

COUNCIL BUDGET - 2020/21 REVENUE AND CAPITAL MONTH 6 BUDGET MONITORING

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

HEADLINE INFORMATION

Purpose of report	<p>This report provides the Council's forecast financial position and performance against the 2020/21 revenue budget and Capital Programme.</p> <p>A net in-year underspend of £2,558k is reported against General Fund revenue budget normal activities as of September 2020 (Month 6), an improvement of £988k on the Month 5 position. Unallocated reserves are projected to total £30,463k at 31 March 2020.</p> <p>In-year COVID-19 pressures, net of government grant, are projected at £3,800k. This will be funded from Earmarked Reserves of £9,126k set up to fund potential COVID-19 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>
Contribution to our plans and strategies	<p>Putting our Residents First: <i>Financial Management</i></p> <p>Achieving Value for Money is an important element of the Council's Medium Term Financial Plan.</p>
Financial Cost	N/A
Relevant Policy Overview Committee	Corporate Services, Commerce & Communities
Ward(s) affected	All

RECOMMENDATIONS

That Cabinet:

1. Note the budget position as at September 2020 (Month 6) as outlined in Table 1.
2. Note the Treasury Management update as at September 2020 at Appendix E.
3. Continue the delegated authority up until the November 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 22 October 2020 and 12 November 2020 Cabinet meetings, detailed at Appendix F.

4. Approves re-phasing of £6,463k HRA capital expenditure and associated financing budgets into later years of the capital programme.
5. Approves re-phasing of £28,435k General Fund capital expenditure and associated financing budgets into later years of the capital programme.
6. Approves the virement of £676k from the 2020/21 General Capital Contingency budget to the Uxbridge Mortuary Extension project.
7. Accept grant award of £9,980 from London Sport in respect of the Tackling Inequalities COVID-19 Fund.

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 6 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** In order to reflect revised expenditure profiles on various HRA Major Projects that will be completed in future years, it is proposed to re-phase expenditure budgets and associated financing totalling £6,463k. Works To Stock schemes will be reviewed at the end of the financial year to ensure only the required level of budget is carried forward.
4. **Recommendation 5** In order to reflect revised expenditure profiles on various Major Projects that will be completed in future years, it is proposed to re-phase expenditure budgets and associated financing totalling £28,435k. Programmes of Works schemes will be reviewed at the end of the financial year to ensure only the required level of budget is carried forward.
5. **Recommendation 6** Following receipt and evaluation of tender bids for the extension to Uxbridge mortuary, a required uplift in the project budget of £676k is proposed to be funded from the remaining unallocated 2020/21 general capital contingency budget of £1,333k. The increase in cost from original budget estimates is due to increases in scope identified during the design stage and specialist mechanical and electrical services. The tender price also reflects a premium for using a contractor experienced in acute and live healthcare environments.
6. **Recommendation 7** London Sport have awarded the Council £9,980 funding from the Tackling Inequalities COVID-19 Fund to provide cycle training for vulnerable / at risk groups in the Hayes area.

Alternative options considered

7. There are no other options proposed for consideration.

SUMMARY

REVENUE

8. General Fund pressures totalling £26,391k 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 3 tranches of COVID-19 funding totalling £17,974k and an estimated further £6,500k to come from the Government's announcement to fund 75% of fees and charges pressures over a 5% threshold. The Council has now submitted the first return to the MHCLG for this scheme, with £6,500k being the amount calculated using the Government's methodology, this value will transfer to the COVID-19 funding line presented below pending a response from the Government on the return. Of the £17,974k funding received to date, £1,883k 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 £3,800k will contain this exceptional pressure in the current financial year.
9. 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 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.
10. On the assumption that this funding strategy for COVID-19 pressures can be achieved, an underspend of £2,558k is projected across General Fund budgets at Month 6, an improvement of £988k on the Month 5 position. The £2,558k underspend consists of £1,585k service underspends, a £207k underspend on contingency and a £766k 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 £30,463k at 31 March 2021.
11. 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.
12. Within the Collection Fund, a pressure of £4,804k is reported at Month 6 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 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.
13. 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

14. As at Month 6 an underspend of £52,792k is reported on the 2020/21 General Fund Capital Programme of £113,888k, due mainly to re-phasing of project expenditure into future years with some schemes temporarily put on hold during the COVID-19 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 £4,962k.
15. It is recommended as part of this monitoring report that £28,435k of Major Projects Capital Programme is re-phased.



FURTHER INFORMATION

General Fund Revenue Budget

17. **Normal Activities** - An underspend of £2,558k is reported across normal operating activities at Month 6, an improvement of £988k on the Month 5 position. The £988k consists of £158k improvement over the directorates, including £103k in Environment, Education & Community Services and £76k in Corporate Resources alongside minor movements in other directorates, £645k in Corporate Operating Budgets, relating to a favourable variance of £484k due to maximising short term borrowing, with a one off windfall of £161k related to Icelandic investment recoveries. Development Risk Contingency has a reduced call, which is providing a £207k underspend and there is an adverse £22k movement on corporate funding due to minor movements in grant funding against the budget.
18. The most significant gross pressures are in the Social Care directorate, driven by a pressure within Children's Services and Adult Social Work, being largely mitigated by an underspend on Provider and Commissioned Care to a net overspend of £55k. These are further underspends predominately in the Building Services, Transport & Business Improvement directorate (£677k), largely driven by an underspend in Highways and in Environment, Education and Community Services, with 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, a favourable variance of £484k is reported in Month 6 as a result of maximising short term borrowing, alongside a one off windfall of £161k related to Icelandic investment recoveries. 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.
19. **COVID-19 Financial Impact** - There is a significant pressure of £26,391k 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 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.
20. 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 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 continues to support homelessness and rough sleepers, ensuring this group are protected during the pandemic.
21. **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.

22. **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 reflecting the 2.75% uplift in pay, the award above the budgeted 2% will require a funding strategy going forward which will be dealt with as part of the MTF.

Table 1: General Fund Overview

Original Budget £'000	Budget Changes £'000	Service	Month 6		Variance (As at Month 6) £'000	Variance (As at Month 5) £'000	Movement from Month 5 £'000
			Revised Budget £'000	Forecast Outturn £'000			
213,955	(1,427)	Directorate Operating Budgets	212,528	210,943	(1,585)	(1,427)	(158)
7,093	(55)	Corporate Operating Budgets	7,038	6,276	(762)	(117)	(645)
13,657	0	Development & Risk Contingency	13,657	13,450	(207)	0	(207)
(421)	1,482	Unallocated Budget Items	1,061	1,061	0	0	0
234,284	0	Sub-total Expenditure	234,284	231,730	(2,554)	(1,544)	(1,010)
(227,950)	0	Corporate Funding	(227,950)	(227,954)	(4)	(26)	22
6,334	0	Total Normal Activities	6,334	3,776	(2,558)	(1,570)	(988)
0	0	<u>Exceptional Covid-19 items</u>					
0	0	Pressures	0	26,391	26,391	26,035	356
0	0	Covid-19 grant funding	0	(16,091)	(16,091)	(16,091)	0
0	0	Estimated further grant funding	0	(6,500)	(6,500)	(6,500)	0
0	0	Earmarked Reserves applied	0	(3,800)	(3,800)	(3,444)	(356)
6,334	0	Total Net Expenditure	6,334	3,776	(2,558)	(1,570)	(988)
(34,239)	0	Balances b/fwd	(34,239)	(34,239)			
(27,905)	0	Balances c/fwd 31 March 2021	(27,905)	(30,463)			

23. General Fund Balances are expected to total £30,463k at 31 March 2021 as a result of the forecast position detailed above, which is £2,558k higher than anticipated in the budget strategy agreed in February 2020.

Directorate Operating Budgets

24. 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 6		Variance (As at Month 6) £'000	Variance (As at Month 5) £'000	Movement from Month 5 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
19,095 (3,359)	165 (165)	Finance	Expenditure	19,260	19,279	19	7	12
			Income	(3,524)	(3,595)	(71)	(59)	(12)
15,736	0		Sub-Total	15,736	15,684	(52)	(52)	0
166,088 (38,158)	(1,819) 270	Social Care	Expenditure	164,269	165,377	1,108	(1,557)	2,665
			Income	(37,888)	(38,941)	(1,053)	1,619	(2,672)
127,930	(1,549)		Sub-Total	126,381	126,436	55	62	(7)
49,247 (35,800)	3,568 (3,490)	Environment, Education & Community Services	Expenditure	52,815	53,179	364	(364)	728
			Income	(39,290)	(40,244)	(954)	(123)	(831)
13,447	78		Sub-Total	13,525	12,935	(590)	(487)	(103)
48,647 (11,118)	(16) 17	Building Services, Transport & Business Improvement	Expenditure	48,631	47,995	(636)	(601)	(35)
			Income	(11,101)	(11,142)	(41)	(104)	63
37,529	1		Sub-Total	37,530	36,853	(677)	(705)	28
21,275 (1,962)	44 (1)	Corporate Resources & Services	Expenditure	21,319	20,913	(406)	(341)	(65)
			Income	(1,963)	(1,878)	85	96	(11)
19,313	43		Sub-Total	19,356	19,035	(321)	(245)	(76)
213,955	(1,427)	Total Directorate Operating Budgets		212,528	210,943	(1,585)	(1,427)	(158)

25. An underspend of £52k is reported on Finance budgets at Month 6, no change on Month 5. There are compensating variances 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.

