salaries	27,360	27,178	(182)
21,787	7		Non-Sal Exp	21,794	22,065	271
(35,800)	0		Income	(35,800)	(35,959)	(159)
<b>13,347</b>	<b>7</b>		<b>Total</b>	<b>13,354</b>	<b>13,284</b>	<b>(70)</b>

58. The Council's 2020/21 contingency budget contains provision for areas of expenditure or income within Environment, Education and Community Services for which there is a greater degree of uncertainty. At Month 2, projected calls on contingency are forecast to be £226k greater than the budgeted provision.

**Table 10: Development and Risk Contingency**

Original Budget	Budget Changes	Development & Risk Contingency	Month 2		Variance (As at Month 2)
			Revised Budget	Forecast Outturn	
£'000	£'000		£'000	£'000	£'000
822	0	Impact of Welfare Reform on Homelessness	822	1,048	226
<b>822</b>	<b>0</b>	<b>Total</b>	<b>822</b>	<b>1,048</b>	<b>226</b>

59. The data in the table below shows the use of Temporary Accommodation. At Month 2, the number of households in Bed and Breakfast accommodation is 30 units above the budgeted assumptions made in modelling Supply and Demand for the 2020/21 MTF.

**Table 11: Housing Needs performance data**

	March 20	April 20	May 20
All Approaches	309	225	242
Full Assessment Required	190	155	187
New into Temporary Accommodation (Homeless and Relief)	50	24	14
Households in Temporary Accommodation	448	457	429
Households in B&B	178	194	160

60. As in previous years, a contingency has been set aside in 2020/21 to resource the procurement of Private Sector placements or the need for Temporary Accommodation in the borough. The call on contingency relating to homelessness is forecast at £1,048k, £226k above the budgeted provision. The service is currently forecasting the number of clients in B&B accommodation will average 164 over the financial year, however, Management actions to reduce numbers through increased non-cost prevention and move-on activity are being implemented.
61. The Council will continue to closely monitor this risk, as following the introduction of the Homeless Reduction Act in April 2018, there has been increased demand for Housing assistance. Specific funding is retained within an earmarked reserve to manage this risk.

### Exceptional Items – COVID-19 Pressures

62. Environment, Education and Community Services are currently forecasting £12,521k of pressures against the COVID-19 exceptional items disclosure, with approximately £10,000k of this amount related to losses of income during the pandemic, with the balance being related to cost pressures.
63. The largest single pressure within the service area relates to approximately £4,000k loss of income from parking Fees and Charges as the Council took the decision to temporarily cease charging in this area to support residents during difficult times. A further £3,000k is being reported against Green Spaces, Sports and Culture income as a result of these services not being able to run during the pandemic, with leisure centres and golf courses closing under Government guidelines. The remaining £3,000k of loss income relates to trading standards and licencing (predominantly driven by imported food charges) and lost income from planning and development control Fees and Charges.
64. The expenditure pressures being reported in this area include approximately £1,000k for homelessness and rough sleeper support, ensuring that this vulnerable group is protected during the pandemic, alongside an estimated £1,000k to support our leisure centres whilst they remain closed, following Government guidelines. A number of smaller pressures reported

across the directorate make up the remaining balance, with the largest of these being circa £91k within the Anti-Social Behaviour Team.

## **ENVIRONMENT, EDUCATION AND COMMUNITY SERVICES OPERATING BUDGETS (£70k underspend)**

### **Planning, Transportation and Regeneration (£14k underspend)**

65. Planning Services is currently reporting a £14k underspend, largely driven by unbudgeted Section 106 funding for Air Quality agency staff. Building Control is forecasting an underspend of £32k due to posts being vacant until later in the financial year, whilst Transport and Aviation Services is reporting a £36k overspend attributable to unachievable managed vacancy factor due to the service being fully staffed.

### **Green Spaces, Sports and Culture (£376k underspend)**

66. Green Spaces, Sports and Culture is currently reporting a £376k underspend, of which £176k relates to a reduction in non-staffing expenditure. This predominantly reflects a large number of services not being operational for the first two months of the financial year and some constraints on operations going forward as some of these services gradually resume. The £101k underspend against staffing is largely driven by vacant posts across the service in a number of different areas.

### **Housing (£118k overspend)**

67. Housing is reporting an overspend of £118k at Month 2. There is a forecast staffing pressure within the Homelessness service from the non-achievement of the Managed Vacancy factor and a pressure on enforcement income with the Private Sector Housing Team, which has been offset by non-staffing underspends.

### **Education (£99k overspend)**

68. The Month 2 position for Education shows an overspend of £99k against budget. Staffing underspends have netted down a pressure on the base budget carried related to a historical underlying pressure that is due to be addressed in a BID review of the Education service.

### **Trading Standards, Environment Health & Licensing (£168k overspend)**

69. The service is reporting a £168k pressure at Month 2. There is a small staffing underspend forecast, relating to delayed recruitment to vacant posts. The £184k non-staffing pressure largely reflects ongoing costs associated with the Project Pompeii animal welfare case (£71k) and overspends within the Imported Food Office.

### **Parking Services (£59k underspend)**

70. The reported underspend at Month 2 relates to the service's staff costs forecast, with recruitment to a number of vacant posts, particularly within the Parking Admin Team, subject to some delays.

### **Community Safety, Cohesion & Resilience (£6k underspend)**

71. The service is reporting a £6k underspend, with staffing underspends resulting from recruitment delays across the Community Safety and ASBET teams partly negated by non-staffing overspends.

## BUILDING SERVICES, TRANSPORT & BUSINESS IMPROVEMENT

72. Building Services, Transport and Business Improvement directorate is showing a projected outturn underspend of £438k at Month 2 on normal activities, with a pressure of £3,437k being reported against the COVID-19 pressures under exceptional items. The overall variance is a result of underspends within Highways, Waste Services and Property & Estates.

**Table 12: Environment, Education & Community Services Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service	Month 2		Variance (As at Month 2) £'000	
			Revised Budget £'000	Forecast Outturn £'000		
449	0	Property & Estates	Salaries	449	424	(25)
3,596	0		Non-Sal Exp	3,596	3,685	89
(2,869)	0		Income	(2,869)	(3,040)	(171)
<b>1,176</b>	<b>0</b>		<b>Sub-Total</b>	<b>1,176</b>	<b>1,069</b>	<b>(107)</b>
1,581	0	Capital Programme	Salaries	1,581	1,531	(50)
254	0		Non-Sal Exp	254	254	0
(1,526)	0		Income	(1,526)	(1,449)	77
<b>309</b>	<b>0</b>		<b>Sub-Total</b>	<b>309</b>	<b>336</b>	<b>27</b>
590	0	Repairs & Engineering	Salaries	590	694	104
4,082	0		Non-Sal Exp	4,082	4,135	53
(178)	0		Income	(178)	(272)	(94)
<b>4,494</b>	<b>0</b>		<b>Sub-Total</b>	<b>4,494</b>	<b>4,557</b>	<b>63</b>
2,114	0	Highways	Salaries	2,114	2,118	4
3,741	0		Non-Sal Exp	3,741	3,527	(214)
(3,015)	0		Income	(3,015)	(3,015)	0
<b>2,840</b>	<b>0</b>		<b>Sub-Total</b>	<b>2,840</b>	<b>2,630</b>	<b>(210)</b>
9,399	0	Waste Services	Salaries	9,399	9,290	(109)
14,589	0		Non-Sal Exp	14,589	14,557	(32)
(3,236)	0		Income	(3,236)	(3,236)	0
<b>20,752</b>	<b>0</b>		<b>Sub-Total</b>	<b>20,752</b>	<b>20,611</b>	<b>(141)</b>
3,087	0	ICT	Salaries	3,087	3,034	(53)
4,444	0		Non-Sal Exp	4,444	4,446	2
(200)	0		Income	(200)	(203)	(3)
<b>7,331</b>	<b>0</b>		<b>Sub-Total</b>	<b>7,331</b>	<b>7,277</b>	<b>(54)</b>
358	0	Town Centre Initiatives	Salaries	358	307	(51)
156	0		Non-Sal Exp	156	143	(13)
(53)	0		Income	(53)	(6)	47
<b>461</b>	<b>0</b>		<b>Sub-Total</b>	<b>461</b>	<b>444</b>	<b>(17)</b>
17,578	0	Building Services, Transport & Business Improvement Directorate	Salaries	17,578	17,399	(179)
30,862	0		Non-Sal Exp	30,862	30,747	(115)
(11,077)	0		Income	(11,077)	(11,221)	(144)
<b>37,363</b>	<b>0</b>		<b>Total</b>	<b>37,363</b>	<b>36,925</b>	<b>(438)</b>

73. The Council's 2020/21 contingency budget contains provision for areas of expenditure or income within Building Services, Transport & Business Improvement for which there is a greater degree of uncertainty. At Month 2, projected calls on contingency are forecast to budget.

