

# COUNCIL BUDGET - 2020/21

## REVENUE AND CAPITAL MONTH 4 BUDGET MONITORING

<b>Cabinet Member</b>	Councillor Sir Ray Puddifoot MBE Councillor Jonathan Bianco
<b>Cabinet Portfolio</b>	Leader of the Council 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 £838k is reported against General Fund revenue budget normal activities as of July 2020 (Month 4), an improvement of £477k on the Month 2 position. Unallocated reserves are projected to total £28,743k at 31 March 2020.</p> <p>In-year COVID-19 pressures, net of government grant, are projected at £3,661k. This will be funded from earmarked reserves of £9,126k set up to fund potential Covid pressures. Further details are set out in paragraph 19.</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 and Partnerships
<b>Ward(s) affected</b>	All

## RECOMMENDATIONS

That Cabinet:

1. Note the budget position as at July 2020 (Month 4) as outlined in Table 1.
2. Note the Treasury Management update as at July 2020 at Appendix E.
3. Continue the delegated authority up until the October 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 23 July 2020 and 24 September 2020 Cabinet meetings, detailed at Appendix F.
4. Ratify four contract related decisions taken recently, as set out in Appendix G on the following matters:
  - a. 17 June 2020 - Contract extension for the Collection and Treatment of Co-mingled Dry Recycling.
  - b. 29 June 2020 - Contract Award: Triscott House and Cottesmore House Extra Care Support Services For Adults.
  - c. 4 September 2020 - Passenger Lift Maintenance & Repairs for Corporate & Housing Properties .
  - d. 4 September 2020 - Postal Services Direct Award.
5. Approve acceptance of £40k grant funding from the Food Standards Agency for the costs of EU Exit planning.
6. Approve acceptance of £308k grant funding from Defra for the costs of provision of food and essential supplies to vulnerable residents during the COVID-19 pandemic.
7. Agrees the Community Safety Grant award to the Metropolitan Police Service for additional Police Officers that form the dedicated Partnership Tasking Team for up to three years from 2020/21 at £538,500 per annum and a 2020/21 Community Safety Grant of £81,000 for activities aligned to local community safety priorities for Hillingdon residents.
8. Approve the acceptance of £170k additional MHCLG new burdens funding for the administration of the Small Business Grant Fund and the Retail, Hospitality and Leisure reliefs.
9. Note the allocation from the general capital contingency of £72k for the Polish Air Force exhibition at the Battle of Britain Visitors Centre.
10. Note the grant award of £41.5k from Transport for London for the annual Bridge Assessment and Strengthening Programme.
11. Approve acceptance of gift funding in relation to a Planning Performance Agreement in accordance with the provisions of Section 93 of the Local Government Act 2003 for;
  - a. Keith House, Hayes - £40,000
  - b. Southall Waterside - £20,000
  - c. Brunel University (BCAST) (1st Payment) - £20,000
12. Ratify the £10,287 grant to Eastcote Tennis Club toward flood repair works to the tennis courts, from the Environment & Recreational Earmarked Reserve.
13. Accepts the Environment Agency Grant of £39,500 for the Cannon Brook and Mad Bess Flood Management Scheme
14. Notes the changes to fees and charges for garages to two bands dependant on area.
15. Accepts the Wellbeing for Education Return grant of £41,320 from the Department for Education.

- 16. Agrees to include new Planning charges in the 2020/21 Fees and Charges Schedule following amendments to certain applications under the General Permitted Development Order, The Town and Country Planning Regulations 2020:**
- a. Class A - New dwellinghouses on Detached Block of Flats (chargeable from 1st August 2020):**
    - i. 50 or fewer new dwellinghouses, £334 for each new dwellinghouse.**
    - ii. New dwellinghouses exceeding 50 units, £16,525 and an additional £100 for each new dwellinghouse in excess of 50 units, up to a maximum of £300,000.**
  - b. Class ZA - Demolition of Building and Construction of New Dwellinghouses in their place (chargeable from 1st September 2020):**
    - i. 50 or fewer new dwellinghouses, £334 for each new dwellinghouse.**
    - ii. New dwellinghouses exceeding 50 units, £16,525 and an additional £100 for each new dwellinghouse in excess of 50 units, up to a maximum of £300,000.**
- 17. In memory of Tashan Daniel who was stabbed to death at Hillingdon underground station last year, agree to set up an award in his name (Tashan Daniel Award), with funding of £60k from the earmarked reserve for all age sports and activity.**
- 18. Accept Transport for London grants totalling £115,734 comprising £55,734 grant awarded in respect of the London Streetspace Plan and £60,000 in respect of Bikeability and Cycle Training.**

## INFORMATION

### Reasons for Recommendations

1. The reason for **Recommendation 1** is to ensure that the Council achieves its budgetary objectives, providing Cabinet with an update on performance at Month 4 against budgets approved by Council on 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** There have been four recent Cabinet-level contractual decisions taken by the Leader and relevant Cabinet Member under interim or urgency provisions that now require ratification by the Cabinet as per the Council's Constitution. They are set out in Appendix G.
4. Grant funding has been offered by the Food Standards Agency which if accepted by Cabinet will be utilised to fund the costs of EU Exit planning by the Imported Food Office. **Recommendation 5** seeks authority from Cabinet to approve the acceptance of £40k, relating to the costs of an Environmental Health contractor, use of an additional veterinary surgeon, interpretation of new legislation and implementing procedures to deal with new requirements.
5. A Local Authority Emergency Assistance Grant for Food and Essential Supplies has been offered by Defra, which if accepted by Cabinet will be utilised to fund the costs associated with continuing to assist those struggling to afford food and other essentials over the coming months due to COVID-19. **Recommendation 6** seeks authority from Cabinet to approve the acceptance of £308k relating to costs including the provision of emergency food parcels and supporting local food banks.
6. Hillingdon Council provides a grant to the Metropolitan Police Service to fund a local Partnership Tasking Team (PTT) that are employed as an additional resource to tackle and prevent crime across the Borough. In addition to funding the PTT, Hillingdon Council also provides an annual Community Safety Grant to the Metropolitan Police Service to be used for the provision of enhanced police activities within the Borough for residents. These activities are determined by the Cabinet Member for Community, Commerce and Regeneration, in consultation with the Police. **Recommendation 7** seeks Cabinet agreement to these grant awards which are provided for within the approved Community Safety budget as set out in the Council's MTFB Budget that was approved in February 2020.
7. The Authority has been responsible for the delivery of grants to eligible small businesses and applying reliefs to those in the retail, hospitality and leisure sector during the COVID-19 pandemic. The grants and reliefs have been funded centrally and the associated costs of delivering these new burdens have also been met through an additional funding allocation of £170k announced in August 2020, for which approval is sought in **Recommendation 8**
8. **Recommendation 9** The creation of a permanent Polish Air Force display in the Battle of Britain Visitor Centre will promote the borough's military history in the Battle of Britain and its links to Polish history. The total project cost is £147k with £75k funded from the remaining Battle of Britain Visitor Centre enhancements budget and the balance of £72k funded from capital contingency as part of this recommendation.

9. **Recommendation 10** The recent grant award of £41.5k from Transport for London for Bridge Assessment and Strengthening will support design of protective measures at Trout Road Bridge, Yiewsley.
10. Gift funding has been offered by developers which if accepted by Cabinet will be utilised to fund dedicated staff to support this pre-application and application work. **Recommendation 11** seeks authority from Cabinet to approve the acceptance of £80k, in relation to a number of major developments.
11. **Recommendation 12** seeks to ratify the grant of £10,287 to Eastcote Tennis Club in relation to October 2019 flood damage repair works to be funded from the Environment & Recreational Earmarked Reserve.
12. **Recommendation 13** is to accept the Environment Agency Grant of £39,500 for the Cannon Brook and Mad Bess Flood Management Scheme.
13. **Recommendation 14** is to note the changes to the fees and charges relating to garages
- a. Changes from three banding rates to two, based on area.
  - b. Historic garage rents will be increased by £1 per week, until they reach the correct banding rate -either £14 per week or £18.50 per week depending on which area. Postcodes changing band are indicated in bold
    - i. Area 1 HA4, HA5, HA6, UB9, **UB10** (North) £18.50
    - ii. Area 2 UB8, UB11, **UB3, UB4, UB7, TW6, TW19** (South) £14.00
14. **Recommendation 15** is to accept the Wellbeing for Education Return Grant of £41,320 from the Department for Education to support the wellbeing of returning teaching staff and pupils at the start of the academic year in September 2020
15. Pursuant to the amendments to The Town and Country Planning Regulations 2012, the Council is required to update the 2020/21 Fees and Charges Schedule as detailed in **Recommendation 16**. The Town and Country Planning Regulations, amended in 2020; sets out new fees for Part 20 submissions under the General Permitted Development Order and as a Local Planning Authority, The London Borough of Hillingdon is legally required to levy such fees. As these are new charges, comparable data is not readily available to assess the cashable impact, however, this income stream will be closely monitored and budget assumptions will be revised accordingly.
16. **Recommendation 17** is to approve an award in memory of Tashan Daniel, who was stabbed to death at Hillingdon underground station last year. Funding of £60k from the earmarked reserve for all age sports and activity will be provided at £12k per annum for 5 years with the award criteria to be agreed between the Leader of the Council and Tashan's family who will take part in the allocation of these awards.
17. **Recommendation 18** Transport for London have awarded £55,734k Streetspace funding towards the upgrade of the canal towpath between Cowley Mill Road and Rockingham Road. The total cost of works is £131,382 including Section 106 monies of £75,648. Transport for London have also awarded £60,000 grant for Bikeability and Cycle Training, to deliver cycle skills training across the Borough.

## **Alternative options considered**

18. There are no other options proposed for consideration.

# SUMMARY

## REVENUE

19. General Fund pressures totalling £26,252k 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 £17,974k and an estimated further £6,500k to come from the recent announcement which includes funding for 75% of fees and charges pressures over a 5% threshold. £1,883k of the confirmed funding was applied in 2019/20 leaving £16,091k to fund 2020/21 pressures. It is expected that these funding allocations, together with the use of earmarked reserves of £3,661k 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.
20. On the assumption that this funding strategy for COVID-19 pressures can be achieved, an underspend of £838k is projected across General Fund budgets at Month 4, an improvement of £477k on the Month 2 position. This consists of £719k service underspends alongside a £119k 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 £28,743k at 31 March 2021 – which is 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.
21. Within this position, £2,512k of the £6,386k savings planned for 2020/21 are banked or on track for delivery in full by 31 March 2021, with £3,874k 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.
22. Within the Collection Fund, a pressure of £4,652k is reported at Month 4 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.
23. 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 ongoing 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 ongoing pressures relating to Covid-19.

## **CAPITAL**

24. As at Month 4 an under spend of £45,414k is reported on the 2020/21 General Fund Capital Programme of £113,569k, 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 £4,118k.