26. At this stage in the financial year a net pressure of £55k is reported across Social Care before COVID-19 pressures, with this variance being driven largely by staffing variances in Children's Services and Adult Social Work, offset by reductions in Provider and Commissioned Care where some services have been unable to run during the lockdown period. Placement budgets are undergoing a review in line with the pooled budget arrangements with the CCG.

27. Environment, Education & Community Services is reporting a net underspend of £590k, within this position is an overspend on 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. There is a £103k improvement in Month 6 consisting of £42k in Planning, Transportation

and Regeneration, a £37k improvement in Housing and £35k in Education and other minor movements.

28. A net £677k underspend is reported across Building Services, Transport & Business Improvement with £281k relating to slippage in Highways works and £370k in Property Services, with additional income from lease extensions and the garage portfolio reported in Month 6.

29. The Corporate Resources & Services directorate is forecasting an underspend of £321k which is being driven by vacant posts in the Business & Technical Support service.

30. The Council is permitted to finance the costs associated with service transformation from Capital Receipts, with both one-off implementation costs and the support for service transformation, including the BID team, being funded from this resource. Current projections include an estimate of £2,381k 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

31. 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. £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.

32. 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 MTF.

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	(186)	0	(80)	0	(31)	0	(297)	4.7%
G On track for delivery	(42)	(1,383)	0	(200)	0	(590)	(2,215)	34.7%
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)	37.0%
Total 2020/21 Savings	(228)	(2,495)	(1,166)	(600)	(406)	(1,491)	(6,386)	100.0%

Corporate Operating Budgets (£762k underspend, £645k favourable movement)

33. 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.

34. A favourable movement of £645k made up of £484k reported against interest payable as a result of maximising short term borrowing, alongside this a further one off windfall income of £161k related to Icelandic investment recoveries improves the position. In addition, as a result of anticipated capital expenditure and associated borrowing costs, a £108k underspend is reported on the revenue costs of debt financing, all of which bring the overall Interest and Investment Income position to a £753k favourable position. Levies and Other Corporate Budgets are forecast to underspend by £9k, mainly driven by a lower Concessionary Fares levy as the final levy figure wasn't 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 £762k.

Table 4: Corporate Operating Budgets

Original Budget	Budget Changes	Service	Month 6		Variance (As at Month 6)	Variance (As at Month 5)	Revised Budget	
			Revised Budget	Forecast Outturn				
£'000	£'000		£'000	£'000	£'000	£'000	£'000	
0	0	Interest and Investment Income	Salaries	0	0	0	0	0
8,459	111		Non-Sal Exp	8,570	7,978	(592)	(108)	(484)
(487)	(166)		Income	(653)	(814)	(161)	0	(161)
7,972	(55)		Sub-Total	7,917	7,164	(753)	(108)	(645)
499	0	Levies and Other Corporate Budgets	Salaries	499	500	1	1	0
12,376	0		Non-Sal Exp	12,376	12,394	18	18	0
(12,289)	0		Income	(12,289)	(12,317)	(28)	(28)	0
586	0		Sub-Total	586	577	(9)	(9)	0
0	0	Housing Benefit Subsidy	Salaries	0	0	0	0	0
147,893	0		Non-Sal Exp	147,893	147,893	0	0	0
(149,358)	0		Income	(149,358)	(149,358)	0	0	0
(1,465)	0		Sub-Total	(1,465)	(1,465)	0	0	0
7,093	(55)	Total Corporate Operating Budgets	7,038	6,276	(762)	(117)	(645)	

Development & Risk Contingency

35. 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.

Table 5: Development & Risk Contingency

Original Budget £'000	Budget Changes £'000	Service	Month 6		Variance (As at Month 6) £'000	Variance (As at Month 5) £'000	Movement from Month 5 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
1,063	0	Social Care	Asylum Service	1,063	779	(284)	(264)	(20)
3,211	0		Demographic Growth - Looked After Children	3,211	3,407	196	572	(376)
895	0		Demographic Growth - Children with Disabilities	895	598	(297)	(222)	(75)
2,873	(150)		SEN transport	2,723	2,723	0	0	0
3,842	(1,049)		Demographic Growth - Adult Social Care	2,793	3,267	474	0	474
1,736	(914)	Environment, Education & Community Services	Impact of Welfare Reform on Homelessness	822	871	49	60	(11)
0	0		Planning Enforcement	0	20	20	20	0
2,407	(357)	Building Services, Transport & Business Improvement	Waste Disposal Levy & Associated Contracts	2,050	1,685	(365)	(115)	(250)
(400)	0	Corporate Items	Additional Investment Income	(400)	(400)	0	0	0
500	0		General Contingency	500	500	0	(51)	51
16,127	(2,470)	Total Development & Risk Contingency		13,657	13,450	(207)	0	(207)

36. Within Social Care Contingency there are a number of movements in Month 6, including an improvement of £471k across Children's contingencies, largely linked to the review of High Cost Placements, offset by an increased call of £474k for Adult Social Care relating to CCG Income and a high cost placement transitioning from Children's to Adults.

37. There is a minor reduction in pressure on homelessness of £11k. The forecast variance reflects a slightly lower than anticipated number of households requiring support. There is a reduced call on the contingency in Waste Services of £365k. The favourable movement resulting from

a revision to the forecast following confirmation of the quarter 2 pay as you throw tonnages from the West London Waste Authority.

38. It is expected that pressures can be managed within the £500k budget set aside for General Contingency. There is currently no pressure on service contingency leaving £500k available for any further calls on General Contingency. All contingency items will continue to be closely monitored over the coming months and forecasts refreshed accordingly, currently across the range of contingency items there is a £207k underspend, which is being reflected in the overall monitoring position.

Exceptional Items – COVID-19 Pressures

39. The majority of the COVID-19 pressure is relating to Social Care, and Environment, Education & Community Services, these two areas represent £20,761k of the £26,391k 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 the Council to ensure that some of the more vulnerable residents are supported and receive the care they need during the pandemic.
- b. In addition, approximately £1.4m of support has been provided to support homeless residents of the borough and ensure their safety during COVID-19, with a further £1.9m 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 £11m, some of which relates to services not running during the pandemic, alongside a number of Fees and Charges that the Council had temporarily suspended in order to support residents during difficult times, with the suspension of parking charges making up approximately £3m of this value.

40. 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, and is estimating £6,500k of additional funding with £16,091k of the confirmed funding being utilised in 2020/21, with the balance having been applied in 2019/20.

41. 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

42. There is £677k of HIP Initiative balances brought forward at the start of the year. To date £6k has been allocated leaving £671k available for future releases.

Schools Budget

43. At Month 6 the Dedicated Schools Grant position is reporting an in-year overspend of £9,136k. This is a £10k adverse movement from Month 5 with the Schools Block showing a favourable £50k movement offset by a £60k adverse movement in High Needs.

44. There are continuing pressures in the cost of High Needs. There is a current backlog of cases however EHCPs growth in published SEN2 data of 17.5% indicates that this could add further pressure to 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 £24,138k. This pressure will ultimately be funded from future grant awards and will therefore not impact upon the Council's own resources.

Collection Fund

45. The Collection Fund is forecasting a deficit of £4,804k as at Month 6, a £4k adverse movement from Month 5, with the variance being largely 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.

Housing Revenue Account

46. The Housing Revenue Account is currently forecasting a £24k variance, resulting in a drawdown of reserves of £2,033k. This results in a projected 2020/21 closing HRA General Balance of £15,042k. This excludes the potential cost pressures of COVID-19, which are estimated at £495k. These pressures have not been included in the Month 6 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 through London Councils.

Future Revenue Implications of Capital Programme

47. 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 £817k lower. The reduction in the borrowing requirement would result in a £40k per annum reduction to revenue, which represents a minor variance when set in the context of the current MTFF position on capital financing costs.

48. 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. It is recommended as part of this monitoring report that £6,463k of the HRA Capital Programme is rephased.

Appendix A – Detailed Group Forecasts (General Fund)

FINANCE

49. A forecast underspend of £52k is reported for the Finance Directorate as at Month 6 against normal activities, with £675k 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.

50. Volume based reductions in bank charges relating to reduced service utilisation by Residents during the pandemic are also contributing to the position at Month 6.