**Table 13: Development and Risk Contingency**

Original Budget	Budget Changes	Development & Risk Contingency	Month 2		Variance (As at Month 2)
			Revised Budget	Forecast Outturn	
£'000	£'000		£'000	£'000	£'000
2,050	0	Waste Disposal Levy & Associated Contracts	2,050	2,050	0
<b>2,050</b>	<b>0</b>	<b>Current Commitments</b>	<b>2,050</b>	<b>2,050</b>	<b>0</b>

74. The call on the Waste contingency is consistent with the budgeted provision of £2,050k, to fund estimated population driven increases in the cost of tonnages via the West London Waste Authority (WLWA) levy and associated waste disposal contracts. In terms of Pay as you Throw (PAYT), the first two months of 2020/21 have shown a 2% increase in residual waste volumes and a 28% rise in mixed organic (food & garden) waste when compared to the same period last year. The latter in particular has been impacted by the pandemic and lockdown. Similarly, mixed dry recycling tonnages are also significantly above those for the equivalent period last year (up 18%), affecting disposal costs via the Council's contract with Biffa. Accordingly, a further £250k drawdown from the COVID-19 contingency has been proposed at Month 2, to fund the estimated additional costs emerging (see below). The position will be reviewed as the year progresses and the impact of lockdown easing, the 'usual' seasonal fluctuations and wider market factors become clearer.

#### **Exceptional Items – COVID-19 Pressures**

75. Building Services, Transport and Business Improvement Services are currently forecasting COVID-19 pressures of £3,437k, which relates to £929k of expenditure pressures alongside £2,508k of income shortfalls all directly attributable to the COVID-19 pandemic.
76. The expenditure pressure within this service area relates to pressures within the Waste Service with pressures reported against staffing due the Council's Passenger Services vehicles being used to transport waste crews to facilitate social distancing measures, as well as non-staffing pressures due to higher kerbside collections, predominantly within garden and mixed dry recycling.
77. Within the income shortfall reported against COVID-19, £940k also relates to the Waste Service, due to reduced income at the New Years Green Lane site whilst it was closed, as well as reduced income from Trade Waste services.
78. A pressure against rental income of approximately £950k is included within Property & Estates on the anticipation that income collection rates are likely to reduce from commercial shops and garages alongside other small pressures within rental income budgets.
79. Finally £618k is being reported in Highways as a result of the suspension of vehicle crossovers work as well as reduced street-works activity during the early part of the lockdown period.

#### **BUILDING SERVICES, TRANSPORT AND BUSINESS IMPROVEMENT SERVICES OPERATING BUDGETS (£438k underspend)**

##### **Property and Estates (£107k underspend)**

80. There is a reported underspend of £107k at Month 2, predominantly due to additional rental income receivable from two new leases effective from April.

### **Capital Programme (£27k overspend)**

81. The Capital and planned works service is showing a projected pressure of £27k against base budget. This represents the residual expenditure for staffing and project costs after fees have been assumed as chargeable to capital projects.

### **Repairs and Engineering (£63k overspend)**

82. The Facilities Management Service is showing an overspend of £63k against budget, attributable to increased reactive and compliance works required across the corporate property portfolio.

### **Highways (£210k underspend)**

83. The service is reporting a £210k underspend at Month 2, largely reflecting reduced costs associated with the construction of domestic vehicle crossings whilst works ceased following lockdown (not resuming until the latter part of May).

### **Waste Services (£141k underspend)**

84. There is a reported £141k underspend across Waste Services. The staff costs forecast is £109k below budget, resulting from delays to the recruitment of three new recycling officer posts and to reduced levels of overtime and agency spend at the New Years Green Lane CA site whilst it was shut for several weeks at the start of the year owing to the pandemic. The £32k non-staffing underspend is attributable to the temporary cessation of Waste Weekend events, partly offset by increased spend on trade waste bin maintenance.

### **ICT (£54k underspend)**

85. The service is reporting a £54k underspend, largely attributable to vacant posts as it continues to recruit to establish the structure approved as part of the March 2019 BID business case.

### **Town Centre Initiatives (£17k underspend)**

86. A staffing underspend at Month 2 relates to a plan to recruit a new Town Centres Improvement Officer no longer being progressed (this post was to be recharged to capital, with a compensatory pressure against the income budget). There is a £13k non-staffing underspend at Month 2 largely relating to publicity costs

## CORPORATE RESOURCES & SERVICES OPERATING BUDGET

87. Corporate Resources and Services Operating Budget directorate is showing a projected outturn underspend of £29k at Month 2 on normal activities with £923k reported against the COVID-19 exceptional item disclosure. The overall variance is a result of overspends within Human Resources, Business Performance and Business and Technical Support.

**Table 14: Corporate Resources & Services Directorate Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service	Month 2		Variance (As at Month 2) £'000	
			Revised Budget £'000	Forecast Outturn £'000		
1,496	0	Democratic Services	Salaries	1,496	1,508	12
1,750	0		Non-Sal Exp	1,750	1,728	(22)
(702)	0		Income	(702)	(702)	0
<b>2,544</b>	<b>0</b>		<b>Sub-Total</b>	<b>2,544</b>	<b>2,534</b>	<b>(10)</b>
1,791	0	Human Resources	Salaries	1,791	1,858	67
978	0		Non-Sal Exp	978	967	(11)
(232)	0		Income	(232)	(232)	0
<b>2,537</b>	<b>0</b>		<b>Sub-Total</b>	<b>2,537</b>	<b>2,593</b>	<b>56</b>
2,303	44	Legal Services	Salaries	2,347	2,265	(82)
58	1		Non-Sal Exp	59	69	10
(284)	0		Income	(284)	(284)	0
<b>2,077</b>	<b>45</b>		<b>Sub-Total</b>	<b>2,122</b>	<b>2,050</b>	<b>(72)</b>
614	0	Corporate Communications	Salaries	614	612	(2)
152	0		Non-Sal Exp	152	147	(5)
(26)	0		Income	(26)	(26)	0
<b>740</b>	<b>0</b>		<b>Sub-Total</b>	<b>740</b>	<b>733</b>	<b>(7)</b>
679	0	Business Performance	Salaries	679	697	18
83	0		Non-Sal Exp	83	83	0
0	0		Income	0	0	0
<b>762</b>	<b>0</b>		<b>Sub-Total</b>	<b>762</b>	<b>780</b>	<b>18</b>
11,159	0	Business & Technical Support	Salaries	11,159	11,036	(123)
211	0		Non-Sal Exp	211	233	22
(719)	0		Income	(719)	(632)	87
<b>10,651</b>	<b>0</b>		<b>Sub-Total</b>	<b>10,651</b>	<b>10,637</b>	<b>(14)</b>
18,042	44	Corporate Resources & Services Director	Salaries	18,086	17,976	(110)
3,232	1		Non-Sal Exp	3,233	3,227	(6)
(1,963)	0		Income	(1,963)	(1,876)	87
<b>19,311</b>	<b>45</b>		<b>Total</b>	<b>19,356</b>	<b>19,327</b>	<b>(29)</b>

### Exceptional Items – COVID-19 Pressures

88. Within Corporate Resources and Services Directorate, a pressure of £923k is being reported against the COVID-19 exceptional items disclosure, with £525k of this relating to expenditure pressures and £398k relating to income shortfalls.
89. Within the expenditure pressures, £300k of this relates to the Council's provision of food shopping to shielding residents and some of the more vulnerable residents of the borough. The majority of the difference relates to a £180k pressure to cover non-Social Care Personal Protective Equipment (PPE), the remaining balance is made up of smaller items, with the

largest being Hillingdon's contribution of £16k of mortuary funding for dignity screens at the Fulham mortuary.