## FURTHER INFORMATION

### General Fund Revenue Budget

25. **Normal Activities** - An underspend of £838k is reported across normal operating activities at Month 4, an improvement of £477k on the month 2 position. 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 £283k. These are offset by underspends predominately in the Business Services, Transport & Business Improvement directorate (£576k), largely driven by an underspend in Highways and in Environment, Education and Community Services a £250k underspend against First Time Buyers service due to reduced levels of activity following a slowdown in the Housing Market. 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.
26. **COVID-19 Financial Impact** - There is a significant pressure of £26,252k 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 3 tranches of COVID-19 funding totalling £17,974k and an estimated further £6,500k forecast to come from the recent announcement covering funding for 75% of fees and charges pressures over a 5% threshold. £1,883k of the confirmed funding was applied in 2019/20 leaving £16,091k to fund 2020/21 pressures. This represents a favourable movement of £2,438k against confirmed funding position reported at month 2, netted down by a reduction in the level of estimated funding where further detail on the allocation methodology is awaited, to give an overall favourable movement in COVID-19 funding of £438k.
27. 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.
28. **Savings** - £6,386k of savings are included in the 2020/21 General Fund revenue budget. Currently, delivery is on track or banked against £2,512k of this total, with £3,874k 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.
29. **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.. 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 4		Variance (As at Month 4) £'000	Variance (As at Month 2) £'000	Movement from Month 2
			Revised Budget £'000	Forecast Outturn £'000			
213,955	(1,482)	Directorate Operating Budgets	212,473	211,754	(719)	(241)	(478)
7,093	0	Corporate Operating Budgets	7,093	6,978	(115)	(116)	1
13,657	0	Development & Risk Contingency	13,657	13,657	0	0	0
(421)	1,482	Unallocated Budget Items	1,061	1,061	0	0	0
<b>234,284</b>	<b>0</b>	<b>Sub-total Expenditure</b>	<b>234,284</b>	<b>233,450</b>	<b>(834)</b>	<b>(357)</b>	<b>(477)</b>
(227,950)	0	Corporate Funding	(227,950)	(227,954)	(4)	(4)	0
<b>6,334</b>	<b>0</b>	<b>Total Normal Activities</b>	<b>6,334</b>	<b>5,496</b>	<b>(838)</b>	<b>(361)</b>	<b>(477)</b>
		<u>Exceptional Covid-19 items</u>					
0	0	Pressures	0	26,252	26,252	25,182	1070
0	0	Confirmed grant funding	0	(16,091)	(16,091)	(13,653)	(2,438)
0	0	Estimated further grant funding	0	(6,500)	(6,500)	(8,500)	2,000
0	0	Earmarked Reserves applied	0	(3,661)	(3,661)	(3,029)	632
<b>6,334</b>	<b>0</b>	<b>Total Net Expenditure</b>	<b>6,334</b>	<b>5,496</b>	<b>(838)</b>	<b>(361)</b>	<b>(477)</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>(28,743)</b>			

30. General Fund Balances are expected to total £28,743k 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

31. 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 4		Variance (As at Month 4) £'000	Variance (As at Month 2) £'000	Movement from Month 2	
			Revised Budget £'000	Forecast Outturn £'000				
19,303 (3,400)	19 (19)	Finance	Expenditure	19,322	19,372	50	36	14
			Income	(3,419)	(3,471)	(52)	(38)	(14)
<b>15,903</b>	<b>0</b>		<b>Sub-Total</b>	<b>15,903</b>	<b>15,901</b>	<b>(2)</b>	<b>(2)</b>	<b>0</b>
166,186 (38,158)	(1,802) 270	Social Care	Expenditure	164,384	164,654	270	337	(67)
			Income	(37,888)	(37,875)	13	(39)	52
<b>128,028</b>	<b>(1,532)</b>		<b>Sub-Total</b>	<b>126,496</b>	<b>126,779</b>	<b>283</b>	<b>298</b>	<b>(15)</b>
49,148 (35,800)	3,552 (3,545)	Environment, Education & Community Services	Expenditure	52,700	52,677	(23)	89	(112)
			Income	(39,345)	(39,598)	(253)	(159)	(94)
<b>13,348</b>	<b>7</b>		<b>Sub-Total</b>	<b>13,355</b>	<b>13,079</b>	<b>(276)</b>	<b>(70)</b>	<b>(206)</b>
48,439 (11,076)	(16) 16	Building Services, Transport & Business Improvement	Expenditure	48,423	47,666	(757)	(294)	(463)
			Income	(11,060)	(10,879)	181	(144)	325
<b>37,363</b>	<b>0</b>		<b>Sub-Total</b>	<b>37,363</b>	<b>36,787</b>	<b>(576)</b>	<b>(438)</b>	<b>(138)</b>
21,275 (1,962)	44 (1)	Corporate Resources & Services	Expenditure	21,319	21,074	(245)	(116)	(129)
			Income	(1,963)	(1,866)	97	87	10
<b>19,313</b>	<b>43</b>		<b>Sub-Total</b>	<b>19,356</b>	<b>19,208</b>	<b>(148)</b>	<b>(29)</b>	<b>(119)</b>
<b>213,955</b>	<b>(1,482)</b>	<b>Total Directorate Operating Budgets</b>		<b>212,473</b>	<b>211,754</b>	<b>(719)</b>	<b>(241)</b>	<b>(478)</b>

32. 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.
33. At this early stage in the financial year a net pressure of £283k 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.
34. Environment, Education & Community Services is reporting a net underspend of £276k, 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.

35. A net £576k underspend is reported across Building Services, Transport & Business Improvement with £210k relating to slippage in Highways works. Waste Services is also reporting an underspend resulting from recruitment delays.
36. Corporate Resources & Services are reporting compensating variances to an overall £148k underspend. There is an underspend in Business & Technical Support due to vacant posts, which is offsetting the overspend in HR following BID transformation changes.
37. 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 £1,849k 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

38. 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 £2,512k are either banked or on track for delivery at this early stage of the year. £1,512k savings are in the early stages of delivery or potentially subject to greater risk to delivery, with the remaining £2,362k being reported as having a serious problem with delivery.
39. The high number of savings being reported as having a serious problem with delivery (£2,362k) 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	(145)	0	(80)	0	(31)	0	(256)	4.0%
G On track for delivery	(83)	(1,383)	0	(200)	0	(590)	(2,256)	35.3%
A Potential significant savings shortfall or a significant or risky project which is at an early stage;	0	(1,112)	0	(400)	0	0	(1,512)	23.7%
R Serious problems in the delivery of the saving	0	0	(1,086)	0	(375)	(901)	(2,362)	37.3%
<b>Total 2020/21 Savings</b>	<b>(228)</b>	<b>(2,495)</b>	<b>(1,166)</b>	<b>(600)</b>	<b>(406)</b>	<b>(1,491)</b>	<b>(6,386)</b>	<b>100.0%</b>

### Corporate Operating Budgets

40. 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.
41. As a result of anticipated capital expenditure and associated borrowing costs, a £108k underspend is reported on the revenue costs of debt financing. Levies and Other Corporate Budgets are forecast to underspend by £7k, mainly driven by a lower Concessionary Fares levy as the final levy figure was not available until after the budget was set. Housing Benefit remains on budget with no variance being reported. No material variances are reported across the remainder of Corporate Budgets, resulting in a headline underspend of £115k.

**Table 4: Corporate Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service	Month 4		Variance (As at Month 4) £'000	Variance (As at Month 2) £'000	Movement from Month 2 £'000
			Revised Budget £'000	Forecast Outturn £'000			
0	0	Interest and Investment Income	Salaries	0	0	0	0
8,459	166		Non-Sal Exp	8,625	8,517	(108)	(108)
(487)	(166)		Income	(653)	(653)	0	0
<b>7,972</b>	<b>0</b>		<b>Sub-Total</b>	<b>7,972</b>	<b>7,864</b>	<b>(108)</b>	<b>(108)</b>
499	0	Levies and Other Corporate Budgets	Salaries	499	502	3	2
12,376	0		Non-Sal Exp	12,376	12,394	18	(10)
(12,289)	0		Income	(12,289)	(12,317)	(28)	0
<b>586</b>	<b>0</b>		<b>Sub-Total</b>	<b>586</b>	<b>579</b>	<b>(7)</b>	<b>(8)</b>
0	0	Housing Benefit Subsidy	Salaries	0	0	0	0
147,893	0		Non-Sal Exp	147,893	147,893	0	0
(149,358)	0		Income	(149,358)	(149,358)	0	0
<b>(1,465)</b>	<b>0</b>		<b>Sub-Total</b>	<b>(1,465)</b>	<b>(1,465)</b>	<b>0</b>	<b>0</b>
<b>7,093</b>	<b>0</b>	<b>Total Corporate Operating Budgets</b>		<b>7,093</b>	<b>6,978</b>	<b>(115)</b>	<b>(116)</b>

## Development & Risk Contingency

42. 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.
43. At this early stage in the financial year, the majority of contingency items continue to be forecast at budgeted levels although a pressure of £116k on homelessness reflects higher than anticipated number of households requiring support and £20k for Development Control relating to Planning Enforcement action. There is a reduced call on the contingency in Waste Services of £115k, with this movement largely reflecting a WLWA rebate. It is expected that the pressures 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 4) £'000	Variance (As at Month 2) £'000	Movement from Month 2 £'000
				Revised Budget £'000	Forecast Outturn £'000			
1,063	0	Social Care	Asylum Service	1,063	1,063	0	0	0
3,211	0		Demographic Growth - Looked After Children	3,211	3,211	0	0	0
895	0		Demographic Growth - Children with Disabilities	895	895	0	0	0
2,873	(150)		SEN transport	2,723	2,723	0	0	0
3,842	(1,049)		Demographic Growth - Adult Social Care	2,793	2,793	0	0	0
1,736	(914)	Environment, Education & Community Services	Impact of Welfare Reform on Homelessness	822	938	116	226	(109)
0	0		Planning Enforcement	0	20	20	0	20
2,407	(357)	Building Services, Transport & Business Improvement	Waste Disposal Levy & Associated Contracts	2,050	1,935	(115)	0	(115)
(400)	0	Corp Items	Additional Investment Income	(400)	(400)	0	0	0
500	0		General Contingency	500	479	(21)	(226)	205
<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>	<b>0</b>	<b>0</b>

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

44. The majority of the COVID-19 pressure is relating to Social Care, and Environment, Education & Community Services, these two areas represent £20,751k of the £26,252k pressure.
- a. Within Social Care, the Council is forecasting a pressure of just over £8.5m, 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 £1.3m 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.
45. 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 £17,974k of unringfenced grant funding, with £16,091k of this being utilised in 2020/21, with the balance having been applied in 2019/20.
46. 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**

47. There is £677k of HIP Initiative balances brought forward at the start of the year. To date £2k has been allocated leaving £675k available for future releases.

## **Schools Budget**

48. At Month 4 the Dedicated Schools Grant position is reporting an in-year overspend of £9,101k. This is a £768k adverse movement from Month 2 due to continuing pressures in the cost of High Needs. There is a current backlog of cases however EHCPs growth in published SEN2 data (17.5% vs 8.7% nationally) indicates this will add further pressure the budget. When the £15,002k deficit brought forward from 2019/20 is taken into account, the deficit to carry forward to 2021/22 is forecast at £24,103k. This pressure will ultimately be funded from future grant awards and will therefore not impact upon the Council's own resources.

## **Collection Fund**

49. The Collection Fund is forecasting a deficit of £4,652k as at Month 4, a £679k adverse movement from 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. The movement in this position largely relates to the levy against retained growth following a forecast update across London pooling activity.

### **Housing Revenue Account**

50. The Housing Revenue Account is currently forecasting a breakeven position, resulting in a drawdown of reserves of £2,047k. This results in a projected 2020/21 closing HRA General Balance of £15,028k. This excludes the potential cost pressures of COVID-19, which are estimated at £661k. These pressures have not been included in the Month 4 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**

51. 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 £740k lower. The reduction in the borrowing requirement would result in a £4k per annum reduction to revenue, which represents a minor variance when set in the context of the current MTFP position on capital financing costs.
52. 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 4 monitoring report.



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

### FINANCE

53. A forecast underspend of £2k continues to be reported for the Finance Directorate as at Month 4 against normal activities, with £660k being reported against the COVID-19 pressure within Exceptional Items. Pressures within Exchequer and Business Assurance relating to the partial achievement of the managed vacancy target for the 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 4		Variance (As at Month 4) £'000	Variance (As at Month 2) £'000	Movement from Month 2	
			Revised Budget £'000	Forecast Outturn £'000				
4,224	0	Corporate Finance	Salaries	4,224	4,192	(32)	(17)	(15)
636	0		Non-Sal Exp	636	710	74	58	16
(445)	0		Income	(445)	(471)	(26)	(26)	0
<b>4,415</b>	<b>0</b>		<b>Sub-Total</b>	<b>4,415</b>	<b>4,431</b>	<b>16</b>	<b>15</b>	<b>1</b>
6,029	78	Exchequer and Business Assurance Services	Salaries	6,107	6,203	96	79	17
3,306	0		Non-Sal Exp	3,306	3,305	(1)	3	(4)
(2,837)	(78)		Income	(2,915)	(2,941)	(26)	(12)	(14)
<b>6,498</b>	<b>0</b>		<b>Sub-Total</b>	<b>6,498</b>	<b>6,567</b>	<b>69</b>	<b>70</b>	<b>(1)</b>
1,790	(59)	Procurement	Salaries	1,731	1,695	(36)	(43)	7
3,318	0		Non-Sal Exp	3,318	3,267	(51)	(44)	(7)
(118)	59		Income	(59)	(59)	0	0	0
<b>4,990</b>	<b>0</b>		<b>Sub-Total</b>	<b>4,990</b>	<b>4,903</b>	<b>(87)</b>	<b>(87)</b>	<b>0</b>
12,043	19	Finance Directorate	Salaries	12,062	12,090	28	19	9
7,260	0		Non-Sal Exp	7,260	7,282	22	17	5
(3,400)	(19)		Income	(3,419)	(3,471)	(52)	(38)	(14)
<b>15,903</b>	<b>0</b>		<b>Total</b>	<b>15,903</b>	<b>15,901</b>	<b>(2)</b>	<b>(2)</b>	<b>0</b>

### Exceptional Items – COVID-19 Pressures

54. Within the Finance Service, £660k is being reported against COVID-19 pressures under Exceptional Items. The pressure arises predominantly from shortfalls in court fee income following the cessation of court hearings during the COVID pandemic.