Table 6: Finance Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 6		Variance (As at Month 6) £'000	Variance (As at Month 5) £'000	Movement from Month 5 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
4,224	0	Corporate Finance	Salaries	4,224	4,219	(5)	(31)	26
636	0		Non-Sal Exp	636	684	48	55	(7)
(445)	0		Income	(445)	(504)	(59)	(41)	(18)
4,415	0		Sub-Total	4,415	4,399	(16)	(17)	1
5,844	215	Exchequer and Business Assurance Services	Salaries	6,059	6,148	89	89	0
3,283	9		Non-Sal Exp	3,292	3,273	(19)	(16)	(3)
(2,796)	(224)		Income	(3,020)	(3,038)	(18)	(18)	0
6,331	0		Sub-Total	6,331	6,383	52	55	(3)
1,790	(59)	Procurement	Salaries	1,731	1,691	(40)	(39)	(1)
3,318	0		Non-Sal Exp	3,318	3,264	(54)	(51)	(3)
(118)	59		Income	(59)	(53)	6	0	6
4,990	0		Sub-Total	4,990	4,902	(88)	(90)	2
11,858	156	Finance Directorate	Salaries	12,014	12,058	44	19	25
7,237	9		Non-Sal Exp	7,246	7,221	(25)	(12)	(13)
(3,359)	(165)		Income	(3,524)	(3,595)	(71)	(59)	(12)
15,736	0		Total	15,736	15,684	(52)	(52)	0

Exceptional Items – COVID-19 Pressures

Finance Development & Risk Contingency

Original Budget £'000	Budget Changes £'000	Development & Risk Contingency	Month 6		Variance (As at Month 6) £'000	Variance (As at Month 5) £'000	Movement from Month 5 £'000
			Revised Budget £'000	Forecast Outturn £'000			
0	0	COVID-19	0	675	675	665	10
0	0	Total Exceptional Items	0	665	675	665	10

51. Within the Finance Service, £675k 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-19 pandemic and is likely to increase until recovery activity through the courts can resume as normal. Additional agency resource

has also been approved to support the backlog of work within the Client Financial Affairs Team resulting directly from lockdown restrictions during the pandemic.

FINANCE OPERATING BUDGETS (£52k underspend, nil movement)

Corporate Finance (£16k underspend - £1k adverse movement)

52. The position remains in line with that reported for Month 5 and arises predominantly from the projected pressure on the cost of external audit fees continuing to be offset by volume related reductions in bank charges and banking security costs during the COVID-19 pandemic.

Exchequer & Business Assurance Services (£52k pressure, £3k favourable movement)

53. Staff resource assumptions are consistent with Month 5 and a reduction in bank charges reflects the trend across other services in the group.

Procurement (£88k underspend, £2k adverse movement)

54. The underspend position for Procurement continues to assume stable fuel prices and usage for the Fleet Service with a salary underspend arising from posts held vacant.

SOCIAL CARE

55. Social Care is projecting an overspend of £55k at Month 6 on normal activities, a favourable movement of £7k on the Month 5 position base budget position, with a pressure of £97k on the development and risk contingency. This excludes COVID-19 exceptional items of £8,504k that are covered under development and risk contingency below and are still subject to review. The net favourable movement this month is as a result of a further detailed review of staffing assumptions across the Service.

Table 7: Social Care Operating Budgets

Original Budget £'000	Budget Changes £'000	Service		Month 6		Variance (As at Month 6) £'000	Variance (As at Month 5) £'000	Movement from Month 5 £'000
				Revised Budget £'000	Forecast Outturn £'000			
21,123	(696)	Provider and Commissioned Care	Salaries	20,427	19,224	(1,203)	(1,163)	(40)
9,849	651		Non-Sal Exp	10,500	10,819	319	157	162
(4,876)	0		Income	(4,876)	(4,677)	199	152	47
26,096	(45)		Sub-Total	26,051	25,366	(685)	(854)	169
7,350	732	Adult Social Work	Salaries	8,082	8,434	352	262	90
77,244	(2,483)		Non-Sal Exp	74,761	73,849	(912)	(1,532)	620
(23,405)	308		Income	(23,097)	(22,300)	797	1,584	(787)
61,189	(1,443)		Sub-Total	59,746	59,983	237	314	(77)
17,296	(28)	Children's Services	Salaries	17,268	17,249	(19)	47	(66)
21,287	6		Non-Sal Exp	21,293	23,631	2,338	461	1,877
(9,600)	(38)		Income	(9,638)	(11,591)	(1,953)	(21)	(1,932)
28,983	(60)		Sub-Total	28,923	29,289	366	487	(121)
1,714	(1)	SEND	Salaries	1,713	1,876	163	141	22
178	1		Non-Sal Exp	179	229	50	50	0
(125)	0		Income	(125)	(221)	(96)	(96)	0
1,767	0		Sub-Total	1,767	1,884	117	95	22
351	0	Public Health	Salaries	351	371	20	17	3
6,822	0		Non-Sal Exp	6,822	6,801	(21)	(17)	(4)
(45)	0		Income	(45)	(45)	0	0	0
7,128	0		Sub-Total	7,128	7,127	(1)	0	(1)
456	0	Health Integration & Voluntary Sector Partnerships	Salaries	456	477	21	20	1
2,417	0		Non-Sal Exp	2,417	2,417	0	0	0
(107)	0		Income	(107)	(107)	0	0	0
2,766	0		Sub-Total	2,766	2,787	21	20	1
48,290	7	Social Care Directorate Total	Salaries	48,297	47,631	(666)	(676)	10
117,797	(1,825)		Non-Sal Exp	115,972	117,746	1,774	(881)	2,655
(38,158)	270		Income	(37,888)	(38,941)	(1,053)	1,619	(2,672)
127,929	(1,548)		Total	126,381	126,436	55	62	(7)

SOCIAL CARE DEVELOPMENT AND RISK CONTINGENCY (£89k overspend, £3k adverse movement)

56. 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 6 projected position for the Development and Risk Contingency.
57. At Month 6, Social Care contingency is forecast to overspend against contingency by £89k, representing an adverse movement of £3k on the Month 5 position. This adverse movement is made up of a pressure of £474k within Adults, set against a favourable variance of £471k within Children's Services.
58. The improvement in Looked after Children, Children with Disabilities and Asylum is following an implementation of a High Cost review programme, with a view to targeting timely step down pathways.
59. 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. At Month 6, pressures are being reported against both Learning Disabilities as a result of reductions in CCG income and within Mental Health from the transfer of a high cost children's placement that has transferred to Adult Social Care.

Table 8: Social Care Development & Risk Contingency

Original Budget £'000	Budget Changes £'000	Development & Risk Contingency	Month 6		Variance (As at Month 6) £'000	Variance (As at Month 5) £'000	Movement from Month 5 £'000
			Revised Budget £'000	Forecast Outturn £'000			
1,063	0	Asylum Service	1,063	779	(284)	(264)	(20)
3,211	0	Demographic Growth - Looked After Children	3,211	3,407	196	572	(376)
895	0	Demographic Growth - Children with Disabilities	895	598	(297)	(222)	(75)
2,873	(150)	SEN Transport	2,723	2,723	0	0	0
3,842	(1,049)	Demographic Growth - Adult Social Care	2,793	3,267	474	0	474
11,884	(1,199)	Current Commitments	10,685	10,774	89	86	3
0	0	COVID-19	0	8,504	8,504	8,496	8
0	0	Total Exceptional Items	0	8,504	8,504	8,496	8

Exceptional Items – COVID-19 Pressures

60. Within Social Care, COVID-19 pressures of £8,504k are being reported, which is a movement of £8k from Month 5, with approximately £7,077k of this value being reported against Adult Social Care and £1,419k being reported against Children's Services. This is still subject to a process of review within both Adults and Children to determine both the direct and indirect cost implications from COVID-19.
61. 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 £1,351k 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.

62. 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 (£55k overspend £7k favourable movement)

Provider and Commissioned Care (£685k underspend - £169k adverse movement)

63. At Month 6, Provider and Commissioned Care is showing an underspend of £685k. This is predominantly as a result of large staffing underspends of £1,203k 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.
64. The adverse movement this month relates to updating the assumptions around service delivery in light of the changing environment in which the services operate. The adverse movement on income is from the capitalisation of Community Equipment, which is netted off against reductions in spend within the area.

Adult Social Work (£237k overspend - £77k favourable movement)

65. The position reported at Month 6 on the base budget is an overspend of £237k across Adult Social Work, a favourable movement of £77k, as a result of underspends against floating support budgets and other minor underspends across the Service.
66. Placement budgets within Adult 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.
67. 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. Discussions are being held to review options for managing these arrangement across the North West London region.

Children's Services (£366k overspend - £121k favourable movement)

68. Revisions to agency staffing assumptions covering permanent posts and providing support during Covid within Children's Services has resulted in an improved salaries position at Month 6. BID reviews are underway within Safeguarding Services which will address the high level of agency personnel currently within the service and ultimately reduce cost. Furthermore, the introduction of new agency staffing arrangements with Sanctuary Personnel, will deliver the temporary staff at a lower cost and support further reduction in spend.