90. Within the £398k pressure reported against income shortfalls from the COVID-19 pandemic, £202k relates to a loss of income against Land Charges, alongside £170k relating to a reduction of income against the registration of Births, Deaths and Marriages and £21k reported against street naming income, all of which are related to lockdown restrictions and social distancing impacting on these services.

## **CORPORATE RESOURCES & SERVICES OPERATING BUDGET (£29k underspend)**

### **Democratic Services (£10k underspend)**

91. Non-salaries underspends relate to a reduced requirement for printing within Democratic Services as a volume of Cabinet and committee business has transferred to electronic media during the pandemic. This has offset slight pressures on staffing budgets as a result of a fully established structure

### **HR (£56k overspend)**

92. A full staffing establishment is reported for HR following the completion of recent service transformation, which has led to the staffing overspend reported in the Service. This has been netted down slightly by underspends in Learning and Development budgets as a result of a reduction in training spend during lockdown.

### **Legal Services (£72k underspend)**

93. Posts held vacant within Legal Services during the COVID pandemic have resulted in a net underspend at Month 2 of £72k. The position assumes recruitment to 7 posts of varying grades currently vacant by September, offset by costs of locum or agency staff that may be required to support with peaks in workload.

### **Corporate Communications (£7k underspend)**

94. The service is reporting an underspend of £7k at Month 2. There is a small favourable variance in relation to staff costs, with savings related to recruitment delays partly offset by the managed vacancy factor. The non-staffing underspend is attributable to the reduced printing costs of the smaller format April/May edition of Hillingdon People (focused on the COVID pandemic).

### **Business Performance (£18k overspend)**

95. Business Performance are showing an overspend position of £18k at Month 2 as a result of a full staffing establishment.

### **Business & Technical Support (£14k underspend)**

96. There is an £14k underspend reported at Month 2. A staffing underspend of £123k, attributable to delayed recruitment to vacant posts has been largely offset by (i) a £22k non-staffing overspend (extended hire of a mortuary freezer and consultancy costs associated with two stage 2 complaints) and (ii) a £87k income shortfall (reduced mortuary contribution from Ealing Council and an unachievable Tech Admin agency cost recharge).

## Appendix B – Other Funds

### SCHOOLS BUDGET

#### Dedicated Schools Grant (£8,333k overspend)

97. The Dedicated Schools Grant (DSG) outturn position is an in-year overspend of £8,333k at Month 2, this is an increase of £1,158k on the budgeted deficit of £7,175k. This overspend is due to ongoing pressures in the cost of High Needs placements, where significant growth continues. The budget for High Needs was increased for 2020/21 to take account of projected growth, but it is projected that when the current backlog in cases is added to the estimated in-year growth, the budget will be exceeded. When the £15,002k deficit brought forward from 2019/20 is taken into account, the cumulative deficit carry forward to 2021/22 is £23,335k.

**Table 15: DSG Income and Expenditure 2020/21**

Original Budget	Budget Changes	Funding Block	Month 2		
			Revised Budget	Forecast Outturn	Variance
			£'000	£'000	£'000
(296,926)	0	<b>Dedicated Schools Grant Income</b>	(296,926)	(296,926)	0
231,400	0	<b>Schools Block</b>	231,400	231,331	(69)
25,401	0	<b>Early Years Block</b>	25,401	25,401	0
3,270	0	<b>Central School Services Block</b>	3,270	3,270	0
44,030	0	<b>High Needs Block</b>	44,030	45,257	1,227
<b>7,175</b>	<b>0</b>	<b>Total Funding Blocks</b>	<b>7,175</b>	<b>8,333</b>	<b>1,158</b>
		Balance Brought Forward 1 April 2020	15,002	15,002	
		<b>Balance Carried Forward 31 March 2021</b>	<b>22,177</b>	<b>23,335</b>	

#### Dedicated Schools Grant Income (nil variance)

98. The DSG will be adjusted in June to reflect the actual uptake of the free entitlement for eligible two, three and four year olds. This adjustment will be based on the January 2020 census and will include a retrospective change to the 2019/20 funding, as well as a recalculation of the 2020/21 Early Years block funding.
99. There will also be an amendment to the High Needs block allocation following confirmation of the import/export adjustment for 2020/21 which updates funding to reflect the local authority in which pupils with SEND are resident.

#### Schools Block (£69k underspend)

100. 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.
101. 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.
102. Schools Forum took the decision to withhold growth contingency allocations for one school due to insufficient projected pupil growth in September 2020 and therefore there will be an

underspend relating to this allocation. The growth contingency policy has been amended for 2020/21 in order address the growth in secondary pupils. Schools will be funded for any Year 7 pupils which are above the Published Admission Number (PAN). £480k was set aside for this purpose, with the actual funding requirement will not be known until actual numbers on roll are confirmed

103. The growth contingency also funds diseconomies of scale funding for new basic need academy schools and officers are still waiting on further details from one school on the level of diseconomies of scale funding that is being requested, which could still affect the final position.

#### **Early Years Block (Nil variance)**

104. Two year old funding will be adjusted in July to reflect the number of children accessing the entitlement based on the January 2019 census.
105. The 3 and 4 year old funding for both the universal and the additional free entitlement will also be adjusted in July following the January 2020 census. There is an expectation that the funding allocation will increase as the number of children accessing the additional free entitlement has increased over the past year. The projections will be revised once the impact of the funding adjustments is known.

#### **Central School Services Block (Nil variance)**

106. The published DSG budget allocations confirmed a 20% decrease in the Central School Services Block provided for historic commitments. This resulted in a £265k reduction in funding, though this was partly offset by £51k of additional funding for pupil growth. The reduction in funding resulted in a budget shortfall for the services funded by the Central School Services block adding to the pressure which has led to an overall deficit DSG being agreed for 2020/21. At Month 2 the Central School Services block is projected to be in line with budget.

#### **High Needs Block (£1,227k overspend)**

107. There continues to be significant pressure in the High Needs Block in 2020/21, with an overspend of £1,227k being projected at Month 2. The growth in the number of pupils with an EHCP continued throughout 2019/20 resulting in a £5,229k High Needs overspend at outturn. This is despite a transfer of £3,500k from the Schools Block in 2019/20 to address High Needs pressures.
108. In 2020/21 Schools Forum and the DfE did not agree a transfer of funding from the Schools Block. Therefore, even though High Needs funding increased by £5,289k in 2020/21, there was no alternative but to set a deficit budget for 2020/21. The projected position at Month 2 takes into account the full year financial impact of the growth in EHCPs to the end of 2019/20 and an estimate for future growth throughout 2020/21. The assumptions currently indicate that the High Needs growth built into the budget for 2020/21 will be exceeded by £1,227k.
109. The current 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 the additional places plus the agreed top-up funding which is placing additional pressure on the High Needs block.
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 is resulting in significant additional pressure on the High Needs

block. There is an expectation that this will become the only route that the Council will be able to take until more provision is created locally.

111. There was a further increase in the cohort of post-16 SEN placements in 2019/20 and this has put additional pressure on the 2020/21 High Needs budgets with the potential that placements for young people with SEN can continue to be funded up to the age of 25.
112. 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. Whilst the expectation is that this might reduce total costs in the long-term, we are yet to see the financial impact of this.

## COLLECTION FUND

113. A deficit of £3,973k is reported within the Collection Fund relating to an adverse position across both Council Tax and Business Rates, which is predominantly driven by reduced growth in the Council Tax taxbase and a reduction in the Business Rates taxbase as a result of expected business failures due to the COVID-19 pandemic. Additional support within Council Tax is driving half of the pressure as households face financial difficulty. Any deficit realised at outturn will impact on the General Fund budget in future years, with the Government offering local authorities the ability to spread the deficit over a period of up to three years in equal increments as a result of the deficit being directly attributable to COVID-19.
114. The Council is participating in the 50% Business Rates Retention 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 position, with any additional funds available from the pool to be captured separately in budget setting reports as appropriate.