### FINANCE OPERATING BUDGETS (£2k underspend, no change)

#### Corporate Finance (£16k overspend - £1k adverse movement)

55. The position reported for Month 4, broadly in line with the Month 2, arises predominantly from the projected pressure on the cost of external audit fees continuing to be offset by workforce assumptions across the service. Accounting, Treasury & Pensions salary underspends continue to be retained within the position pending the completion of the Finance Senior Management review.

#### Exchequer & Business Assurance Services (£69k pressure, £1k favourable)

56. At Month 4 the service is reporting a pressure of £69k, with operational pressures arising from the implementation of changes to the rate and scope of business rate relief, the administration of the government small business loan scheme and the roll out of changes to the Council Tax reduction scheme for residents facing hardship during the pandemic, are now to be funded in full from external grant income. This relates predominantly to overtime pressures totalling £150k now funded from central government grant.
57. The Month 4 position assumes the retention of salary underspends within the position until the BID reviews currently under way in the Service areas affected are completed (the adjustments relate to 7 posts). Savings arising from the reviews will deliver the balance of the remaining unallocated 2020/21 savings target for the service. It is also assumed that the Housing Benefit Accuracy initiative will be delivered in-house making a further contribution to the outstanding savings target.
58. A summary of the Insurance position – which remains stable at Month 4 – is provided below (Appendix 5). A net contribution of £36k is forecast with the position on Fleet claims payments currently covered within Fleet. A detailed review of the Insurance position is to follow for Month 5.

**Procurement (£87k underspend, nil movement)**

59. The underspend position for Procurement remains unchanged from Month 2 and arises from posts currently held vacant pending the current Service review together with the assumed continuation of stable fuel prices and usage for the Fleet Service.

## SOCIAL CARE

60. Social Care is projecting an overspend of £283k at Month 4 on normal activities, an improvement of £15k on the Month 2 position. This excludes COVID-19 exceptional items of £8,521k that are covered under development and risk contingency below. The improvement of £15k this month is as a result of a detailed review of staffing assumptions across the Service, which is covering additional pressures emerging across the service.

**Table 7: Social Care Operating Budgets**

Original Budget £'000	Budget Changes £'000	Service		Month 2		Variance (As at Month 4) £'000	Variance (As at Month 2) £'000	Movement from Month 2 £'000
				Revised Budget £'000	Forecast Outturn £'000			
21,123	(696)	Provider and Commissioned Care	Salaries	20,427	19,284	(1,143)	(476)	(667)
9,849	651		Non-Sal Exp	10,500	10,634	134	86	48
(4,876)	0		Income	(4,876)	(4,819)	57	57	0
<b>26,096</b>	<b>(45)</b>		<b>Sub-Total</b>	<b>26,051</b>	<b>25,099</b>	<b>(952)</b>	<b>(333)</b>	<b>(619)</b>
7,350	732	Adult Social Work	Salaries	8,082	8,327	245	35	210
77,244	(2,483)		Non-Sal Exp	74,761	74,793	32	(6)	38
(23,405)	308		Income	(23,097)	(23,046)	51	0	51
<b>61,189</b>	<b>(1,443)</b>		<b>Sub-Total</b>	<b>59,746</b>	<b>60,074</b>	<b>328</b>	<b>29</b>	<b>299</b>
17,371	(12)	Children's Services	Salaries	17,359	17,803	444	494	(50)
21,311	6		Non-Sal Exp	21,317	21,716	399	25	374
(9,600)	(38)		Income	(9,638)	(9,637)	1	0	1
<b>29,082</b>	<b>(44)</b>		<b>Sub-Total</b>	<b>29,038</b>	<b>29,882</b>	<b>844</b>	<b>519</b>	<b>325</b>
1,714	(1)	SEND	Salaries	1,713	1,841	128	149	(21)
178	1		Non-Sal Exp	179	198	19	20	(1)
(125)	0		Income	(125)	(221)	(96)	(96)	0
<b>1,767</b>	<b>0</b>		<b>Sub-Total</b>	<b>1,767</b>	<b>1,818</b>	<b>51</b>	<b>73</b>	<b>(22)</b>
351	0	Public Health	Salaries	351	369	18	17	1
6,822	0		Non-Sal Exp	6,822	6,804	(18)	(17)	(1)
(45)	0		Income	(45)	(45)	0	0	0
<b>7,128</b>	<b>0</b>		<b>Sub-Total</b>	<b>7,128</b>	<b>7,128</b>	<b>0</b>	<b>0</b>	<b>0</b>
456	0	Health Integration & Voluntary Sector Partnerships	Salaries	456	468	12	10	2
2,417	0		Non-Sal Exp	2,417	2,417	0	0	0
(107)	0		Income	(107)	(107)	0	0	0
<b>2,766</b>	<b>0</b>		<b>Sub-Total</b>	<b>2,766</b>	<b>2,778</b>	<b>12</b>	<b>10</b>	<b>2</b>
48,365	23	<b>Social Care Directorate Total</b>	Salaries	48,388	48,092	(296)	229	(525)
117,821	(1,825)		Non-Sal Exp	115,996	116,562	566	108	458
(38,158)	270		Income	(37,888)	(37,875)	13	(39)	52
<b>128,028</b>	<b>(1,532)</b>		<b>Total</b>	<b>126,496</b>	<b>126,779</b>	<b>283</b>	<b>298</b>	<b>(15)</b>

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

61. 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 4 projected position for the Development and Risk Contingency.
62. At Month 4, Social Care contingency is forecast to budget. The contingency position in Adult Social Care 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 reported against Exceptional Items, 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 £'000	Budget Changes £'000	Development & Risk Contingency	Month 4		Variance (As at Month 4) £'000	Variance (As at Month 2) £'000	Movement from Month 2
			Revised Budget £'000	Forecast Outturn £'000			
1,063	0	Asylum Service	1,063	1,063	0	0	0
3,211	0	Demographic Growth - Looked After Children	3,211	3,211	0	0	0
895	0	Demographic Growth - Children with Disabilities	895	895	0	0	0
2,873	(150)	SEN Transport	2,723	2,723	0	0	0
3,842	(1,049)	Demographic Growth - Adult Social Care	2,793	2,793	0	0	0
<b>11,884</b>	<b>(1,199)</b>	<b>Current Commitments</b>	<b>10,685</b>	<b>10,685</b>	<b>0</b>	<b>0</b>	<b>0</b>
0	0	<b>COVID-19</b>	0	8,521	8,521	7,225	1,296
<b>0</b>	<b>0</b>	<b>Total Exceptional Items</b>	<b>0</b>	<b>8,521</b>	<b>8,521</b>	<b>7,225</b>	<b>1,296</b>

### Exceptional Items – COVID-19 Pressures

63. Within Social Care, COVID-19 pressures of £8,521k are being reported, which is an adverse movement on the Month 2 position of £1,296k, with approximately £7,299k of this value being reported against Adult Social Care and £1,332k being reported against Children's Services.
64. 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 £1,990k 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.
65. 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 (£282k overspend, £15k improvement)**

### **Provider and Commissioned Care (£952k underspend, £619k improvement)**

66. At Month 4, Provider and Commissioned Care is showing an underspend of £952k. This is predominantly as a result of large staffing underspends of £1,143k 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 (£328k overspend, £299k adverse movement)**

67. The position reported at Month 4 is an overspend of £328k across Adult Social Work, an adverse movement of £299k, driven by pressure of £245k on staffing budgets with a net pressure of £83k on non-staffing spend.
68. 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.
69. NHS England have now issued guidance on the arrangements from the 1 September 2020, following on from the cessation of the COVID-19 emergency period on the 31 August. This has now put forward transitional arrangements for funding until the 31 March 2021 for the initial costs of discharge from hospital, prior to assessment being undertaken Officers are reviewing the guidance 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 (£844k overspend, £325k adverse movement)**

70. High levels of agency staff covering permanent posts within Children's Services is driving part of the overspend position at Month 4, although recruitment assumptions have been revised and the staffing forecast has improved from Month 2. There is an indicative pressure of £400k on Placement budgets, but this is being reviewed for potential COVID-19 impacts given the restrictions on movements in this service area noted above. 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 and support further reduction in spend.

### **SEND (£51k overspend, £22k favourable movement)**

71. 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, staffing and non-staffing pressures caused by additional mediation and consultancy costs are driving the overspend position at Month 4, however these staffing assumptions have been revised this month, leading to the improved position from Month 2.

### **Public Health (Breakeven, nil movement)**

72. 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. It is currently forecast that Public Health services will be delivered within budget.

**Health integration and Voluntary Sector Partnerships (£12k overspend, £2k adverse movement)**

73. A fully established structure at Month 4 has led to a slight pressure within the Service of £12k, a minor adverse movement of £2k on the Month 2 position. 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 4.

## ENVIRONMENT, EDUCATION & COMMUNITY SERVICES

74. The Environment, Education and Community Services directorate is showing a projected outturn underspend of £276k at Month 4 on normal activities, a favourable movement of £206k from Month 2. A further £12,230k is being reported under the COVID-19 exceptional items disclosure. The overall variance on normal activities is a result of pressures within Trading Standards and Education offset by underspends in Green Spaces, Sport and Culture and Parking.

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

Original Budget £'000	Budget Changes £'000	Service		Month 4		Variance (As at Month 4) £'000	Variance as at Month 2 £'000	Movement from Month 2 £'000
				Revised Budget £'000	Forecast Outturn £'000			
4,526	0	Planning, Transportation & Regeneration	Salaries	4,526	4,580	64	73	(9)
1,414	286		Non-Sal Exp	1,700	1,805	105	23	82
(4,770)	(286)		Income	(5,056)	(5,238)	(192)	(110)	(82)
<b>1,170</b>	<b>0</b>		<b>Sub-Total</b>	<b>1,170</b>	<b>1,147</b>	<b>(23)</b>	<b>(14)</b>	<b>(9)</b>
13,089	0	Green Spaces, Sports & Culture	Salaries	13,089	12,939	(150)	(101)	(49)
5,970	1		Non-Sal Exp	5,971	5,792	(179)	(176)	(3)
(10,767)	0		Income	(10,767)	(10,694)	73	(99)	172
<b>8,292</b>	<b>1</b>		<b>Sub-Total</b>	<b>8,293</b>	<b>8,037</b>	<b>(256)</b>	<b>(376)</b>	<b>120</b>
3,030	306	Housing	Salaries	3,336	3,395	59	118	(59)
3,940	3,120		Non-Sal Exp	7,060	6,995	(65)	(51)	(14)
(3,482)	(3,259)		Income	(6,741)	(6,948)	(207)	51	(258)
<b>3,488</b>	<b>167</b>		<b>Sub-Total</b>	<b>3,655</b>	<b>3,442</b>	<b>(213)</b>	<b>118</b>	<b>(331)</b>
973	0	Education	Salaries	973	1,019	46	(50)	96
4,230	0		Non-Sal Exp	4,230	4,378	148	148	0
(4,313)	0		Income	(4,313)	(4,312)	1	1	0
<b>890</b>	<b>0</b>		<b>Sub-Total</b>	<b>890</b>	<b>1,085</b>	<b>195</b>	<b>99</b>	<b>96</b>
2,419	0	Trading Standards, Environment Health & Licensing	Salaries	2,419	2,365	(54)	(18)	(36)
559	0		Non-Sal Exp	559	741	182	184	(2)
(3,134)	0		Income	(3,134)	(3,132)	2	2	0
<b>(156)</b>	<b>0</b>		<b>Sub-Total</b>	<b>(156)</b>	<b>(26)</b>	<b>130</b>	<b>168</b>	<b>(38)</b>
959	0	Parking Services	Salaries	959	887	(72)	(59)	(13)
2,958	0		Non-Sal Exp	2,958	2,944	(14)	0	(14)
(8,429)	0		Income	(8,429)	(8,428)	1	0	1
<b>(4,512)</b>	<b>0</b>		<b>Sub-Total</b>	<b>(4,512)</b>	<b>(4,597)</b>	<b>(85)</b>	<b>(59)</b>	<b>(26)</b>
2,364	(160)	Community Safety, Cohesion & Resilience	Salaries	2,204	2,001	(203)	(145)	(58)
2,716	0		Non-Sal Exp	2,716	2,826	110	143	(33)
(905)	0		Income	(905)	(836)	69	(4)	73
<b>4,175</b>	<b>(160)</b>		<b>Sub-Total</b>	<b>4,015</b>	<b>3,991</b>	<b>(24)</b>	<b>(6)</b>	<b>(18)</b>
27,360	146	Environment, Education & Community Services Directorate	Salaries	27,506	27,186	(320)	(182)	(138)
21,787	3,407		Non-Sal Exp	25,194	25,481	287	271	16
(35,800)	(3,545)		Income	(39,345)	(39,588)	(243)	(159)	(84)
<b>13,347</b>	<b>8</b>		<b>Total</b>	<b>13,355</b>	<b>13,079</b>	<b>(276)</b>	<b>(70)</b>	<b>(206)</b>

75. 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 4, projected calls on contingency are forecast to be £136k greater than the budgeted provision.