SEND (£117k - £22k adverse movement)

69. 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 agency staff covering vacant posts along with additional mediation costs are driving the overspend position at Month 6. The staffing assumptions have been revised this month, leading to the adverse movement from Month 5.

Public Health (Breakeven, nil movement)

70. 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 (£21k overspend - £1k adverse movement)

71. A fully established structure at Month 6 has led to a slight pressure within the Service of £20k, an adverse movement of £1k on the Month 5 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 6.

ENVIRONMENT, EDUCATION & COMMUNITY SERVICES

72. The Environment, Education and Community Services directorate is showing a projected outturn underspend of £590k at Month 6 on normal activities, a favourable movement of £103k from Month 5. A further £12,257k is being reported under the COVID-19 exceptional items disclosure. The overall variance on normal activities is a result of pressures within Green Spaces, Trading Standards and Parking offset by underspends in Planning, Housing, Education & Community Safety.

Table 9: Environment, Education & Community Services Operating Budgets

Original Budget £'000	Budget Changes £'000	Service		Month 6		Variance (As at Month 6) £'000	Variance as at Month 5 £'000	Movement from Month 5 £'000
				Revised Budget £'000	Forecast Outturn £'000			
4,526	0	Planning, Transportation & Regeneration	Salaries	4,526	4,549	23	64	(41)
1,414	286		Non-Sal Exp	1,700	1,804	104	105	(1)
(4,770)	(231)		Income	(5,001)	(5,193)	(192)	(192)	0
1,170	55		Sub-Total	1,225	1,160	(65)	(23)	(42)
13,164	17	Green Spaces, Sports & Culture	Salaries	13,181	12,849	(332)	(321)	(11)
5,994	0		Non-Sal Exp	5,994	5,853	(141)	(182)	41
(10,767)	0		Income	(10,767)	(10,641)	126	135	(9)
8,391	17		Sub-Total	8,408	8,061	(347)	(368)	21
3,030	306	Housing	Salaries	3,336	3,359	23	(41)	64
3,940	3,120		Non-Sal Exp	7,060	7,578	518	(203)	721
(3,482)	(3,259)		Income	(6,741)	(7,585)	(844)	(22)	(822)
3,488	167		Sub-Total	3,655	3,352	(303)	(266)	(37)
973	0	Education	Salaries	973	995	22	45	(23)
4,230	0		Non-Sal Exp	4,230	4,376	146	148	(2)
(4,313)	0		Income	(4,313)	(4,322)	(9)	1	(10)
890	0		Sub-Total	890	1,049	159	194	(35)
2,419	0	Trading Standards, Environment Health & Licensing	Salaries	2,419	2,458	39	37	2
559	0		Non-Sal Exp	559	774	215	214	1
(3,134)	0		Income	(3,134)	(3,216)	(82)	(80)	(2)
(156)	0		Sub-Total	(156)	16	172	171	1
959	0	Parking Services	Salaries	959	878	(81)	(73)	(8)
2,958	0		Non-Sal Exp	2,958	2,955	(3)	(4)	1
(8,429)	0		Income	(8,429)	(8,452)	(23)	(34)	11
(4,512)	0		Sub-Total	(4,512)	(4,619)	(107)	(111)	4
2,364	(89)	Community Safety, Cohesion & Resilience	Salaries	2,275	2,028	(247)	(231)	(16)
2,716	(71)		Non-Sal Exp	2,645	2,723	78	78	0
(905)	0		Income	(905)	(835)	70	69	1
4,175	(160)		Sub-Total	4,015	3,916	(99)	(84)	(15)
27,435	234	Environment, Education & Community Services Directorate	Salaries	27,669	27,116	(553)	(520)	(33)
21,811	3,335		Non-Sal Exp	25,146	26,063	917	156	761
(35,800)	(3,490)		Income	(39,290)	(40,244)	(954)	(123)	(831)
13,446	79		Total	13,525	12,935	(590)	(487)	(103)

73. 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 6, projected calls on contingency are forecast to be £69k greater than the budgeted provision.

Table 10: Development and Risk Contingency

Original Budget £'000	Budget Changes £'000	Contingency Item	Month 6		Variance as at Month 6 £'000	Variance as at Month 5 £'000	Movement from Month 5 £'000
			Revised Budget £'000	Forecast Outturn £'000			
822	0	Impact of Welfare Reform on Homelessness	822	871	49	60	(11)
0	0	Development Control - General Contingency	0	20	20	20	0
822	0	Total	822	891	69	80	(11)
		COVID-19	0	12,257	12,257	12,024	233
0	0	Total Exceptional Items	0	12,257	12,257	12,024	233

74. The data in the table below shows the use of Temporary Accommodation. At Month 6, the number of households in Bed and Breakfast accommodation is 46 units above the budgeted assumptions made in modelling Supply and Demand for the 2020/21 MTFF.

Table 11: Housing Needs performance data

	July 2020	August 2020	September 2020
All Approaches	239	249	271
Full Assessment Required	232	201	214
New into Temporary Accommodation (Homeless and Relief)	34	30	44
Households in Temporary Accommodation	417	426	439
Households in B&B	156	165	176

75. 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 £871k, £49k above the budgeted provision. The movement of £11k is as a result of reduced forecast expenditure on placements into the Private Rented Sector for General Needs clients.

76. The service is currently forecasting the number of clients in B&B accommodation will average 164 over the financial year, however, management actions to reduce numbers through increased non-cost prevention and move-on activity are being implemented.

77. 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.

78. At Month 6, 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

79. Environment, Education and Community Services are currently forecasting £12,257k of pressures against the COVID-19 exceptional items disclosure, with approximately £9,011k of this amount related to losses of income during the pandemic, with the balance being related to cost pressures.
80. The largest single pressure within the service area relates to approximately £3,148k loss of income from parking Fees and Charges as the Council took the decision to temporarily cease charging in this area to support residents during difficult times. A further £3,066k 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 for a period under Government guidelines. The remaining £3,039k 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.
81. The expenditure pressures being reported in this area include approximately £711k for homelessness and rough sleeper support, ensuring that this vulnerable group is protected during the pandemic, alongside an estimated £1,986k to support our leisure centres following their closure during the national lockdown and £1,345k 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 £146k within the Anti-Social Behaviour Team. The favourable movement on homelessness and rough sleeper support is due to an additional £536k of 'Next Steps Accommodation' specific grant recently being received to assist this client group.

ENVIRONMENT, EDUCATION AND COMMUNITY SERVICES OPERATING BUDGETS (£590k underspend, £103k favourable movement)

Planning, Transportation and Regeneration (£65k underspend, £42k favourable movement)

82. Planning Services is currently reporting a £54k underspend, largely driven by unbudgeted Section 106 funding for Air Quality project management and the reduction of agency staff across Development Management. Building Control is forecasting an underspend of £39k due to posts being held vacant until next financial year, whilst Transport and Aviation Services is reporting a £28k overspend attributable to unachievable managed vacancy factor due to the service being fully staffed.

Green Spaces, Sports and Culture (£347k underspend, £21k adverse movement)

83. Green Spaces, Sports and Culture is currently reporting a £347k underspend, of which £332k relates to underspends against staffing; largely driven by vacant posts across the service in a number of different areas. A further £141k relates to a reduction in non-staffing expenditure which predominantly reflects the majority of services not being operational for the most part of the financial year and limited operation going forward as some of these services gradually resume. Income pressures of £126k related to the non-staffing expenditure, partly offsets this position.

Housing (£303k underspend, £37k favourable movement)

84. Housing is reporting an overall underspend of £303k at Month 6. There is a large variance within the First Time Buyers service of £275k due to reduced levels of activity following a slowdown in the Housing Market, a favourable movement of £25k from Month 5.

Education (£159k overspend, £35k favourable movement)

85. The Month 6 position for Education shows an overspend of £159k 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. The £35k favourable movement relates to staffing changes in the Attendance and Exclusions team where, following a resignation, a vacant post will be covered within existing staffing resources.

Trading Standards, Environment Health & Licensing (£172k overspend, £1k adverse movement)

86. The service is reporting a £172k pressure at Month 6. There is a £39k staffing overspend forecast, partly attributable to increased agency and overtime costs associated with COVID-19 projects (now expected to be funded from the Council's Reopening High Streets Safely grant, which also largely accounts for the income variance reflected at Month 6). The £215k 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 (£107k underspend, £4k adverse movement)

87. Of the reported underspend at Month 6, £23k is attributable to an expected over-achievement in parking suspensions income. The remainder relates to the service's staffing forecast, with recruitment to a number of vacant posts, particularly within the Parking Admin Team, subject to some delays and decreased cash collection forecasts, given lower costs were incurred during the lockdown period.

Community Safety, Cohesion & Resilience (£99k underspend, £15k favourable movement)

88. The service is reporting a £99k 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. The favourable movement of £15k compared with Month 5 reflects further recruitment delays across the service.