**Table 17: Collection Fund**

Original Budget £'000	Budget Changes £'000	Service	Month 2		Variance (As at Month 2) £'000	
			Revised Budget £'000	Forecast Outturn £'000		
(131,835)	0	Council Tax	Gross Income	(131,835)	(131,233)	602
11,049	0		Council Tax Support	11,049	13,114	2,065
39	0		B/fwd Deficit	39	303	264
<b>(120,747)</b>	<b>0</b>		<b>Sub-Total</b>	<b>(120,747)</b>	<b>(117,816)</b>	<b>2,931</b>
(112,314)	0	Business Rates	Gross Income	(112,314)	(85,034)	27,280
(6,141)	0		Section 31 Grants	(6,141)	(26,866)	(20,725)
53,666	0		Less: Tariff	53,666	53,666	0
8,784	0		Less: Levy	8,784	4,236	(4,548)
(498)	0		B/fwd Surplus	(498)	(1,464)	(966)
<b>(56,503)</b>	<b>0</b>	<b>Sub-Total</b>	<b>(56,503)</b>	<b>(55,461)</b>	<b>1,042</b>	
<b>(177,250)</b>	<b>0</b>	<b>Total Collection Fund</b>	<b>(177,250)</b>	<b>(173,277)</b>	<b>3,973</b>	

115. At Month 2 a deficit of £2,931k is projected against Council Tax, the position includes an adverse variance reported against Gross Income of £602k, which is being driven by a smaller than forecast growth in the taxbase as a result of delays in property building during the pandemic alongside a reduction in the collection rate, forecasting to lead to an increase in the bad debt provision required for 2020/21. The majority of the pressure in Council Tax is driven by a £2,000k pressure within Council Tax Support as a result of increased demand as households face financial difficulties. The position is compounded by a pressure of £264k against the brought forward surplus as a result of an adverse movement at outturn within Council Tax, this is the result of the Council ceasing debt chasing activities at the end of 2019/20 due to the COVID-19 pandemic. Within this position, potential volatility in Discounts and Exemptions continue to be closely monitored.

116. A £1,042k deficit is reported across Business Rates at Month 2, the position includes an adverse variance against in-year activity of £2,008k with this variance being driven by an adverse position within Gross Rates of £27,280k. This is predominantly due to the Government's support package to assist businesses during the pandemic, including 100% rates relief for the retail sector, this relief is wholly funded by Section 31 Grants and explains the favourable position in this area, represented by an overachievement of grant income of £20,953k. In addition to this, the £27,280k adverse variance against gross rates assumes a reduction in the taxbase due to business failure caused by financial hardship during the pandemic. The additional support offered by Central Government was announced after the Council set the 2020/21 budget and explains why such large variances are being reported.
117. The in-year position includes a favourable position being reported against the Levy of £4,548k, which is the result of the reduction in the taxbase and lower gross rates yield for the Council, leading to a lower levy payment due to Central Government. In addition, a surplus is reported against the brought forward surplus of £966k, driven by a favourable movement at outturn as a result of clarity received from the London Pool position at year end.

## Appendix C – HOUSING REVENUE ACCOUNT

118. The Housing Revenue Account (HRA) is currently forecasting a drawdown of reserves of £2,057k, which is a break-even position compared to the budget. This excludes the potential cost pressures of COVID-19, which are estimated at £1,011k. These pressures have not been included in the Month 2 forecast position for HRA revenue or capital, as firstly they may not all materialise and secondly they are at a level that is fundable in-year. In addition lobbying for specific HRA Covid-19 funding from government is ongoing.
119. The 2020/21 closing HRA General Balance is forecast to be £15,018k. The use of reserves is funding investment in new housing stock. The table below presents key variances by service area:

**Table 18: Housing Revenue Account**

Service	Month 2		Variance (+ adv / - fav)
	Revised Budget	Forecast Outturn	Variance (As at Month2)
	£'000	£'000	£'000
Rent Income	(57,872)	(57,872)	0
Other Income	(5,414)	(5,414)	0
<b>Net Income</b>	<b>(63,286)</b>	<b>(63,286)</b>	<b>0</b>
Housing Management	14,746	14,672	(74)
Tenant Services	3,754	3,828	74
Repairs	5,368	5,368	0
Planned Maintenance	4,040	4,040	0
Capital Programme Funding	20,790	20,790	0
Interest & Investment Income	15,385	15,385	0
Development & Risk Contingency	1,260	1,260	0
<b>Operating Costs</b>	<b>65,343</b>	<b>65,343</b>	<b>0</b>
<b>(Surplus) / Deficit</b>	<b>2,057</b>	<b>2,057</b>	<b>0</b>
General Balance 01/04/2020	(17,075)	(17,075)	0
<b>General Balance 31/03/2021</b>	<b>(15,018)</b>	<b>(15,018)</b>	<b>0</b>

### Income

120. As at Month 2, both the rental income and other income is forecast to break even.
121. The number of RTB applications received in the first two months of 2020/21 was 8 compared to 31 for the same period in 2019/20; a reduction of 74%. There has been 1 RTB completion in the first two months of 2020/21 compared to 8 for the same period in 2019/20; a reduction of 88%. Both the reduction in RTB applications and sales is reflective of the COVID-19 circumstances and will be kept under review during the year. At this early stage in the year, the 2020/21 RTB sales forecast is 50, which is the same as the budget.

### Expenditure

122. The Housing management service is forecast to underspend by £74k, £57k due to staffing and £17k on running costs.
123. Tenant services is forecast to overspend by £74k, £32k due to staffing, £39k due to an increase in the insurance premium and £3k on running costs.

124. The repairs and planned maintenance budget totals £9,408k and at this early stage in the year is forecast to break even.
125. As at Month 2 the capital programme funding, interest and investment income and the development and risk contingency budgets are forecast to break even.

### COVID-19 cost pressures on the HRA

126. The table below summarises the potential HRA COVID-19 cost pressures identified to date which will be kept under review during the year. These pressures have not been included in the Month 2 forecast position for HRA revenue or capital, as firstly they may not all materialise and secondly they are at a level that is fundable in-year. In addition lobbying for specific HRA Covid-19 funding from government is ongoing.
127. The key pressures relate to repairs and maintenance totalling £431k due to unreported and potential catch up day-to-day repairs and void works; bad debt provision totalling £214k due to increasing arrears and the age of the arrears; and works to stock programme £222k due to project timing delays caused by COVID-19. Other pressures include housing management costs of £21k, and rental income costs of £123k as a result of the timing delays on the aforementioned works to stock programme.

128. **Table 19: HRA COVID-19 pressures**

HRA COVID-19 pressures	2020/21
	<b>£'000</b>
Repairs and Planned Maintenance	431
Development and Risk Contingency – Bad Debt Provision	214
Housing Management (workforce, PPE)	21
Rental Income impact	123
<b>Total HRA Revenue</b>	<b>789</b>
Works to Stock programme	222
<b>Total HRA Capital</b>	<b>222</b>
<b>Total HRA (Revenue and Capital)</b>	<b>1,011</b>

### HRA Capital Expenditure

129. The HRA capital programme is set out in the table below. The 2020/21 revised budget is £65,609k. The 2020/21 forecast expenditure is £53,881k with a net variance of £11,728k of which £11,428k is due to re-phasing and £300k due to a cost under spend. This excludes the £222k cost pressures of COVID-19 identified in the table above. The position reflects an on capital spend reflects an initial view which will be refined in future reports as the impact of the pandemic on the programme is reviewed in more detail.

**Table 20: HRA Capital Expenditure**

Programme	2020/21 Revised Budget	2020/21 Forecast	2020/21 Cost Variance Forecast V Revised Budget	2020/21 Project Re-Phasing	Total Project Budget 2020-25	Total Project Forecast 2020-25	Total Project Variance 2020-25
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Major Projects (Note 1)</b>							
New General Needs Housing Stock	39,867	35,640	(175)	(4,052)	141,676	141,502	(175)
New Build - Shared Ownership	6,868	3,367	(125)	(3,376)	14,615	14,489	(125)
New Build - Supported Housing Provision	816	816	0	0	816	816	0
<b>Total Major Projects</b>	<b>47,551</b>	<b>39,823</b>	<b>(300)</b>	<b>(7,428)</b>	<b>157,107</b>	<b>156,807</b>	<b>(300)</b>
<b>HRA Programmes of Work</b>							
Works to stock programme	15,870	11,870		(4,000)	60,231	60,231	0
Major Adaptations to Property	2,188	2,188			10,129	10,129	0
<b>Total HRA Programmes of Work</b>	<b>18,058</b>	<b>14,058</b>	<b>0</b>	<b>(4,000)</b>	<b>70,360</b>	<b>70,360</b>	<b>0</b>
<b>Total HRA Capital</b>	<b>65,609</b>	<b>53,881</b>	<b>(300)</b>	<b>(11,428)</b>	<b>227,467</b>	<b>227,167</b>	<b>(300)</b>

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

## Major Projects

130. The 2020/21 Major Projects programme revised budget is £47,551k. Forecast expenditure is £39,823k, with a re-phasing variance of £7,428k and a cost underspend of £300k forecast in 2020/21.