**Table 10: Development and Risk Contingency**

Original Budget £'000	Budget Changes £'000	Contingency Item	Month 4		Variance as at Month 4 £'000	Variance as at Month 2 £'000	Movement from Month 2 £'000
			Revised Budget £'000	Forecast Outturn £'000			
822	0	Impact of Welfare Reform on Homelessness	822	938	116	226	(110)
0	0	Development Control - General Contingency	0	20	20	0	20
<b>822</b>	<b>0</b>	<b>Total</b>	<b>822</b>	<b>958</b>	<b>136</b>	<b>226</b>	<b>(90)</b>
0	0	COVID-19	0	(12,230)	(12,230)	(12,521)	(291)
<b>0</b>	<b>0</b>	<b>Total Exceptional Items</b>	<b>0</b>	<b>(12,230)</b>	<b>(12,230)</b>	<b>(12,521)</b>	<b>(291)</b>

76. The data in the table below shows the use of Temporary Accommodation. At Month 4, the number of households in Bed and Breakfast accommodation is 26 units above the budgeted assumptions made in modelling Supply and Demand for the 2020/21 MTFP.

**Table 11: Housing Needs performance data**

	May 20	June 20	July 20
All Approaches	242	261	239
Full Assessment Required	187	205	232
New into Temporary Accommodation (Homeless and Relief)	14	30	34
Households in Temporary Accommodation	429	424	417
Households in B&B	160	160	156

77. 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 £938k, £116k above the budgeted provision. The movement of £110k is as a result of further analysis of grant funding available to support the service as well as identification of Covid-19 related items.
78. The service is currently forecasting the number of clients in B&B accommodation will average 160 over the financial year, however, management actions to reduce numbers through increased non-cost prevention and move-on activity are being implemented.
79. 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.
80. At Month 4, a drawdown of £20k from General Contingency is being utilised to appoint Counsel for the planning enforcement enquiry at the Brookside Moor Lane, Harmondsworth site. This involves challenging the unauthorised use of green belt land for creating a scrap yard without planning consent.



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

81. Environment, Education and Community Services are currently forecasting £12,230k of pressures against the COVID-19 exceptional items disclosure, with approximately £9,118k of this amount related to losses of income during the pandemic, with the balance being related to cost pressures.
82. The largest single pressure within the service area relates to approximately £3,436k 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 £2,808k 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 £2,874k of loss income relates to trading standards, food & safety and licencing (predominantly driven by imported food charges) and lost income from planning and development control Fees and Charges.
83. The expenditure pressures being reported in this area include approximately £1,294k for homelessness and rough sleeper support, ensuring that this vulnerable group is protected during the pandemic, alongside an estimated £815k to support our leisure centres whilst they remain closed, following Government guidelines and £801k to support the Breakspear Crematorium hub. A number of smaller pressures reported across the directorate make up the remaining balance, with the largest of these being circa £117k within the Anti-Social Behaviour Team.

## **ENVIRONMENT, EDUCATION AND COMMUNITY SERVICES OPERATING BUDGETS (£276k underspend, £206k favourable movement)**

### **Planning, Transportation and Regeneration (£23k underspend, £9k favourable movement)**

84. Planning Services is currently reporting a £30k underspend, largely driven by unbudgeted Section 106 funding for Air Quality agency staff. Building Control is forecasting an underspend of £26k due to posts being held vacant until later in the financial year, whilst Transport and Aviation Services is reporting a £33k overspend attributable to unachievable managed vacancy factor due to the service being fully staffed.

### **Green Spaces, Sports and Culture (£256k underspend, £120k adverse movement)**

85. Green Spaces, Sports and Culture is currently reporting a £256k underspend, of which £150k relates to underspends against staffing; largely driven by vacant posts across the service in a number of different areas. A further £179k relates to a reduction in non-staffing expenditure which predominantly reflects the majority of services not being operational for the first two months of the financial year and limited operation going forward as some of these services gradually resume. Income pressures of £73k related to the non-staffing expenditure, partly offsets this position.

### **Housing (£213k underspend, £331k favourable movement)**

86. Housing is reporting an overall underspend of £213k at Month 4. There is a large variance within the First Time Buyers service of £250k due to reduced levels of activity following a slowdown in the Housing Market, a £250k favourable movement from Month 2. This underspend is being partly offset by a forecast pressure on enforcement income with the Private Sector Housing Team.

### **Education (£195k overspend, £96k adverse movement)**

87. The Month 4 position for Education shows an overspend of £195k against budget. The pressure on the base budget is 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 (£130k overspend, £38k favourable movement)**

88. The service is reporting a £130k pressure at Month 4. There is a £54k staffing underspend forecast, relating to delayed recruitment to vacant posts. The £182k 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 (£85k underspend, £26k favourable movement)**

89. The reported underspend at Month 4 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 and decreased enforcement and cash collection forecasts, given lower costs were incurred during the lockdown period.

**Community Safety, Cohesion & Resilience (£24k underspend, £18k favourable movement)**

90. The service is reporting a £24k underspend, with staffing underspends resulting from recruitment delays across the Community Safety and ASBET teams partly negated by non-staffing overspend and an income pressure. The latter largely relates to the removal of a recharge of security costs associated with Olympic House to Social Care, these costs also having been removed from ASBET's non-staffing forecast given that the Council is no longer responsible for security of the site.

## BUILDING SERVICES, TRANSPORT & BUSINESS IMPROVEMENT

91. Building Services, Transport and Business Improvement directorate is showing a projected outturn underspend of £576k at Month 4 on normal activities, a favourable movement of £138k from Month 2. A pressure of £3,245k is being reported against the COVID-19 pressures under exceptional items, a movement of £191k from Month 2. The overall variance is a result of underspends within Highways, Waste Services and Property & Estates.

**Table 12: Building Services, Transport & Business Improvement**

Original Budget £'000	Budget Changes £'000	Service		Month 4		Variance (As at Month 4) £'000	Variance as at Month 2 £'000	Movement from Month 2 £'000
				Revised Budget £'000	Forecast Outturn £'000			
449	0	Property & Estates	Salaries	449	433	(26)	(25)	(1)
3,596	0		Non-Sal Exp	3,596	3,558	(38)	89	(127)
(2,869)	0		Income	(2,869)	(3,015)	(136)	(171)	35
<b>1,176</b>	<b>0</b>		<b>Sub-Total</b>	<b>1,176</b>	<b>976</b>	<b>(200)</b>	<b>(107)</b>	<b>(93)</b>
1,581	0	Capital Programme	Salaries	1,581	1,342	(239)	(50)	(189)
254	0		Non-Sal Exp	254	63	(191)	0	(191)
(1,526)	0		Income	(1,526)	(1,043)	483	77	406
<b>309</b>	<b>0</b>		<b>Sub-Total</b>	<b>309</b>	<b>362</b>	<b>53</b>	<b>27</b>	<b>26</b>
590	0	Repairs & Engineering	Salaries	590	691	151	104	47
4,082	0		Non-Sal Exp	4,082	4,141	36	53	(17)
(178)	0		Income	(178)	(271)	(120)	(94)	(26)
<b>4,494</b>	<b>0</b>		<b>Sub-Total</b>	<b>4,494</b>	<b>4,561</b>	<b>67</b>	<b>63</b>	<b>4</b>
2,114	0	Highways	Salaries	2,114	2,124	10	4	6
3,741	0		Non-Sal Exp	3,741	3,515	(226)	(214)	(12)
(3,015)	0		Income	(3,015)	(3,015)	0	0	0
<b>2,840</b>	<b>0</b>		<b>Sub-Total</b>	<b>2,840</b>	<b>2,624</b>	<b>(216)</b>	<b>(210)</b>	<b>(6)</b>
9,399	0	Waste Services	Salaries	9,399	9,350	(49)	(109)	60
14,589	0		Non-Sal Exp	14,589	14,558	(31)	(32)	1
(3,236)	0		Income	(3,236)	(3,318)	(82)	0	(82)
<b>20,752</b>	<b>0</b>		<b>Sub-Total</b>	<b>20,752</b>	<b>20,590</b>	<b>(162)</b>	<b>(141)</b>	<b>(21)</b>
3,087	0	ICT	Salaries	3,087	2,940	(147)	(53)	(94)
4,444	0		Non-Sal Exp	4,444	4,497	53	2	51
(200)	0		Income	(200)	(203)	(3)	(3)	0
<b>7,331</b>	<b>0</b>		<b>Sub-Total</b>	<b>7,331</b>	<b>7,234</b>	<b>(97)</b>	<b>(54)</b>	<b>(43)</b>
358	0	Town Centre Initiatives	Salaries	358	303	(55)	(51)	(4)
156	0		Non-Sal Exp	156	151	(5)	(13)	8
(53)	0		Income	(53)	(14)	39	47	(8)
<b>461</b>	<b>0</b>		<b>Sub-Total</b>	<b>461</b>	<b>440</b>	<b>(21)</b>	<b>(17)</b>	<b>(4)</b>
17,578	0	Building Services, Transport & Business Improvement Directorate	Salaries	17,578	17,183	(355)	(179)	(176)
30,862	0		Non-Sal Exp	30,862	30,483	(402)	(115)	(287)
(11,077)	0		Income	(11,077)	(10,879)	181	(144)	325
<b>37,363</b>	<b>0</b>		<b>Total</b>	<b>37,363</b>	<b>36,787</b>	<b>(576)</b>	<b>(438)</b>	<b>(138)</b>

92. 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 4, projected calls on contingency are forecast to budget.

**Table 13: Development and Risk Contingency**

Original Budget £'000	Budget Changes £'000	Development & Risk Contingency	Month 4		Variance (As at Month 4) £'000	Variance as at Month 2 £'000	Movement from Month 2 £'000
			Revised Budget £'000	Forecast Outturn £'000			
2,050	0	Waste Disposal Levy & Associated Contracts	2,050	1,935	(115)	0	(115)
<b>2,050</b>	<b>0</b>	<b>Current Commitments</b>	<b>2,050</b>	<b>1,935</b>	<b>(115)</b>	<b>0</b>	<b>(115)</b>
		COVID-19	0	(3,245)	(3,245)	(3,437)	192
<b>0</b>	<b>0</b>	<b>Total Exceptional Items</b>	<b>0</b>	<b>(3,245)</b>	<b>(3,245)</b>	<b>(3,437)</b>	<b>191</b>

93. The call on the Waste contingency is £1,935k, to fund estimated population driven increases in the cost of disposal via the West London Waste Authority (WLWA) levy and associated waste disposal contracts. This is a reduction of £115k compared with budget, largely reflecting a rebate due from the WLWA based on tonnages for the first quarter of 2020/21.
94. There has been a 4% increase in residual waste volumes (which account for the largest proportion of the Council's disposal costs) this year to date compared to the same period last year, although this is within budgeted levels. Whilst mixed organic (food and garden) tonnages are well above those in the equivalent period last year (partly impacted by the pandemic and lockdown), aggregate PAYT costs were below expectations for first quarter, hence the aforementioned rebate.
95. Mixed dry recycling tonnages are running 21% above those for the equivalent period last year, affecting disposal costs via the Council's contract with Biffa. This waste stream has been most significantly affected by the pandemic, with year on year increases sustained at a very high level despite the end of the most severe lockdown measures. Accordingly, a further £650k is reported against Exceptional Items related to COVID-19 to report on the estimated additional costs emerging. This will be reviewed as the year progresses and the position becomes clearer

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

96. Building Services, Transport and Business Improvement Services are currently forecasting COVID-19 pressures of £3,245k, which relates to £1,085k of expenditure pressures alongside £2,160k of income shortfalls all directly attributable to the COVID-19 pandemic.
97. The Waste Service is reporting staffing pressures 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, slower progress regarding recycling initiatives given delays in the recruitment to three new recycling officer posts and pressures in relation to recycling bag spend.
98. Within the income shortfall reported against COVID-19, £945k relates to the Waste Service, attributable to reduced income at the New Years Green Lane site whilst it was closed (and reduced activity since reopening), a decrease in income from Trade Waste collection services

and a shortfall in recycling income as markets for certain materials, particularly textiles, have collapsed due to the pandemic.

99. A pressure against rental income of approximately £570k 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.
100. Finally, £646k 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 and an anticipated decrease in recharge income owing to TfL's LIP funding suspension and uncertainty with respect to progression of the borough highways capital programme.