BUILDING SERVICES, TRANSPORT & BUSINESS IMPROVEMENT

89. Building Services, Transport and Business Improvement directorate is showing a projected outturn underspend of £677k at Month 6 on normal activities, an adverse movement of £28k from Month 5. A pressure of £3,330k is being reported against the COVID-19 pressures under exceptional items, a movement of £91k from Month 5. 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 6		Variance (As at Month 6) £'000	Variance (as at Month 5) £'000	Movement from Month 5 £'000
				Revised Budget £'000	Forecast Outturn £'000			
449	10	Property & Estates	Salaries	459	429	(30)	(24)	(6)
3,596	0		Non-Sal Exp	3,596	3,560	(36)	(57)	21
(2,869)	(10)		Income	(2,879)	(3,183)	(304)	(285)	(19)
1,176	0		Sub-Total	1,176	806	(370)	(366)	(4)
1,581	0	Capital Programme	Salaries	1,581	1,252	(329)	(296)	(33)
254	0		Non-Sal Exp	254	59	(195)	(193)	(2)
(1,526)	0		Income	(1,526)	(934)	592	549	43
309	0		Sub-Total	309	377	68	60	8
776	(50)	Repairs & Engineering	Salaries	726	821	95	130	(35)
4,105	22		Non-Sal Exp	4,127	4,169	42	61	(19)
(220)	28		Income	(192)	(254)	(62)	(107)	45
4,661	0		Sub-Total	4,661	4,736	75	84	(9)
2,114	0	Highways	Salaries	2,114	2,132	18	14	4
3,741	0		Non-Sal Exp	3,741	3,438	(303)	(215)	(88)
(3,015)	0		Income	(3,015)	(3,011)	4	0	4
2,840	0		Sub-Total	2,840	2,559	(281)	(201)	(80)
9,399	0	Waste Services	Salaries	9,399	9,401	2	(16)	18
14,589	0		Non-Sal Exp	14,589	14,557	(32)	(30)	(2)
(3,236)	0		Income	(3,236)	(3,352)	(116)	(106)	(10)
20,752	0		Sub-Total	20,752	20,606	(146)	(152)	6
3,087	0	ICT	Salaries	3,087	2,974	(113)	(158)	45
4,444	0		Non-Sal Exp	4,444	4,560	116	53	63
(200)	0		Income	(200)	(203)	(3)	(3)	0
7,331	0		Sub-Total	7,331	7,331	0	(108)	108
0	0	Town Centre Initiatives	Salaries	358	303	(55)	(55)	0
0	0		Non-Sal Exp	156	340	184	185	(1)
0	0		Income	(53)	(205)	(152)	(152)	0
0	0		Sub-Total	461	438	(23)	(22)	(1)
358	0	Building Services, Transport & Business Improvement Directorate	Salaries	17,724	17,312	(412)	(405)	(7)
156	0		Non-Sal Exp	30,907	30,683	(224)	(196)	(28)
(53)	0		Income	(11,101)	(11,142)	(41)	(104)	63
461	0		Total	37,530	36,853	(677)	(705)	28

90. 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 6, projected calls on contingency are £115k below budget.

Table 13: Development and Risk Contingency

Original Budget £'000	Budget Changes £'000	Development & Risk Contingency	Month 6		Variance (As at Month 6) £'000	Variance (as at Month 5) £'000	Movement from Month 5 £'000
			Revised Budget £'000	Forecast Outturn £'000			
2,050	0	Waste Disposal Levy & Associated Contracts	2,050	1,685	(365)	(115)	(250)
2,050	0	Current Commitments	2,050	1,685	(365)	(115)	(250)
		COVID-19	0	3,330	3,330	3,239	(91)
0	0	Total Exceptional Items	0	3,330	3,330	3,239	(91)

91. The call on the Waste contingency is £1,685k, 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 £365k compared with budget, an improvement of £250k on month 5, largely reflecting a revised forecast to levy tonnages following confirmation of the quarter 2 pay as you throw tonnages through West London Waste.

92. There has been a 5% 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 running 17% above those in the equivalent period last year (partly impacted by the pandemic and lockdown), aggregate PAYT costs for the first two quarters were below expectations, reflecting partly the more favourable disposal rates on these waste streams.

93. Mixed dry recycling tonnages are running 19% 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

94. Building Services, Transport and Business Improvement Services are currently forecasting COVID-19 pressures of £3,330k, which relates to £1,251k of expenditure pressures alongside £2,079k of income shortfalls all directly attributable to the COVID-19 pandemic.

95. 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.

96. Within the income shortfall reported against COVID-19, £901k 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.

97. 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, General Estates and garages alongside other small pressures within rental income budgets.
98. Finally, £615k is being reported in Highways as a result of the part-year suspension of vehicle crossovers work, reduced street-works activity during the early part of the lockdown period, an anticipated decrease in recharge income owing to TfL's LIP funding suspension and the timing of the borough highways capital programme plus contractor costs associated with social distancing pavement markings.

BUILDING SERVICES, TRANSPORT AND BUSINESS IMPROVEMENT SERVICES OPERATING BUDGETS (£677k underspend, £28k adverse movement)

Property and Estates (£370k underspend, £4k favourable movement)

99. There is a reported underspend of (£370k) at Month 6, predominantly due to additional rental income receivable from two new leases effective from April.

Capital Programme (£68k overspend, £8k adverse movement)

100. The Capital and planned works service is showing a projected pressure of £68k 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 (£75k overspend, £9k favourable movement)

101. The Facilities Management Service is showing an overspend of £71k against budget, attributable to increased reactive and compliance works required across the corporate property portfolio. In addition, the Health and Safety service is projecting an overspend of £4k due to the use of an external training provider.

Highways (£281k underspend, £80k favourable movement)

102. The service is reporting a £281k underspend at Month 6, reflecting reduced costs associated with the construction of domestic vehicle crossings whilst works ceased following lockdown (not resuming until the latter part of May), below-budget street lighting energy spend and a reduction in the minor works programme. The favourable movement in the month is largely attributable to the aforementioned decrease in street lighting energy costs.

Waste Services (£146k underspend, £6k adverse movement)

103. There is a reported £146k underspend across Waste Services. The staff costs forecast is £2k above budget, resulting from overtime and agency pressures, partly netted down by delays to the recruitment of three new recycling officer posts. The £32k non-staffing underspend is attributable to the temporary cessation of Waste Weekend events partly offset by increased spend on trade waste bin maintenance. There is a favourable income variance of £116k, largely reflecting the new charging structure for bulky waste collection services.

ICT (£nil variance, £108k adverse movement)

104. ICT is reporting a nil variance at Month 6. Whilst there is a favourable staff costs variance of £113k, 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 £116k with annual renewal uplifts and upgrades impacting on contract costs. The adverse movement in the month results from an increase in agency to cover a long-term medical absence and further emerging contract pressures.

Town Centre Initiatives (£23k underspend, £1k favourable movement)

105. A staffing underspend at Month 6 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 £184k non-staffing underspend at Month 6, though this largely reflects anticipated spend against the Reopening High Streets Safely grant (and which is offset by a favourable variance on the service's income line).

CORPORATE RESOURCES & SERVICES OPERATING BUDGET

106. An underspend of £321k is reported for the Corporate Resources and Services Directorate at Month 6, a favourable movement of £76k from Month 5. The overall variance is a result of an underspend within Business and Technical Support. A pressure of £898k is reported against the COVID-19 exceptional item disclosure, an adverse movement of £13k from Month 5.

Table 14: Corporate Resources & Services Directorate Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 6		Variance (As at Month 6) £'000	Variance (As at Month 5) £'000	Movement from Month 5	
			Revised Budget £'000	Forecast Outturn £'000				
1,496	0	Democratic Services	Salaries	1,496	1,523	27	18	9
1,750	0		Non-Sal Exp	1,750	1,786	36	39	(3)
(702)	0		Income	(702)	(692)	10	10	0
2,544	0		Sub-Total	2,544	2,617	73	67	6
1,791	0	Human Resources	Salaries	1,791	1,770	(21)	14	(35)
978	0		Non-Sal Exp	978	975	(3)	(29)	26
(232)	0		Income	(232)	(239)	(7)	7	(14)
2,537	0		Sub-Total	2,537	2,506	(31)	(8)	(23)
2,303	44	Legal Services	Salaries	2,347	2,201	(146)	(162)	16
58	1		Non-Sal Exp	59	83	24	24	0
(284)	0		Income	(284)	(284)	0	0	0
2,077	45		Sub-Total	2,122	2,000	(122)	(138)	16
614	0	Corporate Communications	Salaries	614	599	(15)	(10)	(5)
152	0		Non-Sal Exp	152	149	(3)	(4)	1
(26)	0		Income	(26)	(26)	0	0	0
740	0		Sub-Total	740	722	(18)	(14)	(4)
679	0	Business Performance	Salaries	679	675	(4)	(6)	2
83	0		Non-Sal Exp	83	83	0	0	0
0	0		Income	0	0	0	0	0
762	0		Sub-Total	762	758	(4)	(6)	2
11,159	0	Business & Technical Support	Salaries	11,159	10,598	(561)	(444)	(117)
211	0		Non-Sal Exp	211	471	260	219	41
(719)	0		Income	(719)	(637)	82	79	3
10,651	0		Sub-Total	10,651	10,432	(219)	(146)	(73)
18,042	44	Corporate Resources & Services Directorate	Salaries	18,086	17,366	(720)	(590)	(130)
3,232	1		Non-Sal Exp	3,233	3,547	314	249	65
(1,963)	0		Income	(1,963)	(1,878)	85	96	(11)
19,311	45		Total	19,356	19,035	(321)	(245)	(76)

Exceptional Items – COVID-19 Pressures

107. Within Corporate Resources and Services Directorate, a pressure of £898k is being reported against the COVID-19 exceptional items disclosure, with £413k of this relating to expenditure pressures and £485k relating to income shortfalls.