### New General Needs Housing Stock

131. The 2020/21 General Needs Housing Stock revised budget is £39,867k. There is forecast re-phasing of £4,052k across the General Needs programme due to delays in the progress of several projects, partly arising from COVID-19 lockdown.
132. A cost under spend of £300k is forecast on the completed mixed tenure development at Acol Crescent, apportioned across general needs and shared ownership, after agreement of the final account with the contractor.
133. The redevelopment of Maple and Poplar Day Centres were put on hold due to the COVID-19 crisis. The construction works have been tendered and a contractor is ready to be appointed. A total of 34 units will be constructed comprising 50% general needs social housing and the remainder being shared ownership.
134. Works are in progress on site for the redevelopment of the former Willow Tree depot into general needs housing and are expected to be complete in April 2021.
135. Construction works at the Nelson Road development were paused due to COVID-19 however the main contractor is due to recommence on site in early July 2020 with a view to complete the construction of the 6 new homes by March 2021.
136. Four buybacks have been formally approved in 2020/21 estimated to cost up to £1,286k inclusive of stamp duty, legal fees & expected void repairs costs.

## New Build - Shared Ownership

137. The New Build Shared Ownership budget comprises schemes being delivered across five sites. These are expected to deliver 116 units in total.
138. The mixed tenure redevelopment of the former Belmore Allotments site has had planning approval and the tendering process for the construction contract is able to commence shortly. Works on site are not expected until early 2021 and this is reflected in the forecast.
139. Revised plans for the redevelopment of Woodside Day Centre have been reviewed following changes to the original plan for the ground floor. A planning application is to be submitted shortly followed by tenders. Construction works are not expected to proceed until next year.

## New Build - Supported Housing

140. Construction of the supported Housing projects at Grassy Meadow and Park View are complete and sites are operational, with some minor external works at Grassy Meadow remaining to be completed in 2020/21. Liquidated damages continue to be held against the Park View contractor for delays with a legal adjudication process ongoing. Currently the total project costs are expected to come in within the revised budget pending any appeals from the contractor.

## **HRA Programmes of Work**

141. The Works to Stock 2020/21 revised budget is £15,870k. Due mainly to the COVID-19 crisis forecast expenditure has reduced by £4,000k from budget across various work streams, with planned programmes in various stages of progress and some schemes continuing into next year.

## **HRA Capital Receipts**

142. There has been 1 Right to Buy sale of council dwellings as at the end of May 2020 for a total gross sales value of £155k. A further 49 sales are forecast to bring the yearly total to 50, totalling £9,200k in 2020/21.
143. The application of retained Right to Buy receipts is limited by the retention agreement to a maximum 30% of the cost of replacement housing. In the event that expenditure does not meet the criteria, funds would be payable to the MHCLG. However it is expected that these monies will be paid back to the HRA in due course as Hillingdon Council has opted in to the Mayor of London's Right to Buy Ring-Fence Offer, whereby Right to Buy 1-4-1 capital receipts and interest returned to MHCLG, is re-routed back to individual councils through the GLA as a grant.
144. During 2020/21, the £8,385k receipts generated in 2017/18 could potentially become repayable unless the following expenditure profile is achieved Q1 £5,668k, Q2 £8,843k, Q3 £4,050k and Q4 £9,389k. Cumulative expenditure on 1 for 1 replacement from previous quarters above the minimum requirement can be carried forward.
145. However, in June 2020 the London Borough of Hillingdon has accepted the MHCLG's offer to temporarily relax the rules in response to the COVID-19 situation, whereby the 2020/21 Q1 and Q2 deadlines are extended to the Q3 deadline i.e. to 31/12/2020.

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

Prior Years	Scheme	Unit Numbers	2020/21 Total Revised Budget	2020/21 Total Revised Forecast	2020/21 Variance	2020/21 Cost Variance	Proposed Re-phasing	Total Project Budget 2020-2025	Total Project Forecast 2020-2025	Total Project Variance 2020-2025
£'000			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
6,859	Acol Crescent	33	711	411	(300)	(300)		711	411	(300)
n/a	Internal Acquisitions and Developments		28,878	28,878	0	0	0	123,105	123,105	0
325	Belmore Allotments	86	4,220	2,314	(1,906)	0	(1,906)	10,493	10,493	0
315	Maple And Poplar	34	1,253	627	(626)	0	(626)	6,072	6,072	0
315	Willow Tree	10	2,455	1,905	(550)	0	(550)	2,627	2,627	0
31	2 East Way	1	203	100	(103)	0	(103)	203	203	0
25	Bartram Close	2	305	0	(305)	0	(305)	305	305	0
67	34-44 Sullivan Crescent	6	686	327	(359)	0	(359)	949	949	0
363	Nelson Road	6	1,895	1,421	(474)	0	(474)	1,944	1,944	0
285	Great Benty	2	471	236	(235)	0	(235)	471	471	0
1,297	Acquisition TCM House	28	10	10	0	0	0	10	10	0
556	Acquisition 191 Harefield Road	2	28	28	0	0	0	28	28	0
5,400	Acquisition 17 New Build Homes	17	265	265	0	0	0	265	265	0
39	Petworth Gardens	9	1,533	767	(766)	0	(766)	3,104	3,104	0
14,600	Parkview	60	786	786	0	0	0	786	786	0
20,556	Grassy Meadow	88	30	30	0	0	0	30	30	0
36	113-127 Moorfield Road	5	946	718	(228)	0	(228)	1,089	1,089	0
403	Woodside Day Centre	27	2,876	1,000	(1,876)	0	(1,876)	4,915	4,915	0
<b>51,472</b>		<b>416</b>	<b>47,551</b>	<b>39,823</b>	<b>(7,728)</b>	<b>(300)</b>	<b>(7,428)</b>	<b>157,107</b>	<b>156,807</b>	<b>(300)</b>
12,691	General Needs Housing Stock	152	39,867	35,640	(4,227)	(175)	(4,052)	141,676	141,502	(175)
3,625	New Build - Shared Ownership	116	6,868	3,367	(3,501)	(125)	(3,376)	14,615	14,489	(125)
35,156	New Build - Supported Housing	148	816	816	0	0	0	816	816	0
<b>51,472</b>		<b>416</b>	<b>47,551</b>	<b>39,823</b>	<b>(7,728)</b>	<b>(300)</b>	<b>(7,428)</b>	<b>157,107</b>	<b>156,807</b>	<b>(300)</b>

## Appendix D - GENERAL FUND CAPITAL PROGRAMME

146. As at Month 2 an under spend of £22,441k is reported on the 2020/21 General Fund Capital Programme of £113,271k, due mainly to re-phasing of project expenditure into future years. The 2020/21 forecast under spend is largely due to an initial assessment of the impact of various schemes being put on hold during the Coronavirus pandemic. Further work is being undertaken to refine these projections to reflect the practicalities of restarting these projects in view of their current status and market conditions. The forecast outturn variance over the life of the 2020/21 to 2024/25 programme is an under spend of £3,623k.
147. General Fund Capital Receipts of £8,027k are forecast for 2020/21, with a shortfall of £1,132k in total forecast receipts to 2024/25.
148. Overall, Prudential Borrowing required to support the 2020/21 to 2024/25 capital programmes is forecast to be over budget by £2,586k. This is due to a combined shortfall of £2,632k on other sources of funding (capital receipts and CIL), offset by cost under spend of £46k on Council resourced schemes.

### Capital Programme Overview

149. Table 19 below sets out the latest forecast outturn on General Fund capital projects, with project level detail contained in annexes A - D to this report. Forecasts for future years include capital projects and programmes of work approved by Cabinet and Council in February 2020.

**Table 21: General Fund Capital Programme Summary**

	Total Project Budget 2020-2025	Total Project Forecast 2020-2025	Total Project Variance
	£'000	£'000	£'000
Schools Programme	20,328	20,328	-
Main Programme	189,343	189,297	(46)
Programme of Works	168,258	164,681	(3,577)
General Contingency	7,500	7,500	-
<b>Total Capital Programme</b>	<b>385,429</b>	<b>381,806</b>	<b>(3,623)</b>

150. The revised five year capital programme budget includes re-phasing approved at June Cabinet of £26,047k funding from 2019/20 for various continuing schemes and programmes.