## **BUILDING SERVICES, TRANSPORT AND BUSINESS IMPROVEMENT SERVICES OPERATING BUDGETS (£576k underspend, £138k favourable movement)**

### **Property and Estates (£200k underspend, £93k favourable movement)**

101. There is a reported underspend of £200k at Month 4, predominantly due to additional rental income receivable from two new leases effective from April. The favourable movement is as a result of a review of COVID-19 related items now shown against Exceptional Items.

### **Capital Programme (£53k overspend, £26k adverse movement)**

102. The Capital and planned works service is showing a projected pressure of £53k 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 (£67k overspend, £4k adverse movement)**

103. The Facilities Management Service is showing an overspend of £67k against budget, attributable to increased reactive and compliance works required across the corporate property portfolio.

### **Highways (£216k underspend, £6k favourable movement)**

104. The service is reporting a £216k underspend at Month 4, 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 (£162k underspend, £21k favourable movement)**

105. There is a reported £162k underspend across Waste Services. The staff costs forecast is £49k below budget, resulting from delays to the recruitment of three new recycling officer posts, partly netted down by agency overspends. The £31k non-staffing underspend is attributable to the temporary cessation of Waste Weekend events, partly offset by increased spend on trade waste bin maintenance. There is a favourable income variance of £82k, largely reflecting the new charging structure for bulky waste collection services.

### **ICT (£97k underspend, £43k favourable movement)**

106. ICT is reporting a £97k underspend at Month 4. Whilst there is a favourable staff costs variance of £147k, largely attributable to vacant posts as the service continues to recruit to establish the structure approved as part of the March 2019 BID business case, there is a non-staffing pressure of £53k with annual renewal uplifts and costs associated with upgrades impacting on contract costs.

### **Town Centre Initiatives (£21k underspend, £4k favourable movement)**

107. A staffing underspend at Month 4 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 £5k non-staffing underspend at Month 4 largely relating to publicity costs.

## CORPORATE RESOURCES & SERVICES OPERATING BUDGET

108. An underspend of £148k is reported for the Corporate Resources and Services directorate at Month 4, a favourable movement of £119k from Month 2. The overall variance is a result of an underspend within Business and Technical Support, which is also the cause of the movement. A pressure of £865k is reported against the COVID-19 exceptional item disclosure, a movement of £58k from Month 2.

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

Original Budget £'000	Budget Changes £'000	Service	Month 4		Variance (As at Month 4) £'000	Variance (As at Month 2) £'000	Movement from Month 2	
			Revised Budget £'000	Forecast Outturn £'000				
1,496	0	Democratic Services	Salaries	1,496	1,515	19	12	7
1,750	0		Non-Sal Exp	1,750	1,737	(13)	(22)	9
(702)	0		Income	(702)	(692)	10	0	10
<b>2,544</b>	<b>0</b>		<b>Sub-Total</b>	<b>2,544</b>	<b>2,560</b>	<b>16</b>	<b>(10)</b>	<b>26</b>
1,791	0	Human Resources	Salaries	1,791	1,859	68	67	1
978	0		Non-Sal Exp	978	957	(21)	(11)	(10)
(232)	0		Income	(232)	(225)	7	0	7
<b>2,537</b>	<b>0</b>		<b>Sub-Total</b>	<b>2,537</b>	<b>2,591</b>	<b>54</b>	<b>56</b>	<b>(2)</b>
2,303	44	Legal Services	Salaries	2,347	2,239	(108)	(82)	(26)
58	1		Non-Sal Exp	59	83	24	10	14
(284)	0		Income	(284)	(284)	0	0	0
<b>2,077</b>	<b>45</b>		<b>Sub-Total</b>	<b>2,122</b>	<b>2,038</b>	<b>(84)</b>	<b>(72)</b>	<b>(12)</b>
614	0	Corporate Communications	Salaries	614	602	(12)	(2)	(10)
152	0		Non-Sal Exp	152	148	(4)	(5)	1
(26)	0		Income	(26)	(26)	0	0	0
<b>740</b>	<b>0</b>		<b>Sub-Total</b>	<b>740</b>	<b>724</b>	<b>(16)</b>	<b>(7)</b>	<b>(9)</b>
679	0	Business Performance	Salaries	679	690	11	18	(7)
83	0		Non-Sal Exp	83	84	1	0	1
0	0		Income	0	0	0	0	0
<b>762</b>	<b>0</b>		<b>Sub-Total</b>	<b>762</b>	<b>774</b>	<b>12</b>	<b>18</b>	<b>(6)</b>
11,159	0	Business & Technical Support	Salaries	11,159	10,925	(234)	(123)	(111)
211	0		Non-Sal Exp	211	235	24	22	2
(719)	0		Income	(719)	(639)	80	87	(7)
<b>10,651</b>	<b>0</b>		<b>Sub-Total</b>	<b>10,651</b>	<b>10,521</b>	<b>(130)</b>	<b>(14)</b>	<b>(116)</b>
18,042	44	Corporate Resources & Services Directorate	Salaries	18,086	17,830	(256)	(110)	(146)
3,232	1		Non-Sal Exp	3,233	3,244	11	(6)	17
(1,963)	0		Income	(1,963)	(1,866)	97	87	10
<b>19,311</b>	<b>45</b>		<b>Total</b>	<b>19,356</b>	<b>19,208</b>	<b>(148)</b>	<b>(29)</b>	<b>(119)</b>

### Exceptional Items – COVID-19 Pressures



109. Within Corporate Resources and Services Directorate, a pressure of £865k is being reported against the COVID-19 exceptional items disclosure, with £372k of this relating to expenditure pressures and £493k relating to income shortfalls.

**Table : 15 Corporate Resources & Services Development & Risk Contingency**

Original Budget	Budget Changes	Development & Risk Contingency	Month 4		Variance (As at Month 4)	Variance (As at 2)	Movement from 2
			Revised Budget	Forecast Outturn			
£'000	£'000		£'000	£'000	£'000	£'000	£'000
0	0	Covid 19	0	(865)	(865)	(923)	58
0	0	Total Exceptional Items	0	(865)	(865)	(923)	58

110. Within the expenditure pressures, £260k relates to the costs of non-Social Care Personal Protective Equipment (PPE) and £63k to the Council's provision of food shopping to shielding residents and some of the more vulnerable residents of the borough. The remaining balance is made up of smaller items, the largest being £16k of mortuary funding for additional PPE and refrigerated storage.
111. Within the £493k pressure reported against income shortfalls from the COVID-19 pandemic, £202k relates to a loss of income against Land Charges, alongside £167k relating to a reduction of income against the registration of Births, Deaths and Marriages, a further £100k from reduced court hearings and £16k 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 (£148k underspend, £119k favourable movement)**

**Democratic Services (£16k pressure, £26k adverse movement)**

112. A pressure of £16k is reported for Month 4. The adverse movement of £26k arises from the reduction in IER grant funding confirmed between reporting periods (£9k). An off-setting reduction in canvass related expenditure is possible due to planned reforms taking place but this is an area of uncertainty influenced further by the extension of the canvass deadline to February 2021 in light of the social distancing restrictions arising from the recent Pandemic. The remaining movement from Month 2 has arisen from Special Responsibility Allowances granted for two additional Members.

**Human Resources (£54k pressure, £2k adverse movement)**

113. 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 (£84k underspend, £12k favourable movement)**

114. Posts held vacant within Legal Services during the COVID-19 pandemic have resulted in a net underspend at Month 4 of £84k. The planned timeframes for recruitment have moved back following COVID-19 restrictions accounting for the favourable movement from Month 2. The Month 4 position assumes recruitment to 6 posts of varying grades currently vacant by

November and includes a £60k provision for the utilisation of external legal expertise that may be required to support with peaks in workload.

**Corporate Communications (£16k underspend, £9k favourable movement)**

115. The service is reporting an underspend of £16k at Month 4. There is a £12k staff costs underspend, attributable to delayed recruitment to vacant posts, not all of which have been covered by agency. The favourable movement reflects later than originally anticipated start dates for the service's new Publications Editor and two Media & Campaigns Officers. The £4k non-staffing underspend largely results from reduced printing costs associated with the smaller format April/May edition of Hillingdon People.

**Business Performance (£12k overspend, £6k favourable movement)**

116. Business Performance is showing an overspend position of £12k at Month 4, an improvement of £6k compared to Month 2 arising from revised recruitment assumptions.

**Business & Technical Support (£130k underspend, £116k favourable movement)**

117. The underlying forecast at Month 4 is an underspend of £130k largely attributable to delayed recruitment to vacant posts compared with the Month 2 assumptions. Off-setting variances between non-salaries and income arise from DEFRA grant funded activity to facilitate the provision of food and essential supplies for vulnerable residents post 1st July and have been adjusted pending proposed budget virements.

## Appendix B – Other Funds

### SCHOOLS BUDGET

#### Dedicated Schools Grant (£9,101k overspend, £768k adverse)

118. The Dedicated Schools Grant (DSG) monitoring position is an in-year overspend of £9,101k at Month 4, this is an increase of £1,926k on the budgeted deficit of £7,175k and an adverse movement of £768k on the month 2 position. 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 the recent publication of the SEN2 data indicates that growth in EHCPs in the past academic year has been significantly higher (17.5% vs 8.7% nationally). It is therefore projected that when the current backlog in cases is added to the increased estimated in-year growth, the budget will be further exceeded. When the £15,002k deficit brought forward from 2019/20 is taken into account, the cumulative deficit carry forward to 2021/22 is £24,103k.

**Table 16: DSG Income and Expenditure 2020/21**

Original Budget	Budget Changes	Funding Block	Month 4		Variance		
			Revised Budget	Forecast Outturn	Variance (As at Month 4)	Variance (As at Month 2)	Change from Month 2
			£'000	£'000	£'000	£'000	£'000
(296,926)	171	<b>Dedicated Schools Grant Income</b>	(296,755)	(296,755)	0	0	0
231,400	(28)	<b>Schools Block</b>	231,372	231,303	(69)	(69)	0
25,401	0	<b>Early Years Block</b>	25,401	25,401	0	0	0
3,270	0	<b>Central Schools Services Block</b>	3,270	3,303	33	0	33
44,030	(143)	<b>High Needs Block</b>	43,887	45,849	1,962	1,227	735
<b>7,175</b>	<b>0</b>	<b>Total Funding Blocks</b>	<b>7,175</b>	<b>9,101</b>	<b>1,926</b>	<b>1,158</b>	<b>768</b>
		Balance Brought Forward 1 April 2020	15,002	15,002			
		<b>Balance Carried Forward 31 March 2021</b>	<b>22,177</b>	<b>24,103</b>			

#### Dedicated Schools Grant Income (Nil variance, no change)

119. The DSG has been adjusted to reflect the actual uptake of the free entitlement for eligible two, three and four year olds. This adjustment has been based on the January 2020 census and includes a retrospective change to the 2019/20 funding, as well as a recalculation of the 2020/21 Early Years block funding.
120. There has been an amendment to the High Needs block allocation following confirmation of the import/export adjustment for 2020/21 which has updated funding to reflect the local authority in which pupils with SEND are resident. An adjustment has also been made to the High Needs funding allocation to reflect an increase in the amount recouped to fund an increase in the planned place numbers in academy special schools, which are funded directly by the ESFA.
121. The Schools block funding has also been adjusted to reflect those maintained schools, who have opted into the Risk Protection Arrangement (RPA) scheme in 2020/21. The cost of RPA membership has been deducted from the DSG and the funding allocated to the relevant schools has also been adjusted to for this.

### **Schools Block (£69k underspend, no change)**

122. 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. 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.
123. 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.
124. 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 affect the position further.

### **Early Years Block (Nil variance, no change)**

125. Two year old and three & four year old funding has now been adjusted to reflect the number of children accessing the entitlement based on the January 2020 census.
126. The process for determining early years funding allocations for local authorities is to take an annual census count of the number of hours taken up by children each January. The rationale is that this is the mid-point of the academic year and therefore balances the lower numbers eligible for the free entitlements in the autumn term and the higher numbers in the summer term. The DfE recognises that, given COVID-19, the number of children accessing childcare may not have returned to normal levels by January 2021. Therefore the final funding allocation to local authorities for the 2020 autumn term will be based on the January 2020 census count.