Table : 15 Corporate Resources & Services Development & Risk Contingency

Original Budget £'000	Budget Changes £'000	Development & Risk Contingency	Month 6		Variance (As at Month 6) £'000	Variance (As at Month 5) £'000	Movement from Month 5 £'000
			Revised Budget £'000	Forecast Outturn £'000			
0	0	COVID-19	0	898	898	885	13
0	0	Total Exceptional Items	0	898	898	885	13

108. 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.

109. Within the £485k pressure reported against income shortfalls from the COVID-19 pandemic, £172k relates to a loss of income against Land Charges, alongside £187k relating to income from 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 (£321k underspend, £76k favourable movement)

Democratic Services (£73k pressure, £6k adverse movement)

110. A pressure of £73k is reported for Month 6, a £6k adverse movement from month 5 as a result of additional staffing requirements across the service.

Human Resources (£31k underspend, £23k favourable movement)

111. The Month 6 position is reflecting the impact of the reorganisation of the senior Management tier, in line with the ongoing BID review and proposals agreed by the Leader. As for previous months, underspends in Learning and Development budgets continue to be reported as a result of a reduction in training spend during lockdown.

Legal Services (£122k underspend, £16k adverse movement)

112. Posts held vacant within Legal Services during the COVID-19 pandemic have resulted in a net underspend. The Month 6 position assumes recruitment to 6 posts of varying grades currently vacant by January and includes a £60k provision for the utilisation of external legal expertise that may be required to support with peaks in workload.

Corporate Communications (£18k underspend, £4k favourable movement)

113. The service is reporting an underspend of £18k at Month 6. There is a £15k staff costs underspend, attributable to delayed recruitment to several vacant posts, not all of which have been covered by agency. The £3k non-staffing underspend largely results from reduced printing costs associated with the smaller format April/May edition of Hillingdon People.

Business Performance (£4k underspend, £2k adverse movement)

114. Business Performance is showing an underspend position of £4k at Month 6, broadly in line with Month 5 assumptions.

Business & Technical Support (£219k underspend, £73k favourable movement)

115. The service is reporting an underspend of £219k, largely attributable to vacant posts, with recruitment to a number of these not now anticipated following staffing reviews across the group. Savings arising from post deletions are assumed to off-set £200k of the £267k 2019/20 MTF savings target carried forward. The reorganisation of the Senior Management tier as part of the ongoing Service BID reviews approved by the Leader is reflected for the current month.

Appendix B – Other Funds

SCHOOLS BUDGET

Dedicated Schools Grant (£9,136k overspend, £10k adverse)

116. The Dedicated Schools Grant (DSG) monitoring position is an in-year overspend of £9,136k at month 6, this is an increase of £1,961k on the budgeted deficit of £7,175k and a £10k adverse movement from the position reported at month 5. The 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 at 17.5%. When the £15,002k deficit brought forward from 2019/20 is taken into account, the cumulative deficit carry forward to 2021/22 is £24,138k.

Table 16: DSG Income and Expenditure 2020/21

Original Budget	Budget Changes	Funding Block	Month 6		Variance		
			Revised Budget	Forecast Outturn	Variance (As at Month 6)	Variance (As at Month 5)	Change from Month 5
			£'000	£'000	£'000	£'000	£'000
(296,926)	171	Dedicated Schools Grant Income	(296,755)	(296,755)	0	0	0
231,400	(28)	Schools Block	231,372	231,253	(119)	(69)	(50)
25,401	0	Early Years Block	25,401	25,401	0	0	0
3,270	0	Central Schools Services Block	3,270	3,308	38	38	0
44,030	(143)	High Needs Block	43,887	45,929	2,042	1,982	60
7,175	0	Total Funding Blocks	7,175	9,136	1,961	1,951	10
		Balance Brought Forward 1 April 2020	15,002	15,002			
		Balance Carried Forward 31 March 2021	22,177	24,138			

Dedicated Schools Grant Income (Nil variance, no change)

117. It is not expected that there will be any further adjustments to the Dedicated Schools Grant Income for 2020/21. The DfE recognises that the number of children attending childcare may not have returned to normal levels by early January, in light of the coronavirus (COVID-19) outbreak. Therefore the final Early Years funding allocation to local authorities will exceptionally be based on the January 2020 census count with no adjustment made based on any change in numbers in the January 2021 census.

Schools Block (£119k underspend, £50k favourable)

118. 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.

119. 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 recorded on the October census are confirmed.

120. The growth contingency also funds diseconomies of scale funding for new basic need academy schools. School Forum has taken the decision to limit the funding to one school in receipt of diseconomies which has resulted in a further projected underspend.

Early Years Block (Nil variance, no change)

121. 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.

122. From the start of the autumn term 2020, the guidance is for local authorities to continue to fund providers which are open at broadly the levels they would have expected to see in the 2020 autumn term had there been no COVID-19 outbreak. Providers which have been advised to close, or left with no option but to close, due to public health reasons should also be funded as normal. Providers which are closed, without public health reason, should not receive funding. Officers are currently reviewing the number of providers planning to open from September and will adjust payments accordingly. The financial impact of this will be known in more detail in the coming months.

Central School Services Block (£38k overspend, no change)

123. 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.

124. At month 6 the Central School Services block is projecting a £38k pressure predominantly due the additional cost of maternity cover in the School Placement and Admissions.

High Needs Block (£2,042k overspend, £60k adverse)

125. There continues to be significant pressure in the High Needs Block in 2020/21, with an overspend of £2,042k being projected at month 6. 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%.

126. 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.

127. 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 are still a number of SEN pupils awaiting a school placement and whilst an estimate of the cost of this has been included in the current projection, the actual cost of these

placements is not yet known and so there may be a further increase to the total expenditure on SEN placements.

128. 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. The fees for the September 2020 cohort are still being finalised and a more up to date position will be reported at Month 7, which may result in an adverse movement.

129. 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.

COVID-19 - Financial Impact on Schools

130. Some schools have indicated budget pressures as a consequence of additional costs in relation to COVID-19. Whilst there is the opportunity for schools to claim for exceptional costs through the Department for Education directly, the categories of expenditure are very specific (increased premises costs, support for free school meals for eligible children who are not attending school and additional cleaning) and the guidance indicates that schools with reserves are unlikely to be eligible for funding.

131. The DfE has confirmed that there will be no opportunity for schools to claim for exceptional costs incurred as a result of COVID since September. The expectation is that these costs should be met from existing school funding.

132. The impact of COVID-19 on income generation has also been significant for some schools. A number of schools generate significant levels of additional income from private sources for letting the premises and COVID-19 has resulted in a temporary stop on all such activities. The DfE has confirmed that there will be no compensatory additional funding in relation to this and therefore this lost revenue will create an additional pressure on school budgets.

133. The DfE has confirmed that the £650m universal catch-up premium funding will be paid directly to schools on a per pupil basis. Mainstream schools will receive £80 per pupil, with Special Schools receiving £240 per place. Schools will have flexibility to use this funding which should be used for specific activities to support pupils to catch up for lost teaching over the previous months. In addition, schools will be able to access £350m of funding through a National Tutoring Programme to provide additional targeted support for those children and young people who need the most help.

COLLECTION FUND

134. A deficit of £4,804k 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 approximately 40% of the pressure as households face financial difficulty. The majority of the movement sits within Business Rates and is attributable to a significant reduction in gross yield, nearly wholly offset by Section 31 Grant income as more businesses qualify for Retail Relief.