### Schools Programme

151. The Schools Expansions programme is reporting an overall break even position although there remain cost risks on additional items beyond the original contract scope for both Vyners and Ruislip High School expansions. Works at Ruislip High were delayed due to COVID-19 lockdown and will not be ready for September term time, with completion now expected in February 2021.
152. Work has commenced on installing a modular classroom at Hedgwood primary school for pupils with special educational needs and will be ready for September 2020 term, funded from

the Special Provision Capital Fund. Other plans for the remainder of the grant are under feasibility review.

153. The approved programme includes £2,850k for additional temporary classrooms in 2020/21 however it is not anticipated this will be fully required this year based on current demand for school places.

### **Major Projects**

154. Including prior years, the Major Projects programme includes £50,000k prudential borrowing to finance the housing company Hillingdon First with construction work in progress at the residential development site in South Ruislip. The budget will also finance identified potential acquisitions of development land and commencement of construction of other sites
155. The programme includes £15,970k for a major residential development at the Falling Lane site in Yiewsley which will be self-financing from the sale of discounted market sale properties. The scheme is temporarily on hold during the Coronavirus pandemic.
156. The construction works contract for the provision of a new £30,000k leisure centre in Yiewsley/West Drayton has been tendered and is currently under evaluation.
157. The new Shopping Parades Initiative programme reports an under spend of £46k as a secondment post is no longer required with lower than anticipated shop front grants at this stage, possibly impacted by COVID-19. Design work on shop fronts will be completed this year with public realm work paused until future Transport for London funding or other sources can be identified.
158. The Uxbridge cemetery gatehouse refurbishment project is on hold for a year with the budget re-phased into next year to reflect this.

### **Programmes of Works**

159. The 2020/21 Transport for London programme has been severely curtailed with the previously agreed LIP grant significantly reduced due to COVID-19 and the impact it has had on TFL's finances from reduced tube fares. As a consequence TFL have agreed to fund only £156k in respect of sunk costs and social distancing measures, resulting in a £3,577k expenditure and grant financing shortfall.
160. A number of Chrysalis outdoor gyms and playgrounds projects have been put on hold due to COVID-19 and are not expected to be completed this financial year at this stage.
161. The libraries refurbishment programme continues to progress and is forecast to be completed this financial year. The leisure centre refurbishment programme is in early stages with works at Hillingdon Sports and Leisure Centre currently being progressed.
162. Works are about to commence on relocating services to the mezzanine area at the Civic Centre. A number of schemes within the Civic Centre and Property Works Programme are in various stages of progress, including projects carried forward from 2019/20. Planned scope of works for the currently uncommitted budget are under review with some projects on hold during the Coronavirus pandemic.
163. Works are in various stages of progress on numerous carriageway refurbishments within the Highways improvement programme with £2,569k of new works recently approved. Under

Corporate Technology and Innovation, the project to upgrade computer hardware and transition to Windows 10/Microsoft 365 commenced in January and is in progress.

164. There have been a number of COVID-19 related general equipment capitalisation items arising this year, however, it is expected this will be managed from the existing approved budget at this stage.

### Capital Financing - General Fund

165. Table 20 below outlines the latest financing projections for the capital programme, with an adverse medium term variance of £2,586k reported on Prudential Borrowing.

**Table 22: General Fund Capital Programme Financing Summary**

	Revised Budget 2020/21 £'000	Forecast 2020/21 £'000	Variance £'000	Total Financing Budget 2020-2025 £'000	Total Financing Forecast 2020-2025 £'000	Total Variance £'000
<b>Council Resource Requirement</b>						
Self-Financing Schemes	20,629	19,379	(1,250)	62,160	62,160	-
Invest to Save Schemes	8,126	7,699	(427)	11,126	11,126	-
Service Provision	65,193	51,462	(13,731)	219,268	219,222	(46)
<b>Total Council Resources</b>	<b>93,948</b>	<b>78,540</b>	<b>(15,408)</b>	<b>292,554</b>	<b>292,508</b>	<b>(46)</b>
<b>Financed By</b>						
Capital Receipts	9,431	8,027	(1,404)	52,820	51,688	(1,132)
CIL	3,500	2,000	(1,500)	17,500	16,000	(1,500)
Prudential Borrowing	81,017	68,513	(12,504)	222,234	224,820	2,586
<b>Total Council Resources</b>	<b>93,948</b>	<b>78,540</b>	<b>(15,408)</b>	<b>292,554</b>	<b>292,508</b>	<b>(46)</b>
Grants & Contributions	19,323	12,290	(7,033)	92,875	89,298	(3,577)
<b>Capital Programme</b>	<b>113,271</b>	<b>90,830</b>	<b>(22,441)</b>	<b>385,429</b>	<b>381,806</b>	<b>(3,623)</b>

166. Forecast capital receipts in 2020/21 amount to £8,027k after financing transformation costs. One sale has been completed for £937k (excluding the deposit received in 2019/20), and offers have also been accepted on two marketed residential properties. Several former garage sites are planned for auction sales later this year. The forecast also includes General Fund share of Right to Buy (RTB) sales of £1,658k based on a forecast of 50 RTB sales this year. There is an overall shortfall of £1,132k due partly to revised lower valuations on two sites based on smaller residential development schemes for planning consent, and one previously identified site is not expected to be sold.

167. A shortfall of £1,500k is forecast on Community Infrastructure Levy (CIL) receipts (after administration fees) as developer activity has been affected by COVID-19 with a subsequent impact on timing of CIL payments. Eligible activity exceeds the CIL forecast with spend on Highways investment, community assets through the Chrysalis Programme and other major community infrastructure such as schools meeting the criteria for application of CIL monies.

168. Forecast grants and contributions are £3,577k lower than the revised budget, due to the previously mentioned cut to the 2020/21 TFL LIP grant. The adverse movement in prudential borrowing in 2020/21 of £2,586k is mainly due to the combined shortfall of capital receipts and CIL income.

## ANNEX A - Schools Programme

Prior Year Cost	Project	2020/21 Revised Budget	2020/21 Forecast	2020/21 Cost Variance	Forecast Re-phasing	Total Project Budget 2020-2025	Total Project Forecast 2020-2025	Total Project Variance 2020-2025	Project Forecast Financed by:		
									Council Resources	Government Grants	Other Cont'ns
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	<b>Education and Children Services</b>										
16,032	New Primary Schools Expansions	367	367	0	0	367	367	0	367	0	0
16,868	Secondary Schools Expansions	5,691	5,691	0	0	9,571	9,571	0	9,571	0	0
0	Additional Temporary Classrooms	2,850	600	0	(2,250)	6,650	6,650	0	4,400	2,250	0
458	Schools SRP	2,042	1,000	0	(1,042)	3,500	3,500	0	0	3,500	0
0	Meadow School	240	240	0	0	240	240	0	240	0	0
<b>33,358</b>	<b>Total Schools Programme</b>	<b>11,190</b>	<b>7,898</b>	<b>0</b>	<b>(3,292)</b>	<b>20,328</b>	<b>20,328</b>	<b>0</b>	<b>14,578</b>	<b>5,750</b>	<b>0</b>