### **Central School Services Block (£33k overspend, £33k adverse)**

127. 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 off-set by £51k of additional funding for pupil growth. This 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.
128. At Month 4 the Central School Services block is projecting a £33k pressure due the additional cost of maternity cover in the School Placement and Admissions

### **High Needs Block (£1,962k overspend, £735k adverse)**

129. There continues to be significant pressure in the High Needs Block in 2020/21, with an overspend of £1,962k being projected at month 4. The growth in the number of pupils with an EHCP continued throughout 2019/20 with the recently published SEN2 data indicating that growth in Hillingdon in the past academic year has been 17.5% compared with 8.7% nationally. The adverse movement follows a change to the projections to reflect an increase in the projected growth in 2020/21 to bring it more in line with the actual growth in 2019/20.

130. 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 for the additional places plus the agreed top-up funding which is placing additional pressure on the High Needs block.
131. 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.
132. 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.
133. 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

134. A deficit of £4,652k 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. The majority of the movement sits within Council Tax and is attributable to an increase in Severe Mental Impairment Exemptions being awarded.
135. 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 4		Variance (As at Month 4) £'000	Variance (As at Month 2) £'000	Movement from Month 2 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
(131,835)	0	Council Tax	Gross Income	(131,835)	(131,190)	645	602	43
11,049	0		Council Tax Support	11,049	13,158	2,109	2,065	44
39	0		B/fwd Deficit	39	303	264	264	0
<b>(120,747)</b>	<b>0</b>		<b>Sub-Total</b>	<b>(120,747)</b>	<b>(117,729)</b>	<b>3,018</b>	<b>2,931</b>	<b>87</b>
(112,314)	0	Business Rates	Gross Income Section 31	(112,314)	(85,021)	27,293	27,280	13
(6,141)	0		Grants	(6,141)	(26,901)	(20,760)	(20,725)	(36)
53,666	0		Less: Tariff	53,666	53,666	0	0	0
8,784	0		Less: Levy	8,784	4,851	(3,933)	(4,548)	615
(498)	0		B/fwd Surplus	(498)	(1,464)	(966)	(966)	0
<b>(56,503)</b>	<b>0</b>	<b>Sub-Total</b>	<b>(56,503)</b>	<b>(54,869)</b>	<b>1,634</b>	<b>1,042</b>	<b>592</b>	
<b>(177,250)</b>	<b>0</b>	<b>Total Collection Fund</b>	<b>(177,250)</b>	<b>(172,598)</b>	<b>4,652</b>	<b>3,973</b>	<b>679</b>	

136. At Month 4 a deficit of £3,018k is projected against Council Tax, the position includes an adverse variance reported against Gross Income of £645k, 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 movement from Month 4 is mainly driven by an increase in Exemptions related to residents with a Severe Mental Impairment. The majority of the pressure in Council Tax is driven by a £2,065k 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.
137. A £1,634k deficit is reported across Business Rates at Month 4, the position includes an adverse variance against in-year activity of £2,600k with this variance being driven by an adverse position within Gross Rates of £27,293k. This is predominantly due to the Government's support package to assist businesses during the pandemic, including 100% rates relief for the retail, hospitality and leisure sectors, 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 £20,760k. The £27,293k 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.

138. The in-year position includes a favourable position being reported against the Levy of £3,933k, 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

139. The Housing Revenue Account (HRA) is currently forecasting a drawdown of reserves of £2,047k, which is £10k favourable compared to the budget and the Month 2 position. This excludes the potential cost pressures of COVID-19, which are estimated at £661k. The 2020/21 closing HRA General Balance is forecast to be £15,028k. 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 4		Variance (+ adv / - fav)		
	Revised Budget	Forecast Outturn	Variance (As at Month 4)	Variance (As at Month 2)	Movement from Month 2
	£'000	£'000	£'000	£'000	£'000
Rent Income	(57,872)	(57,872)	0	0	0
Other Income	(5,414)	(5,414)	0	0	0
<b>Net Income</b>	<b>(63,286)</b>	<b>(63,286)</b>	<b>0</b>	<b>0</b>	<b>0</b>
Housing Management	14,741	14,655	(86)	(74)	(12)
Tenant Services	3,759	3,799	40	74	(34)
Repairs	5,368	5,404	36	0	36
Planned Maintenance	4,040	4,040	0	0	0
Capital Programme Funding	20,790	20,790	0	0	0
Interest & Investment Income	15,385	15,385	0	0	0
Development & Risk Contingency	1,260	1,260	0	0	0
<b>Operating Costs</b>	<b>65,343</b>	<b>65,333</b>	<b>(10)</b>	<b>0</b>	<b>(10)</b>
<b>(Surplus) / Deficit</b>	<b>2,057</b>	<b>2,047</b>	<b>(10)</b>	<b>0</b>	<b>(10)</b>
General Balance 01/04/2020	(17,075)	(17,075)	0	0	0
<b>General Balance 31/03/2021</b>	<b>(15,018)</b>	<b>(15,028)</b>	<b>(10)</b>	<b>0</b>	<b>(10)</b>

### Income

140. As at Month 4, rental income and other income are forecast to breakeven, nil movement on Month 2.

141. The number of Right to Buy (RTB) applications received in the first four months of 2020/21 was 48 compared to 64 for the same period in 2019/20; a reduction of 25%. There has been 14 RTB completions in the first four months of 2020/21 which is the same as the first four months in 2019/20. Whilst there has been a reduction in RTB applications, the RTB sales is similar to 2019/20. This will be kept under review during the year. As at Month 4, the 2020/21 RTB sales forecast is 50, which is the same as the budgeted sales.

### Expenditure

142. The Housing management service is forecast to underspend by £86k, a favourable movement of £12k on Month 2 due to reductions in running costs.



143. Tenant services is forecast to overspend by £40k, a favourable movement of £34k on Month 2 due to reduced forecasts of £13k on staffing and £21k on various minor running costs.
144. The repairs and planned maintenance budget totals £9,408k and there is an adverse movement on Month 2 of £36k due to increased forecasts on staffing costs.
145. As at Month 4 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

146. The table below summarises the HRA COVID-19 cost pressures identified to date and this will be kept under review during the year. These pressures have not been included in the Month 4 forecast position for HRA revenue and total £661k.
147. The key pressures relate to repairs and maintenance totalling £303k due to unreported and catch up day-to-day repairs and void works, and bad debt provision totalling £214k due to increasing arrears and the age of the arrears. Other pressures include housing management costs of £21k, and rental income costs of £123k due to timing delays on the works to stock capital programme.
148. The movement from Month 2 is a reduction of £128k on the repairs and maintenance COVID-19 pressures, as catch up repairs have not materialised in recent months

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

HRA Covid-19 pressures	2020/21 Month 4	2020/21 Month 2	2020/21 Movement from Month 2
	£'000	£'000	£'000
Repairs and Planned Maintenance	303	431	(128)
Development and Risk Contingency – Bad Debt Provision	214	214	0
Housing Management (workforce, PPE)	21	21	0
Rental Income impact	123	123	0
<b>Total HRA Revenue Covid-19 pressures</b>	<b>661</b>	<b>789</b>	<b>(128)</b>

## HRA Capital Expenditure

149. 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 £48,419k with a net variance of £17,190k of which £16,590k is due to re-phasing and £600k due to cost under spends.

**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	Movement 2020-25
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Major Projects (Note 1)</b>								
New General Needs Housing Stock	39,712	33,789	(175)	(5,748)	141,424	141,249	(175)	0
New Build - Shared Ownership	7,023	1,841	(125)	(5,057)	14,867	14,742	(125)	0
New Build - Supported Housing Provision	816	816	0	0	816	816	0	0
<b>Total Major Projects</b>	<b>47,551</b>	<b>36,446</b>	<b>(300)</b>	<b>(10,805)</b>	<b>157,107</b>	<b>156,807</b>	<b>(300)</b>	<b>0</b>
<b>HRA Programmes of Work</b>								
Works to Stock programme	15,870	10,085	0	(5,785)	60,243	60,243	0	0
Major Adaptations to Property	2,188	1,888	(300)	0	10,129	9,829	(300)	(300)
<b>Total HRA Programmes of Work</b>	<b>18,058</b>	<b>11,973</b>	<b>0</b>	<b>(5,785)</b>	<b>70,372</b>	<b>70,072</b>	<b>(300)</b>	<b>(300)</b>
<b>Total HRA Capital</b>	<b>65,609</b>	<b>48,419</b>	<b>(600)</b>	<b>(16,590)</b>	<b>227,479</b>	<b>226,879</b>	<b>(600)</b>	<b>0</b>
Movement from Month 2	0	(5,462)	(300)	(5,162)	0	0	(300)	

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

### Major Projects

150. The 2020/21 Major Projects programme revised budget is £47,551k. Forecast expenditure is £36,446k, with a re-phasing variance of £10,805k and a cost underspend of £300k forecast in 2020/21.

#### New General Needs Housing Stock

151. There is forecast re-phasing of £5,748k across the General Needs programme due to delays in the progress of several projects, partly arising from COVID-19 lockdown.

152. 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.

153. 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.

154. 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.

155. 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.
156. Thirteen buybacks have been formally approved in 2020/21 estimated to cost up to £4,093k inclusive of stamp duty, legal fees & expected void repairs costs from the Acquisitions and Internal Developments budget, partially offset by the reallocation of £767k previously approved funding for two properties that are no longer progressing.
157. In October 2019 Cabinet Members approved the purchase of land at Newport Road and a turnkey package development of 28 units for short-term accommodation, at a total cost of £9,071k including stamp duty and fees, and a deposit of £1,297k was previously paid in 2019/20. Further staged payments will be released in 2020/21 as the construction works progress, which are due to complete in March 2021

#### New Build - Shared Ownership

158. The New Build Shared Ownership budget comprises schemes being delivered across five sites. These are expected to deliver 116 units in total.
159. 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 to start before April 2021 and this is reflected in the forecast.
160. 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

161. 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**

162. The Works to Stock 2020/21 revised budget is £15,870k. Due partly to the COVID-19 crisis, forecast expenditure has reduced by £5,785k from budget across various work streams, with planned programmes in various stages of progress and some schemes continuing into next year. The forecast spend includes £222k of costs incurred for scaffolding and associated costs relating to timing delays caused by Covid-19.
163. The major adaptations to property budget is forecast to under spend by £300k based on anticipated demand for the year.

#### **HRA Capital Receipts**

164. There has been 14 Right to Buy sales of council dwellings as at the end of July 2020 for a total gross sales value of £2,860k. A further 36 sales are forecast to bring the yearly total to 50, totalling £9,200k in 2020/21.

165. 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.
166. During 2020/21, the £8,385k Right to Buy 1-4-1 capital 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.
167. 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		21,114	21,114	0	0	0	115,341	115,341	0
325	Belmore Allotments	86	4,220	178	(4,042)	0	(4,042)	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	2,025	(430)	0	(430)	2,627	2,627	0
31	2 East Way	1	203	10	(193)	0	(193)	203	203	0
25	Bartram Close	2	305	5	(300)	0	(300)	305	305	0
67	34-44 Sullivan Crescent	6	686	41	(645)	0	(645)	949	949	0
363	Nelson Road	6	1,895	1,704	(191)	0	(191)	1,944	1,944	0
285	Great Benty	2	471	236	(235)	0	(235)	471	471	0
1,297	Acquisition TCM House	28	7,774	7,774	0	0	0	7,774	7,774	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	100	(1,433)	0	(1,433)	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	612	(334)	0	(334)	1,089	1,089	0
403	Woodside Day Centre	27	2,876	500	(2,376)	0	(2,376)	4,915	4,915	0
										0
<b>51,472</b>		<b>416</b>	<b>47,551</b>	<b>36,446</b>	<b>(11,105)</b>	<b>(300)</b>	<b>(10,805)</b>	<b>157,107</b>	<b>156,807</b>	<b>(300)</b>
12,691	General Needs Housing Stock	152	39,712	33,789	(5,924)	(175)	(5,748)	141,424	141,249	(175)
3,625	New Build - Shared Ownership	116	7,023	1,841	(5,181)	(125)	(5,057)	14,867	14,742	(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>36,446</b>	<b>(11,105)</b>	<b>(300)</b>	<b>(10,805)</b>	<b>157,107</b>	<b>156,807</b>	<b>(300)</b>

## Appendix D - GENERAL FUND CAPITAL PROGRAMME

168. As at Month 4 an under spend of £45,414k is reported on the 2020/21 General Fund. Capital Programme of £113,569k, due mainly to re-phasing of project expenditure into future years. The 2020/21 forecast under spend is partly due to various schemes being temporarily put on hold during the Coronavirus pandemic. The forecast outturn variance over the life of the 2020/21 to 2024/25 programme is an under spend of £4,118k.
169. General Fund Capital Receipts of £8,689k are forecast for 2020/21, with a surplus of £214k in total forecast receipts to 2024/25.
170. Overall, Prudential Borrowing required to support the 2020/21 to 2024/25 capital programmes is forecast to be under budget by £740k. This is due to a combined shortfall of £1,286k on other sources of funding (capital receipts and CIL), offset by net cost under spends of £541k and additional available grant and contributions of £1,485k.