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 6		Variance (As at Month 6) £'000	Variance (As at Month 5) £'000	Movement from Month 5 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
(131,835)	0	Council Tax	Gross Income	(131,835)	(131,228)	607	609	(2)
11,049	0		Council Tax Support	11,049	13,158	2,109	2,109	0
39	0		B/fwd Deficit	39	303	264	264	0
(120,747)	0		Sub-Total	(120,747)	(117,767)	2,980	2,982	(2)
(112,314)	0	Business Rates	Gross Income	(112,314)	(80,602)	31,712	30,823	889
(6,141)	0		Section 31 Grants	(6,141)	(31,892)	(25,751)	(24,962)	(789)
53,666	0		Less: Tariff	53,666	53,666	0	0	0
8,784	0		Less: Levy	8,784	5,613	(3,171)	(3,077)	(93)
(498)	0		B/fwd Surplus	(498)	(1,464)	(966)	(966)	0
(56,503)	0	Sub-Total	(56,503)	(54,679)	1,824	1,818	6	
(177,250)	0	Total Collection Fund	(177,250)	(172,446)	4,804	4,800	4	

136. At Month 6 a deficit of £2,980k is projected against Council Tax, the position includes an adverse variance reported against Gross Income of £607k, 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 5 is mainly driven by a marginal movement in the taxbase forecast. The majority of the pressure in Council Tax is driven by a £2,109k 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 £1,824k deficit is reported across Business Rates at Month 6, the position includes an adverse variance against in-year activity of £2,790k with this variance being driven by an adverse position within Gross Rates of £31,712k. 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 £25,751k. The £31,712k 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 £3,171k, 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 £2,033k, which is £5k favourable compared to the Month 5 position. This excludes the potential cost pressures of Covid-19, which are estimated at £495k. The 2020/21 closing HRA General Balance is forecast to be £15,042k. 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 6		Variance (+ adv / - fav)		
	Revised Budget	Forecast Outturn	Variance (As at Month 6)	Variance (As at Month 5)	Movement from Month 5
	£'000	£'000	£'000	£'000	£'000
Rent Income	(57,872)	(57,693)	179	179	0
Other Income	(5,414)	(5,307)	107	107	0
Net Income	(63,286)	(63,000)	286	286	0
Housing Management	14,741	14,543	(198)	(64)	(134)
Tenant Services	3,759	3,796	37	38	(1)
Repairs	5,368	5,549	181	51	130
Planned Maintenance	4,040	3,710	(330)	(330)	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
Operating Costs	65,343	65,033	(310)	(305)	(5)
(Surplus) / Deficit	2,057	2,033	(24)	(19)	(5)
General Balance 01/04/2020	(17,075)	(17,075)	0	0	0
General Balance 31/03/2021	(15,018)	(15,042)	(24)	(19)	(5)

Income

140. As at Month 6 the rental income and other income forecast is an under recovery totalling £286k, nil movement on Month 5.

141. The number of Right to Buy (RTB) applications received in the first six months of 2020/21 was 93 compared to 94 for the same period in 2019/20; a reduction of 1%. There has been 20 RTB completions in the first six months of 2020/21 compared to 26 for the same period in 2019/20; a reduction of 23%. The RTB applications and sales will be kept under review during the year. As at Month 6, 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 £198k, a favourable movement of £134k on Month 5 due to reduced staffing forecasts on tenancy management £25k and repairs management £95k, and running costs of £14k.

143. Tenant services is forecast to overspend by £37k, a minor favourable movement of £1k on Month 5.

144. The repairs and planned maintenance budget totals £9,408k. There is an adverse movement on Month 5 of £130k due an increase in forecasts for scaffolding equipment £35k, maternity cover £20k, repairs staffing costs of £53k, and confirmed Covid-19 costs of £22k relating to day-to-day catch up repairs.

145. As at Month 6 the capital programme funding, interest and investment income and 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 total £495k in Month 6 and are not included in the HRA forecast position.

147. The key pressures relate to repairs and maintenance totalling £281k 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.

148. The movement from Month 5 is £22k and relates to day-to-day catch up repairs. This pressure of £22k has been moved from the COVID-19 risk list below and is now declared in the HRA Month 6 forecast £24k underspend position.

Table 19: HRA COVID-19 pressures

HRA COVID-19 pressures	2020/21 Month 6	2020/21 Month 5	2020/21 Movement from Month 5
	£'000	£'000	£'000
Repairs and Planned Maintenance	281	303	(22)
Development and Risk Contingency – Bad Debt Provision	214	214	0
Total HRA Revenue Covid-19 pressures	495	517	(22)

HRA Capital Expenditure

149. The HRA capital programme is set out in the table below. The 2020/21 revised budget has increased to £69,472k following receipt of the Green Homes Grant approved by Cabinet in October. The 2020/21 forecast expenditure is £45,314k with a net variance of £24,158k of which £23,163k is due to re-phasing and £995k 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
Major Projects (Note 1)								
New General Needs Housing Stock	39,712	28,398	(170)	(11,144)	141,424	141,254	(170)	5
New Build - Shared Ownership	7,023	1,223	(125)	(5,675)	14,867	14,742	(125)	
New Build - Supported Housing Provision	816	816	0	0	816	816	0	
Total Major Projects	47,551	30,437	(295)	(16,819)	157,107	156,812	(295)	5
HRA Programmes of Work								
Works to Stock programme	15,870	9,526	0	(6,344)	60,243	60,243	0	
Major Adaptations to Property	2,188	1,488	(700)	0	10,129	9,429	(700)	(400)
Green Homes	3,863	3,863	0	0	3,863	3,863	0	
Total HRA Programmes of Work	21,921	14,877	(700)	(6,344)	74,235	73,535	(700)	(400)
Total HRA Capital	69,472	45,314	(995)	(23,163)	231,342	230,347	(995)	(395)
Movement from Month 5	3,863	3,189	(395)	(279)	3,863	3,468	(395)	

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 £30,437k, with a re-phasing variance of £16,819k and a cost underspend of £295k forecast in 2020/21.

New General Needs Housing Stock

151. There is forecast re-phasing of £11,144k 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. This is marginally offset by a minor over spend of £5k on the acquisition of 17 new build homes over three sites.

153. The redevelopment of Maple and Poplar Day Centre was put on hold due to the Covid-19 crisis. The construction works have been tendered and a contractor is ready to be appointed. The project has a planned development of 34 units 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 resumed work on site in July 2020 with the construction of the 6 new homes due to earlier delays now expected to be complete by May 2021.
156. Seventeen buybacks have been formally approved in 2020/21 estimated to cost up to £5,328k inclusive of stamp duty, legal fees & expected void repairs costs from the Acquisitions and Internal Developments budget, partially offset by the reallocation of £1,080k previously approved funding for three properties that are no longer progressing. Formal approval will be sought shortly for an amount of £1,477k to purchase and repair a further six ex-Right-to-Buy properties.
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 and 2021/22 as the construction works progress, which are due to complete in September 2021.
158. In September 2020 Cabinet Members approved the purchase of freehold acquisition of 253 Park Road, Uxbridge and 9 new build homes for short term accommodation which are currently under construction at a package price of £3,736k including stamp duty and fees, with a deposit of £724k payable on exchange of contracts. A further staged payment will be released in 2020/21 on completion of the construction works, which are due to complete in March 2021.

New Build - Shared Ownership

159. The New Build Shared Ownership budget comprises schemes being delivered across five sites. These are expected to deliver 116 units in total.
160. The mixed tenure redevelopment of the former Belmore Allotments site has had planning approval however the project remains on hold with options for the site under review.
161. 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

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

HRA Programmes of Work

163. The Works to Stock 2020/21 revised budget is £15,870k. Due partly to the Covid-19 crisis, forecast expenditure has reduced by £6,344k from budget across various work streams, with planned programmes in various stages of progress and some schemes continuing into next year.
164. The major adaptations to property budget forecast has reduced by a further £400k compared to Month 5 based on anticipated demand for the year.

165. The Council has been successful with an application to the Green Homes Grant Local Authority Delivery scheme for funding to provide energy efficiency upgrades to low-income homes, and has recently been awarded £3,863k from the Department for Business, Energy and Industrial Strategy. Works will be tendered shortly to appoint contractors to provide loft insulation, cavity wall insulation, low energy lights and double glazing across existing Council housing.

HRA Capital Receipts

166. There has been 20 Right to Buy sales of council dwellings as at the end of September 2020 for a total gross sales value of £3,995k. A further 30 sales are forecast to bring the yearly total to 50, totalling £9,200k in 2020/21.

167. 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.

168. 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: £18,561k by Q3 and £9,389k by Q4. Cumulative expenditure on 1 for 1 replacement from previous quarters above the minimum requirement can be carried forward.