## APPENDIX B – Major Projects

Prior Year Cost	Project	2020/21 Revised Budget £'000	2020/21 Forecast £'000	2020/21 Cost Variance £'000	2020/21 Forecast Re-phasing £'000	Total Project Budget 2019-24 £000	Total Project Forecast 2019-24 £000	Total Project Variance 2019-24 £000	Project Forecast Financed by:		
									Council Resources £000	Government Grants £000	Other Cont'ns £000
	<b>Community Commerce &amp; Regeneration</b>										
0	New Theatre	1,000	50	0	(950)	44,000	44,000	0	42,950	0	1,050
963	New Yiewsley Leisure Centre	937	469	0	(468)	29,037	29,037	0	29,037	0	0
69	Yiewsley/West Drayton Comm Centre	1,931	966	0	(965)	1,931	1,931	0	1,931	0	0
773	Hillingdon Outdoor Activity Centre	2,000	1,500	0	(500)	25,727	25,727	0	0	0	25,727
0	New Museum	500	50	0	(450)	5,632	5,632	0	4,882	0	750
0	Shopping Parades Initiative	600	457	(46)	(97)	2,896	2,850	(46)	2,105	590	155
7,294	Hayes Town Centre Improvements	2,183	437	0	(1,746)	2,183	2,183	0	299	350	1,534
1,597	Uxbridge Change of Heart	492	492	0	0	492	492	0	438	0	54
93	Battle of Britain Underground Bunker	1,412	1,412	0	0	1,462	1,462	0	1,462	0	0
58	RAGC Expansion	915	458	0	(457)	1,356	1,356	0	1,356	0	0
7	Uxbridge Mortuary Extension	993	993	0	0	1,224	1,224	0	609	0	615
2	1 & 2 Merrimans Housing Project	470	235	0	(235)	619	619	0	619	0	0
31	Uxbridge Cemetery Gatehouse	0	0	0	0	543	543	0	543	0	0
0	Uniter Building Refurbishment	390	100	0	(290)	390	390	0	390	0	0
0	Botwell Leisure Centre Football Pitch	0	0	0	0	200	200	0	200	0	0
	<b>Planning Transportation and Recycling</b>										
0	Cranford Park Heritage Lottery Project	493	173	0	(320)	2,597	2,597	0	215	1,783	599
	<b>Finance Property and Business Services</b>										
6,871	Housing Company Financing	18,129	18,129	0	0	43,129	43,129	0	43,129	0	0
250	Yiewsley Site Development	2,500	1,250	0	(1,250)	15,970	15,970	0	15,970	0	0
0	Belmore Allotments Development	0	0	0	0	4,605	4,605	0	3,061	0	1,544
0	Purchase of Uxbridge Police Station	5,000	5,000	0	0	5,000	5,000	0	5,000	0	0
1,485	Bessingby Football/Boxing Clubhouse	111	111	0	0	111	111	0	111	0	0
2,552	Cedars and Grainges Car Park	119	119	0	0	119	119	0	119	0	0
6,761	Battle of Britain Visitors Centre	120	120	0	0	120	120	0	120	0	0
<b>28,806</b>	<b>Total Major Projects</b>	<b>40,295</b>	<b>32,521</b>	<b>(46)</b>	<b>(7,728)</b>	<b>189,343</b>	<b>189,297</b>	<b>(46)</b>	<b>154,546</b>	<b>2,723</b>	<b>32,028</b>

## ANNEX C - Programme of Works

Prior Year Cost	Project	2020/21 Revised Budget	2020/21 Forecast	2020/21 Cost Variance	Forecast Re-phasing	Total Project Budget 2020-2025	Total Project Forecast 2020-2025	Total Project Variance 2020-2025	Project Forecast Financed by:		
									Council Resources	Government Grants	Other Cont'ns
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
N/A	School Building Condition Works	4,706	4,706	0	0	10,906	10,906	0	2,731	7,200	975
N/A	Sports Clubs Rebuild / Refurbishments	750	375	0	(375)	3,750	3,750	0	3,750	0	0
N/A	Bowls Clubs Refurbishments	556	556	0	0	556	556	0	556	0	0
N/A	Leisure Centre Refurbishment	1,946	250	0	(1,696)	3,097	3,097	0	3,097	0	0
N/A	Libraries Refurbishment Programme	2,320	2,320	0	0	2,320	2,320	0	2,320	0	0
N/A	Youth Provision	1,620	810	0	(810)	3,620	3,620	0	3,620	0	0
N/A	Harlington Road Depot Improvements	586	586	0	0	586	586	0	586	0	0
N/A	Property Works Programme	3,227	2,566	0	(661)	8,986	8,986	0	8,986	0	0
N/A	Civic Centre Works Programme	5,156	3,868	0	(1,288)	8,177	8,177	0	8,177	0	0
N/A	CCTV Programme	284	284	0	0	384	384	0	384	0	0
N/A	Highways Structural Works	15,684	15,684	0	0	47,684	47,684	0	47,684	0	0
N/A	HS2 Road Safety Fund	645	645	0	0	645	645	0	0	0	645
N/A	Transport for London	3,894	156	(3,577)	(161)	17,296	13,719	(3,577)	0	13,558	161
N/A	Street Lighting Replacement	924	462	0	(462)	2,403	2,403	0	2,283	0	120
N/A	Road Safety	310	310	0	0	910	910	0	910	0	0
N/A	Disabled Facilities Grant	2,852	2,852	0	0	14,260	14,260	0	0	14,260	0
N/A	Equipment Capitalisation - Social Care	2,359	2,359	0	0	11,795	11,795	0	3,530	8,265	0
N/A	PSRG/LPRG	100	100	0	0	500	500	0	500	0	0
N/A	Corporate Technology and Innovation	3,984	3,984	0	0	7,440	7,440	0	7,440	0	0
N/A	Environmental and Recreational Initiatives	1,240	1,240	0	0	2,740	2,740	0	740	0	2,000
N/A	Playground Replacement Programme	170	109	0	(61)	420	420	0	420	0	0
N/A	Equipment Capitalisation - General	765	765	0	0	3,825	3,825	0	3,825	0	0
N/A	Leader's Initiative	356	273	0	(83)	1,156	1,156	0	1,156	0	0
N/A	Car Park Pay & Display Machines Replacement	1,040	1,040	0	0	1,040	1,040	0	1,040	0	0
N/A	Purchase of Vehicles	2,960	1,535	0	(1,425)	7,022	7,022	0	7,022	0	0
N/A	Chrysalis Programme	1,127	351	0	(776)	5,127	5,127	0	5,127	0	0
N/A	Section 106 Projects	454	454	0	0	454	454	0	0	0	454
N/A	Devolved Capital to Schools	271	271	0	0	1,159	1,159	0	0	1,159	0
	<b>Total Programme of Works</b>	<b>60,286</b>	<b>48,911</b>	<b>(3,577)</b>	<b>(7,798)</b>	<b>168,258</b>	<b>164,681</b>	<b>(3,577)</b>	<b>115,884</b>	<b>44,442</b>	<b>4,355</b>

## Appendix E – Treasury Management Report as at 31 May 2020

**Table 23: Outstanding Deposits – Average Rate of Return 0.28%**

Period	Actual (£m)	Actual (%)	Benchmark (%)
Call Accounts and MMF's*	26.6	64.0	70.00
Up to 1 Month Fixed-Term Deposits	0.0	0.0	
Over 1 Month Fixed-Term Deposits	0.0	0.00	0.00
<b>Total</b>	<b>26.6</b>	<b>64.0</b>	<b>70.00</b>
Strategic Pooled Funds	15.0	36.0	30.00
<b>Total</b>	<b>41.6</b>	<b>100.00</b>	<b>100.00</b>

\*Money Market Funds

169. Deposits are held with UK institutions, all of which hold a minimum A- Fitch (or lowest equivalent) long-term credit rating and AAA rated Money Market funds. UK deposits are currently held in NatWest Bank plc, Lloyds Bank plc and Handelsbanken plc. There is also an allocation to Strategic Pooled Funds.
170. The average rate of return on day-to-day operational treasury balances is 0.28%. As part of the Council's investment strategy for 2020/21, the Council continues to hold a total of £15m in three long-dated strategic pooled funds (£5m in each). The strategic pooled funds have a 3-5 year investment horizon with dividends being distributed periodically.
171. The Council aims to minimise its exposure to bail-in risk by utilising bail-in exempt instruments and institutions whenever possible. However, with average balances being lower than historic levels, the majority of funds need to be held in instant access facilities to manage daily cash flow. It is therefore not possible to fully protect Council funds from bail-in risk. At the end of May, 100% of the Council's day-to-day operational treasury investments had exposure to bail-in risk, reducing to 0% once instant access facilities are excluded from the total bail-in percentage.
172. Liquidity was maintained throughout May by placing surplus funds in instant access accounts and making overnight deposits with the DMADF. Due to adverse market conditions, as a result of COVID-19, all balances were placed with next day availability therefore funds were accessible to cover cash outflows.

**Table 24: Outstanding Debt - Average Interest Rate on Debt: 3.25%**

**Average Interest Rate on Temporary Borrowing: 0.89%**

	Actual (£m)	Actual (%)
<b>General Fund</b>		
PWLB	46.60	15.89
Long-Term Market	15.00	5.12
Temporary	50.00	17.05
<b>HRA</b>		
PWLB	148.57	50.68
Long-Term Market	33.00	11.26
<b>Total</b>	<b>293.17</b>	<b>100.00</b>

173. During May, £10m of temporary borrowing reached maturity and a scheduled £0.33m PWLB EIP instalment payment was made. Gilt yields remained fairly flat throughout the month. With the ongoing need to take further borrowing and with restrictive premiums, early repayment of debt remains unfeasible.