### Capital Programme Overview

171. 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	Movement
	£'000	£'000	£'000	£'000
Schools Programme	20,244	20,521	277	277
Major Projects	189,415	189,369	(46)	
Programme of Works	168,735	164,386	(4,349)	(772)
General Contingency	7,333	7,333	-	
<b>Total Capital Programme</b>	<b>385,727</b>	<b>381,609</b>	<b>(4,118)</b>	<b>(495)</b>
<b>Movement</b>	<b>298</b>	<b>(197)</b>	<b>(495)</b>	

172. The 2020/21 revised budget has increased following recent grant awards for new projects including Rough Sleepers Initiative (Homeless provision) , Greener Cities (Environmental Initiatives) and Emergency Active Travel Fund.

### Schools Programme

173. The Schools Expansions programme is reporting an over spend of £277k relating to additional items requested by Ruislip High School to be included in the expansion, which were not in the original scope of works. 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 or possibly earlier.
174. 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 with expenditure expected to fall mainly in future years.

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

### **Major Projects**

176. 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, over a number of years. Two new developments are expected to progress this year.
177. 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.
178. 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. In July, Cabinet approved the main contract award for the £2,000k refurbishment of Yiewsley and West Drayton Community Centre and works have now commenced for completion early next year.
179. Tender bids are under evaluation for the contract to extend the Uxbridge mortuary. The first phase of remedial works at the Battle of Britain Bunker will commence shortly, following contract award approval. Works to expand the Rural Activities Garden Centre are currently on hold during the pandemic.
180. 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.
181. The National Lottery Heritage Fund has recently confirmed the Council has been successful in securing £2,283k funding for the regeneration of Cranford Park, and following this detailed design work will commence this year with works on site expected to start next year. The total project budget also includes match funding.
182. Works are to commence shortly on the creation of a new Polish Air Force exhibition and install a soundscape and lighting display in the Controller's Cabin at the Battle of Britain Bunker.

### **Programmes of Works**

183. 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. The Department for Transport have recently awarded £100k Emergency Active Travel funding for measures to improve walking and cycling and support reducing use of public transport during the pandemic.

184. A number of Chrysalis outdoor gyms and playgrounds projects were put on hold when the pandemic started but are now expected to commence later this year.
185. The libraries refurbishment programme continues with five sites completed or near completion and works commencing at Manor Farm and Oak Farm libraries. The leisure centre refurbishment programme has been on hold during the pandemic.
186. Works are underway on refurbishing the Mezzanine area at the Civic Centre to enable relocation of services. A number of schemes within the Civic Centre and Property Works Programme are in various stages of progress, and £118k total under spends are reported on completed projects that commenced in 2019/20. The planned scope of works for the currently uncommitted budget are under review with some projects on hold during the Coronavirus pandemic.
187. An under spend of £40k is reported on completed schemes carried forward from last year within the Environmental and Recreational Initiatives programme. Pollution screening works are being introduced at various schools across the borough.
188. New cashless pay and display parking payment machines will be rolled out across the borough this year, following approval of the contract award at June Cabinet. An under spend of £89k is reported on the project, as the contract sum was below the budget estimate. Installation work is planned to be complete before Christmas.
189. Disabled Facilities Grant adaptations are forecast to under spend by £500k based on anticipated demand for the year. The grant will be able to be utilised on financing Social Care equipment capitalisation. Private Sector Renewal Grants are also forecast to under spend by £25k.
190. Works are in various stages of progress on numerous carriageway refurbishments within the Highways improvement programme with £2,569k of new works in progress and further phases of works to be implemented later this year. 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.
191. 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.
192. The remaining 2020/21 general capital contingency budget is £1,428k following the recent allocations of £72k towards the Battle of Britain Visitor Centre enhancements project.

### **Capital Financing - General Fund**

193. Table 20 below outlines the latest financing projections for the capital programme, with an adverse medium term variance of £720k 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	Movement
Council Resource Requirement							
Self Financing Schemes	20,629	12,150	(8,479)	62,160	62,160	-	
Invest to Save Schemes	5,881	4,892	(989)	8,881	8,792	(89)	(89)
Service Provision	67,438	39,015	(28,423)	221,513	219,576	(1,937)	(1,891)
<b>Total Council Resources</b>	<b>93,948</b>	<b>56,057</b>	<b>(37,891)</b>	<b>292,554</b>	<b>290,528</b>	<b>(2,026)</b>	<b>(1,980)</b>
Financed By							
Capital Receipts	9,431	8,689	(742)	52,820	53,034	214	1,346
CIL	3,500	2,000	(1,500)	17,500	16,000	(1,500)	
Prudential Borrowing	81,017	45,368	(35,649)	222,234	221,494	(740)	(3,326)
<b>Total Council Resources</b>	<b>93,948</b>	<b>56,057</b>	<b>(37,891)</b>	<b>292,554</b>	<b>290,528</b>	<b>(2,026)</b>	<b>(1,980)</b>
Grants & Contributions	19,621	12,098	(7,523)	93,173	91,081	(2,092)	1,485
<b>Capital Programme</b>	<b>113,569</b>	<b>68,155</b>	<b>(45,414)</b>	<b>385,727</b>	<b>381,609</b>	<b>(4,118)</b>	<b>(495)</b>
Movement	298	(22,675)	(22,973)	298	(197)	(495)	

194. Forecast capital receipts in 2020/21 amount to £8,689k 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 with legal exchange expected in August. Several sites have been submitted to September Cabinet to authorise sales, with auctions planned for 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.
195. As at the end of July 2020, a total of £241k Community Infrastructure Levy receipts have been invoiced (after administration fees) and a shortfall of £1,500k is forecast as developer activity has been affected by Covid-19 with a subsequent impact on timing and certainty 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.
196. Forecast grants and contributions are £2,092k lower than the revised budget, due mainly to the cut to the 2020/21 TFL LIP grant. The favourable movement of £1,485k is mainly due to the confirmed Capital Maintenance Grant being higher than the estimate included in the capital financing budget, including a further additional award of £994k recently announced. This can be used to support the existing Schools Conditions Building Programme and eligible expenditure within the Schools Expansions programme. Section 106 balances of £68k pertaining to libraries provision are to be applied to the libraries refurbishment programme.
197. The favourable movement in prudential borrowing in 2020/21 of £3,326k is due mainly to additional grants noted above and currently lower than budgeted forecast transformation financing increasing the level of available capital receipts for capital financing.

## 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	5,058	277	(910)	9,571	9,848	277	9,571	277	0
0	Additional Temporary Classrooms	2,850	0	0	(2,850)	6,650	6,650	0	4,400	2,250	0
458	Schools SRP	1,958	411	0	(1,547)	3,416	3,416	0	0	3,416	0
0	Meadow School	240	240	0	0	240	240	0	240	0	0
<b>33,358</b>	<b>Total Schools Programme</b>	<b>11,106</b>	<b>6,076</b>	<b>277</b>	<b>(5,307)</b>	<b>20,244</b>	<b>20,521</b>	<b>277</b>	<b>14,578</b>	<b>5,943</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	0	0	(1,000)	44,000	44,000	0	42,950	0	1,050
963	New Yiewsley Leisure Centre	937	365	0	(572)	29,037	29,037	0	29,037	0	0
69	Yiewsley/West Drayton Comm Centre	1,931	1,500	0	(431)	1,931	1,931	0	1,931	0	0
773	Hillingdon Outdoor Activity Centre	2,000	250	0	(1,750)	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	288	0	(1,124)	1,462	1,462	0	1,462	0	0
58	RAGC Expansion	915	94	0	(821)	1,356	1,356	0	1,356	0	0
7	Uxbridge Mortuary Extension	993	350	0	(643)	1,224	1,224	0	609	0	615
2	1 & 2 Merrimans Housing Project	470	10	0	(460)	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	20	0	(370)	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	308	0	(185)	2,597	2,597	0	215	1,783	599
	<b>Finance Property and Business Services</b>										
6,871	Housing Company Financing	18,129	12,000	0	(6,129)	43,129	43,129	0	43,129	0	0
250	Yiewsley Site Development	2,500	150	0	(2,350)	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	0	0	(5,000)	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	20	20	0	0	20	20	0	20	0	0
<b>28,806</b>	<b>Total Major Projects</b>	<b>40,367</b>	<b>17,193</b>	<b>(46)</b>	<b>(23,128)</b>	<b>189,415</b>	<b>189,369</b>	<b>(46)</b>	<b>154,618</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	3,090	0	(1,616)	10,906	10,906	0	1,616	8,315	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	1,577	0	(743)	2,320	2,320	0	2,252	0	68
N/A	Youth Provision	1,620	200	0	(1,420)	3,620	3,620	0	3,620	0	0
N/A	Harlington Road Depot Improvements	586	330	0	(256)	586	586	0	586	0	0
N/A	Property Works Programme	3,227	2,086	(44)	(1,097)	8,986	8,942	(44)	8,917	25	0
N/A	Civic Centre Works Programme	5,156	2,600	(74)	(2,482)	8,177	8,103	(74)	8,103	0	0
N/A	CCTV Programme	284	344	0	60	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	Emergency Active Travel	100	100	0	0	100	100	0	0	100	0
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	2,352	(500)	0	14,260	13,760	(500)	0	13,760	0
N/A	Equipment Capitalisation - Social Care	2,359	2,359	0	0	11,795	11,795	0	3,030	8,765	0
N/A	PSRG/LPRG	100	75	(25)	0	500	475	(25)	475	0	0
N/A	Homeless Provision	190	190	0	0	190	190	0	0	190	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/Recreational Initiatives	1,405	1,247	(40)	(118)	2,905	2,865	(40)	795	40	2,030
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	123	0	(233)	1,156	1,156	0	1,156	0	0
N/A	Car Park Pay & Display Machines	1,040	951	(89)	0	1,040	951	(89)	951	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	464	464	0	0	464	464	0	0	0	464
N/A	Devolved Capital to Schools	283	283	0	0	1,171	1,171	0	0	1,159	12
	<b>Total Programme of Works</b>	<b>60,763</b>	<b>43,553</b>	<b>(4,349)</b>	<b>(12,861)</b>	<b>168,735</b>	<b>164,386</b>	<b>(4,349)</b>	<b>113,999</b>	<b>45,912</b>	<b>4,475</b>

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

**Table 23: Outstanding Deposits – Average Rate of Return 0.22%**

Period	Actual (£m)	Actual (%)	Benchmark (%)
Call Accounts and MMF's*	35.9	65.9	70.00
Up to 1 Month Fixed-Term Deposits	3.6	6.6	
Over 1 Month Fixed-Term Deposits	0.0	0.00	0.00
<b>Total</b>	<b>39.5</b>	<b>72.5</b>	<b>70.00</b>
Strategic Pooled Funds	15.0	27.5	30.00
<b>Total</b>	<b>54.5</b>	<b>100.00</b>	<b>100.00</b>

\*Money Market Funds

198. 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, Santander UK plc and the DMADF. There is also an allocation to Strategic Pooled Funds.
199. The average rate of return on day-to-day operational treasury balances is 0.22%. As part of the Council's investment strategy for 20/21, 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.
200. 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 July, 91% of the Council's day-to-day operational treasury investments had exposure to bail-in risk compared to a June benchmark average of 59% in the Local Authority sector (latest benchmark provided quarterly by the Council's treasury advisors Arlingclose). The Council's exposure reduces to 0% once instant access facilities are excluded from the total bail-in percentage.
201. Liquidity was maintained throughout July by placing surplus funds in instant access accounts and making short-term deposits with the DMADF with maturities matched to cash outflows. In addition, a £5m of short-term temporary borrowing was taken to replace matured temporary borrowing, ensuring cash balances were kept above minimum levels.

**Table 24: Outstanding Debt - Average Interest Rate on Debt: 3.22%**  
**Average Interest Rate on Temporary Borrowing: 0.66%**

	Actual (£m)	Actual (%)
<b>General Fund</b>		
PWLB	46.27	16.08
Long-Term Market	15.00	5.21
Temporary	55.00	19.11
<b>HRA</b>		
PWLB	138.57	48.14
Long-Term Market	33.00	11.46
<b>Total</b>	<b>287.84</b>	<b>100.00</b>

202. During July £5m of temporary borrowing reached maturity. There were no scheduled long term debt repayments during July. Gilt yields fluctuated during the month, ending it around 10bps lower than it began. With the ongoing need to take further borrowing and with restrictive premiums, early repayment of debt remains unfeasible.