174. There were no breaches of the Prudential Indicators or non-compliance with the Treasury Management Policy and Practices. In order to maintain liquidity for day-to-day business operations during June, cash balances will be placed in instant access accounts and overnight deposits. In addition, cash flow forecasts indicate temporary borrowing of around £25m is required to ensure minimum cash levels are maintained throughout June. This replaces temporary borrowing that has mature so far this year or is due to mature in June.

## Appendix F – 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 25: Consultancy and agency assignments**

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
<b>Finance</b>						
Assistant Category Manager (construction services)	01/12/2019	02/03/2020	25/09/2020	30	60	90
Finance Business Partner (SCE Team)	03/02/2020	22/06/2020	31/12/2020	47	71	118
Finance Assessment Officer	01/04/2019	20/07/2020	31/03/2021	72	37	109
<b>Social Care</b>						
Team Manager	17/07/2017	29/06/2020	02/08/2020	308	10	318
Senior Social Worker	01/04/2013	29/06/2020	02/08/2020	249	8	257
Social Worker	06/04/2017	29/06/2020	02/08/2020	239	8	247
Social Worker	23/10/2017	29/06/2020	02/08/2020	187	6	193
Social Worker	16/12/2016	29/06/2020	02/08/2020	276	8	284
Social Worker	21/08/2016	29/06/2020	02/08/2020	278	8	286
Social Worker	10/07/2017	29/06/2020	02/08/2020	207	8	215
Social Worker	07/11/2016	29/06/2020	02/08/2020	287	8	295
Social Worker	04/05/2015	29/06/2020	02/08/2020	331	7	338
Social Worker	13/04/2015	29/06/2020	02/08/2020	372	8	380
Social Worker	11/07/2016	29/06/2020	02/08/2020	299	8	307
Social Worker	01/08/2015	29/06/2020	02/08/2020	338	9	347
Social Worker	27/10/2016	29/06/2020	02/08/2020	270	8	278
Social Worker	01/12/2016	29/06/2020	02/08/2020	220	7	227
Educational Psychologist	04/02/2019	29/06/2020	02/08/2020	205	14	219
Educational Psychologist	15/11/2015	29/06/2020	02/08/2020	383	10	393
Special Needs Officer	01/12/2016	29/06/2020	02/08/2020	237	7	244
Social Worker	11/08/2014	29/06/2020	02/08/2020	470	8	478
Social Worker	01/01/2013	29/06/2020	02/08/2020	488	8	496
Social Worker	01/04/2013	29/06/2020	02/08/2020	284	8	292
Social Worker	26/08/2016	29/06/2020	02/08/2020	267	7	274
Support Worker	20/12/2015	29/06/2020	02/08/2020	129	4	133
Social Worker	04/07/2016	29/06/2020	02/08/2020	322	8	330
Social Worker	03/07/2016	29/06/2020	02/08/2020	326	9	335
Social Worker	21/11/2016	29/06/2020	02/08/2020	260	8	268
Social Worker	01/01/2013	29/06/2020	02/08/2020	485	8	493
Senior Social Worker	29/06/2017	29/06/2020	02/08/2020	250	8	258
Senior Educational Psychologist	15/08/2016	29/06/2020	02/08/2020	334	14	348
Social Worker	02/07/2017	29/06/2020	02/08/2020	201	8	209
Independent Domestic Violence Advocate	01/10/2018	29/06/2020	02/08/2020	91	5	96
Senior Social Worker	30/04/2012	29/06/2020	02/08/2020	290	8	298

<b>Post Title</b>	<b>Original Start Date</b>	<b>Approved From</b>	<b>Proposed End Date</b>	<b>Previous Approval £'000</b>	<b>Approved £'000</b>	<b>Total £'000</b>
Education Health and Care Officer	04/03/2019	29/06/2020	02/08/2020	80	6	86
Senior Social Worker	21/11/2017	29/06/2020	02/08/2020	106	8	114
Senior Social Worker	19/12/2011	29/06/2020	02/08/2020	112	9	121
Social Worker	01/04/2018	29/06/2020	02/08/2020	178	8	186
Social Worker	24/11/2015	29/06/2020	02/08/2020	135	5	140
Social Worker	01/04/2013	29/06/2020	02/08/2020	101	8	109
SEND Officer	04/11/2019	29/06/2020	02/08/2020	54	9	63
Approved Mental Health Worker	05/02/2018	29/06/2020	02/08/2020	125	5	130
AMHP	04/02/2019	29/06/2020	02/08/2020	108	7	115
AMHP	03/06/2019	29/06/2020	02/08/2020	83	7	90
Social Worker POA	01/07/2019	29/06/2020	02/08/2020	77	7	84
AMHP	01/07/2019	29/06/2020	02/08/2020	77	7	84
Social Worker	03/08/2019	29/06/2020	02/08/2020	67	7	74
AMHP	30/09/2019	29/06/2020	02/08/2020	58	7	65
AMHP	30/09/2019	29/06/2020	02/08/2020	58	7	65
Social Worker	01/11/2019	29/06/2020	02/08/2020	58	8	66
Senior Social Worker	04/11/2019	29/06/2020	02/08/2020	53	8	61
AMHP	04/11/2019	29/06/2020	02/08/2020	50	7	58
AMHP	04/11/2019	29/06/2020	02/08/2020	83	12	96
Social Worker (CHC)	03/01/2017	29/06/2020	02/08/2020	170	5	174
Support Worker	03/04/2017	29/06/2020	02/08/2020	113	4	116
Registered Manager	04/02/2019	29/06/2020	02/08/2020	57	6	63
Support Worker	03/10/2016	29/06/2020	02/08/2020	88	2	90
Support Planner	03/09/2018	29/06/2020	02/08/2020	62	3	65
Care Worker	06/07/2016	29/06/2020	02/08/2020	114	3	117
Care Worker	06/03/2017	29/06/2020	02/08/2020	94	3	97
Brokerage Officer	03/09/2018	29/06/2020	02/08/2020	53	3	55
Nursery Practitioner	01/10/2017	29/06/2020	02/08/2020	88	3	91
SENDIASS Manager	29/04/2019	29/06/2020	02/08/2020	105	9	114
Senior Early Years Practitioner	01/04/2018	29/06/2020	02/08/2020	49	3	52
Early Years Practitioner	01/04/2018	29/06/2020	02/08/2020	61	3	63
Early Years Practitioner	06/02/2017	29/06/2020	02/08/2020	87	3	90
Early Years Practitioner	01/04/2018	29/06/2020	02/08/2020	60	3	63
Early Years Practitioner	01/04/2018	29/06/2020	02/08/2020	60	3	63
Early Years Practitioner	25/03/2016	29/06/2020	02/08/2020	95	3	97
Nursery Officer	05/09/2016	29/06/2020	02/08/2020	89	3	92
Early Years Practitioner	23/02/2015	29/06/2020	02/08/2020	121	3	123
Service Development & Quality Assurance Officer	01/04/2019	29/06/2020	02/08/2020	146	11	157
FIS Officer	01/04/2018	29/06/2020	02/08/2020	72	4	76
Online Services Co-ordinator	04/03/2019	29/06/2020	02/08/2020	89	6	96
Senior Business Analyst (Liquid Logic Implementation)	01/07/2019	29/06/2020	02/08/2020	80	9	89

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Project Manager/Senior Business Analyst (Liquid Logic Implementation)	01/07/2019	29/06/2020	02/08/2020	84	9	93
Senior Business Analyst (Liquid Logic Implementation)	01/07/2019	29/06/2020	02/08/2020	81	9	89
<b>Environment, Education &amp; Community Services</b>						
Post-16 Tracking Worker	03/01/2019	02/07/2020	01/10/2020	43	7	50
CME Tracker	01/08/2018	02/07/2020	01/10/2020	104	15	119
<b>Building Services, Transport &amp; Business Improvement</b>						
Senior Land Contamination Officer	18/11/2018	29/06/2020	27/09/2020	114	18	132
<b>Corporate Resources &amp; Service</b>						
Housing Lawyer	07/07/2014	22/06/2020	21/12/2020	348	33	381