203. There were no breaches of the Prudential Indicators or non-compliance with the Treasury Management Policy and Practices. In order to maintain liquidity for day-to-day business operations during August, cash balances will be placed in instant access accounts and short term deposits. In addition, cash flow forecasts indicate temporary borrowing of around £5m is required to ensure minimum cash levels are maintained throughout August. This replaces temporary borrowing that has matured so far this year.

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

205. 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>						
<b>Social Care</b>						
Team Manager	17/07/2017	31/08/2020	04/10/2020	327	10	337
Senior Social Worker	01/04/2013	31/08/2020	04/10/2020	262	8	270
Social Worker	06/04/2017	31/08/2020	04/10/2020	253	8	261
Social Worker	23/10/2017	31/08/2020	04/10/2020	199	6	205
Social Worker	16/12/2016	31/08/2020	04/10/2020	290	8	298
Social Worker	21/08/2016	31/08/2020	04/10/2020	292	8	300
Social Worker	10/07/2017	31/08/2020	04/10/2020	221	8	229
Social Worker	07/11/2016	31/08/2020	04/10/2020	301	8	309
Social Worker	04/05/2015	31/08/2020	04/10/2020	343	7	350
Social Worker	13/04/2015	31/08/2020	04/10/2020	386	8	394
Senior Social Worker	30/04/2012	31/08/2020	04/10/2020	384	8	392
Social Worker	11/07/2016	31/08/2020	04/10/2020	313	8	321
Social Worker	01/08/2015	31/08/2020	04/10/2020	354	9	363
Social Worker	27/10/2016	31/08/2020	04/10/2020	284	8	292
Educational Psychologist	04/02/2019	31/08/2020	04/10/2020	230	14	244
Educational Psychologist	15/11/2015	31/08/2020	04/10/2020	401	10	411
Special Needs Officer	01/12/2016	31/08/2020	04/10/2020	250	7	257
Social Worker	11/08/2014	31/08/2020	04/10/2020	483	8	491
Social Worker	01/01/2013	31/08/2020	04/10/2020	502	8	510
Social Worker	01/04/2013	31/08/2020	04/10/2020	298	8	306
Social Worker	26/08/2016	31/08/2020	04/10/2020	280	7	287
Support Worker	20/12/2015	31/08/2020	04/10/2020	135	4	139
Social Worker	04/07/2016	31/08/2020	04/10/2020	336	8	344
Social Worker	03/07/2016	31/08/2020	04/10/2020	342	9	351
Social Worker	21/11/2016	31/08/2020	04/10/2020	274	8	282
Social Worker	01/01/2013	31/08/2020	04/10/2020	499	8	507
Senior Social Worker	29/06/2017	31/08/2020	04/10/2020	264	8	272
Senior Educational Psychologist	15/08/2016	31/08/2020	04/10/2020	359	14	373
Social Worker	02/07/2017	31/08/2020	04/10/2020	215	8	223
Independent Domestic Violence Advocate	01/10/2018	31/08/2020	04/10/2020	101	5	106
Education Health and Care Officer	04/03/2019	31/08/2020	04/10/2020	91	6	97
Senior Social Worker	21/11/2017	31/08/2020	04/10/2020	121	8	129
Senior Social Worker	19/12/2011	31/08/2020	04/10/2020	128	9	137
Social Worker	01/04/2018	31/08/2020	04/10/2020	192	8	200

<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>
Social Worker	24/11/2015	31/08/2020	04/10/2020	144	5	149
Social Worker	01/04/2013	31/08/2020	04/10/2020	115	8	123
SEND Officer	04/11/2019	31/08/2020	04/10/2020	53	6	59
SEND Officer	02/12/2019	31/08/2020	04/10/2020	59	8	67
Head of Service - LAC and Young People's Services	17/02/2020	31/08/2020	04/10/2020	52	10	62
Approved Mental Health Worker	05/02/2018	31/08/2020	04/10/2020	134	5	139
AMHP	04/02/2019	31/08/2020	04/10/2020	121	7	128
AMHP	03/06/2019	31/08/2020	04/10/2020	96	7	103
AMHP	01/07/2019	31/08/2020	04/10/2020	90	7	97
Social Worker	03/08/2019	31/08/2020	04/10/2020	79	7	86
AMHP	30/09/2019	31/08/2020	04/10/2020	71	7	78
AMHP	30/09/2019	31/08/2020	04/10/2020	71	7	78
Social Worker	01/11/2019	31/08/2020	04/10/2020	73	8	81
Senior Social Worker	04/11/2019	31/08/2020	04/10/2020	68	8	75
AMHP	04/11/2019	31/08/2020	04/10/2020	63	7	71
AMHP	04/11/2019	31/08/2020	04/10/2020	106	12	118
Social Worker (CHC)	03/01/2017	31/08/2020	04/10/2020	178	5	183
AMHP	03/02/2020	31/08/2020	04/10/2020	44	7	52
AMHP	03/02/2020	31/08/2020	04/10/2020	44	7	52
Team Manager	03/02/2020	31/08/2020	04/10/2020	49	8	57
Support Worker	03/04/2017	31/08/2020	04/10/2020	119	4	122
Registered Manager	04/02/2019	31/08/2020	04/10/2020	67	6	73
Support Worker	03/10/2016	31/08/2020	04/10/2020	92	2	95
Support Planner	03/09/2018	31/08/2020	04/10/2020	67	3	71
Care Worker	06/07/2016	31/08/2020	04/10/2020	119	3	122
Care Worker	06/03/2017	31/08/2020	04/10/2020	99	3	102
Brokerage Officer	03/09/2018	31/08/2020	04/10/2020	58	3	60
Residential Worker	29/04/2019	31/08/2020	04/10/2020	52	4	55
Nursery Practitioner	01/10/2017	31/08/2020	04/10/2020	93	3	96
SENDIASS Manager	29/04/2019	31/08/2020	04/10/2020	121	9	129
Senior Early Years Practitioner	01/04/2018	31/08/2020	04/10/2020	54	3	57
Early Years Practitioner	01/04/2018	31/08/2020	04/10/2020	51	2	53
Early Years Practitioner	01/04/2018	31/08/2020	04/10/2020	65	3	68
Early Years Practitioner	06/02/2017	31/08/2020	04/10/2020	92	3	94
Early Years Practitioner	01/04/2018	31/08/2020	04/10/2020	65	3	68
Early Years Practitioner	01/04/2018	31/08/2020	04/10/2020	65	3	68
Early Years Practitioner	25/03/2016	31/08/2020	04/10/2020	100	3	102
Nursery Officer	05/09/2016	31/08/2020	04/10/2020	94	3	97
Early Years Practitioner	23/02/2015	31/08/2020	04/10/2020	125	3	128
Service Development & Quality Assurance Officer	01/04/2019	31/08/2020	04/10/2020	166	11	177
FIS Officer	01/04/2018	31/08/2020	04/10/2020	79	4	83
Senior Support Worker	01/07/2019	31/08/2020	04/10/2020	50	4	54
Online Services Co-ordinator	04/03/2019	31/08/2020	04/10/2020	101	6	108



Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
Senior Business Analyst (Liquid Logic Implementation)	01/07/2019	31/08/2020	04/10/2020	96	9	104
<b>Environment, Education &amp; Community Services</b>						
Planning Service Manager	01/07/2019	30/06/2020	21/09/2020	112	28	140
Major Applications (PPA) Planner	27/03/2016	27/07/2020	25/10/2020	336	25	361
Secondary School Improvement Advisor	04/01/2016	06/07/2020	21/12/2020	529	18	547
Senior School Improvement Advisor	02/04/2018	06/07/2020	21/12/2020	304	66	370
Primary School Improvement Advisor	04/01/2016	06/07/2020	21/12/2020	488	59	547
Homeless Prevention Caseworker	06/01/2020	10/08/2020	07/02/2021	27	27	54
Planning Enforcement Officers	15/04/2019	24/08/2020	22/11/2020	92	18	110
Major Applications (PPA) Planner	03/01/2017	18/08/2020	17/11/2020	271	22	292
Air Quality Officer	21/09/2015	24/08/2020	22/11/2020	126	10	136
Imported Food Office Manager	14/01/2019	27/07/2020	20/09/2020	157	18	175
<b>Building Services, Transport &amp; Business Improvement</b>						
Corporate Building Planned Works Manager	26/08/2019	28/08/2020	27/11/2020	122	30	152
Interim Head of Programme Development (BID)	03/08/2020	03/08/2020	28/02/2021	0	90	90
<b>Corporate Resources &amp; Services</b>						
Media & Campaigns Officer	29/04/2019	20/07/2020	09/10/2020	121	17	138
Customer Service Advisor	03/04/2018	24/08/2020	22/11/2020	62	8	70

## Appendix G

### Recent Cabinet level contract decisions taken under interim / urgency provisions

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

#### **17 June 2020 - Contract extension for the Collection and Treatment of Co-mingled Dry Recycling**

##### **RESOLVED:**

**That the Leader of the Council and Cabinet Member for Housing and The Environment agree to extend the current contract with Biffa Waste Services Ltd for the collection and treatment of co-mingled dry recyclables to the London Borough of Hillingdon for the period from June 2020 to March 2021 and at an estimated cost of £914k for the period.**

##### **Supporting information**

The Government relaxed procurement rules to enable the extension of existing contracts where tendering would be affected by the COVID-19 pandemic. Due to the Government's advice for people to stay at home, the Waste Service experienced an increased volume of both residual waste and recycling presented for collection and has also seen a significant increase in the number of recycling bag deliveries following the closure of libraries in March. This decision to extend the current contract enables the Council to continue to provide a first class waste service to residents.

#### **29 June 2020 - Contract Award: Triscott House and Cottesmore House Extra Care Support Services For Adults (Special Urgency)**

##### **RESOLVED:**

**That the Leader of the Council and the Cabinet Member for Social Care, Health & Wellbeing:**

- 1. Approved the variation to the contract with CCS Homecare Services Ltd to include the provision of extra care support services at Triscott House and Cottesmore House to the London Borough of Hillingdon for a four and a half year period from the 4 October 2020 to the 3 April 2025 and at a value of £6,621,183 and;**
- 2. Approved that this includes the provision to extend the contract for a two year period 4 April 2025 to 3 April 2027 and at a value of £2,942,748 (up to 6.5 years in total), with approval of any extension to the Leader of the Council and the Cabinet Member for Social Care, Health and Wellbeing, in consultation with the Corporate Director of Social Care.**

##### **Supporting information**

This decision enabled the Council to standardise the provision of Extra Care services across the Borough to a single supplier covering all 4 sites. A single lead provider will enable consistency of service, continuity within the service pathway for residents, better contract management and partnership working.

#### **4 September 2020 - Passenger Lift Maintenance & Repairs for Corporate & Housing Properties**

##### **RESOLVED:**

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

- 1. accepted the tender from Lift and Engineering Services Ltd for the provision of passenger lift maintenance and repairs for corporate and housing properties for a period of 3 years from 1 September 2020 to 31 August 2023 and at the value of £134k per annum; and**
- 2. agreed that this includes the provision to extend the contract for a 1 year period (4 years in total), delegating approval of any extension to the Leader of the Council and Cabinet Member for Finance, Property and Business Services, in consultation with the Deputy Chief Executive and Corporate Director of Residents Services.**

##### **Supporting information**

This decision provided for a new contract for passenger lift maintenance and repairs for corporate and housing properties. Regulations require that all lifts provided for use are thoroughly examined by a competent person at regular intervals, which would include lifts and hoists used to lift people or loads.

#### **4 September 2020 - Postal Services Direct Award (Special Urgency)**

##### **RESOLVED:**

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

- 1) Agree for the London Borough of Hillingdon to directly award to Royal Mail Group Limited, allowable by the CCS Framework for Postal Goods and Services (RM6017) Lot 3 - Collection and delivery of letters, large letters and parcels. London Borough of Enfield, on behalf of the London Boroughs Postal Board, will lead the direct award process for the provision of postal goods and services;**
- 2) Agree for the signing of a Framework Access Agreement with the London Borough of Enfield (lead borough) to enable the direct award of contract to Royal Mail Group Limited for Hillingdon Council; and,**
- 3) Accept the proposed contract for an initial period of 12 (twelve) months. There is an intention to conduct a mini competition with all awarded suppliers on the CCS Framework for Postal Goods and Services (RM6017) in late Spring 2021**

##### **Supporting information**

This decision enabled a temporary 12 month direct award to Royal Mail Group Limited to continue the delivery of essential postal services, due to a delay in the new procurement framework resulting from COVID-19. For the Council to sign up to an agreement with another local authority to procure such services on its behalf is ordinarily a decision reserved to the Cabinet.

##### **BACKGROUND PAPERS**

Decision Notices: 17 & 29 June 2020 and 4 September 2020