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

Prior Years	Scheme	Unit Numbers	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)
325	Belmore Allotments	86	4,220	60	(4,160)	0	(4,160)	10,493	10,493	0
315	Maple And Poplar	34	1,253	300	(953)	0	(953)	6,072	6,072	0
315	Willow Tree	10	2,455	1,984	(471)	0	(471)	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	35	(651)	0	(651)	949	949	0
363	Nelson Road	6	1,895	1,271	(624)	0	(624)	1,944	1,944	0
285	Great Benty	2	471	100	(371)	0	(371)	471	471	0
39	Petworth Gardens	9	1,533	38	(1,495)	0	(1,495)	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	466	(480)	0	(480)	1,089	1,089	0
403	Woodside Day Centre	27	2,876	250	(2,626)	0	(2,626)	4,915	4,915	0
1,297	Acquisition Of Freehold Land At TCM House	28	7,774	3,460	(4,314)	0	(4,314)	7,774	7,774	0
556	Acquisition Of 2 Units At 191 Harefield Road	2	28	28	0	0	0	28	28	0
5,400	Acquisition Of 17 New Build Homes Over 3 Sites	17	265	270	5	5	0	265	270	5
0	Acquisition of New Build Flats Park Road	9	3,736	3,555	(181)	0	(181)	3,736	3,736	0
n/a	New Acquisitions and Internal Developments		17,378	17,378	0	0	0	111,605	111,605	0
51,472		425	47,551	30,437	(17,114)	(295)	(16,819)	157,107	156,812	(295)
16,228	New General Needs Housing Stock	161	39,712	28,398	(11,314)	(170)	(11,144)	141,424	141,254	(170)
88	New Build - Shared Ownership	116	7,023	1,223	(5,800)	(125)	(5,675)	14,867	14,742	(125)
35,156	New Build - Supported Housing	148	816	816	0	0	0	816	816	0
51,472		425	47,551	30,437	(17,114)	(295)	(16,819)	157,107	156,812	(295)

Appendix D - GENERAL FUND CAPITAL PROGRAMME

169. As at Month 6 an under spend of £52,792k is reported on the 2020/21 General Fund Capital Programme of £113,888k, 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 £4,962k.
170. General Fund Capital Receipts of £7,538k are forecast for 2020/21, with a deficit of £485k in total forecast receipts to 2024/25.
171. Overall, Prudential Borrowing required to support the 2020/21 to 2024/25 capital programmes is forecast to be under budget by £817k. This is due to a combined shortfall of £1,485k on other sources of funding (capital receipts and CIL), offset by net cost under spends of £1,385k and additional available grant and contributions of £917k.

Capital Programme Overview

172. 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	20,515	271	(36)
Major Projects	189,841	189,728	(113)	-
Programme of Works	169,304	164,184	(5,120)	(611)
General Contingency	6,657	6,657	-	
Total Capital Programme	386,046	381,084	(4,962)	(647)
Movement	277	(370)	(647)	

173. The 2020/21 revised budget has increased by £277k due to schools' contributions towards the Devolved Formula schools programme.

Schools Programme

174. The Schools Expansions programme is reporting an over spend of £271k relating mainly to additional items of £277k 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, with completion expected in November 2020. There is a favourable movement of £36k arising on the agreement of final accounts for both primary school expansions (Hillside and Warrender).
175. The installation of a modular classroom at Hedgwood primary school for pupils with special educational needs has been completed 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.

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

Major Projects

177. 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. One new development is expected to progress this year, another identified development site is subject to planning approval.

178. 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.

179. The construction works contract for the provision of a new £30,000k leisure centre in Yiewsley/West Drayton is in the process of being re-tendered and construction works are planned to start towards the end of next year. The £2,000k refurbishment of Yiewsley and West Drayton Community Centre is in progress on site for completion in June 2021.

180. Works have been re-tendered and evaluated for the contract to extend the Uxbridge mortuary, which is expected to commence towards the end of this year. Due to increases in scope identified during the design phase and specialist mechanical and electrical services required at the mortuary, the budget requires to be increased from the general contingency by £676k.

181. The first phase of remedial works at the Battle of Britain Bunker are commencing, following contract award approval. Works to expand the Rural Activities Garden Centre are currently on hold during the pandemic.

182. The re-provision of Hillingdon Outdoor Activity Centre project is set to re-commence shortly, with temporary facilities planned to be provided next year.

183. 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.

184. There are cost under spends amounting to £67k following settlement of retentions and minor items for completed projects such as the refurbishment of Bessingby FC clubhouse and Battle of Britain Visitor Centre.

185. Detailed design work has commenced on the regeneration of Cranford Park, largely funded from the National Lottery Heritage Fund with Council match funding. Works are expected to start on site next year.

186. Works are in progress on the creation of a new Polish Air Force exhibition and installation of a soundscape and lighting display in the Controller's Cabin at the Battle of Britain Bunker, with a revised budget of £172k.

Programmes of Works

187. 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.
188. 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. A number of road safety measures funded from the HS2 Road Safety fund will be implemented this year with further works falling into next year.
189. A number of Chrysalis outdoor gyms and playgrounds projects were put on hold when the pandemic started but are now planned to be implemented later this year, reflected in an increase in forecast expenditure for the year.
190. The libraries refurbishment programme continues with five sites completed. Works are in progress at Manor Farm and Oak Farm libraries and are expected to be complete before the end of the year. The refurbishment of Hayes End and Ickenham libraries are scheduled to commence shortly. Some urgent refurbishment works within the leisure centre refurbishment programme are to be completed by December 2020.
191. 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. A total of £139k for Covid-19 protective screens installed at various sites and the Civic Centre are to be charged to these budgets.
192. An overall under spend of £311k is reported within the Environmental and Recreational Initiatives programme, relating mainly to pollution screening works being introduced at various schools this year, with further works to be funded from future year allocations.
193. New 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.
194. Disabled Facilities Grant adaptations are forecast to under spend by £1,000k based on anticipated demand for the year, a reduction in month of £500k. The grant will be able to be utilised on financing Social Care equipment capitalisation and other eligible expenditure. Private Sector Renewal Grants are also forecast to under spend by £25k.
195. Works are in various stages of progress on numerous carriageway refurbishments within the Highways improvement programme with £3,920k of works completed or in progress and a further phase of works covering 23 carriageways and 34 footways, amounting to £7,597k, to commence later this year. Under Corporate Technology and Innovation, the project to upgrade computer hardware and transition to Windows 10/Microsoft 365 is in progress.
196. 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.
197. The remaining 2020/21 general capital contingency budget will be £657k following Cabinet approval of the allocation of £676k towards the extension of Uxbridge mortuary.

Capital Financing - General Fund

198. Table 22 below outlines the latest financing projections for the capital programme, with an underspend of £817k in the medium term 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 £'000
Council Resource Requirement							
Self Financing Schemes	20,629	6,150	(14,479)	62,160	62,160	-	
Invest to Save Schemes	5,881	4,804	(1,077)	8,881	8,792	(89)	-
Service Provision	67,438	38,623	(28,815)	221,513	219,300	(2,213)	(50)
Total Council Resources	93,948	49,577	(44,371)	292,554	290,252	(2,302)	(50)
Financed By							
Capital Receipts	9,431	7,538	(1,893)	52,820	52,335	(485)	(459)
CIL	3,500	2,500	(1,000)	17,500	16,500	(1,000)	-
Prudential Borrowing	81,017	39,539	(41,478)	222,234	221,417	(817)	409
Total Council Resources	93,948	49,577	(44,371)	292,554	290,252	(2,302)	(50)
Grants & Contributions	19,940	11,519	(8,421)	93,492	90,832	(2,660)	(597)
Capital Programme	113,888	61,096	(52,792)	386,046	381,084	(4,962)	(647)
Movement	277	(6,135)	(6,412)	277	(370)	(647)	

199. Forecast capital receipts in 2020/21 have reduced by £459k due to an increase in financing transformation costs. Two sales have been completed totalling £1,332k and a deposit has also been received on one other marketed residential property with legal completion expected in October. Cabinet has approved the disposal of several sites for disposal, with auctions planned for October, December and February 2021. 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.

200. As at the end of September 2020, a total of £628k Community Infrastructure Levy receipts have been invoiced (after administration fees), an increase in month of £273k. A shortfall of £1,000k is forecast as developer activity has been affected by Covid-19 with a subsequent impact on timing and certainty of CIL payments. Eligible expenditure 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.

201. Forecast grants and contributions are £2,660k lower than the revised budget, due mainly to the cut to the 2020/21 TFL LIP grant, partially offset by 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. Social Care equipment capitalisation is forecast to be fully funded from uncommitted Disabled Facilities Grant.

202. The movement of £597k in month is due to reductions in forecast DFG expenditure and pollution screening, funded from Public Health grant. Prudential Borrowing has increased by £409k due mainly to the reduction in capital receipts available 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
	Education and Children Services										
16,032	New Primary Schools Expansions	367	361	(6)	0	367	361	(6)	361	0	0
16,868	Secondary Schools Expansions	5,691	5,058	277	(910)	9,571	9,848	277	9,548	300	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
33,358	Total Schools Programme	11,106	6,070	271	(5,307)	20,244	20,515	271	14,549	5,966	0

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
	Community Commerce & Regeneration										
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	21,365	(7,672)	21,365	0	0
69	Yiewsley/West Drayton Comm Centre	1,931	1,500	0	(431)	1,931	9,603	7,672	9,603	0	0
773	Hillingdon Outdoor Activity Centre	2,000	200	0	(1,800)	25,727	25,727	0	0	0	25,727
0	New Museum	500	30	0	(470)	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	1,933	437	0	(1,496)	1,933	1,933	0	299	350	1,284
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
	Planning Transportation and Recycling				0	0	0	0	0	0	0
0	Cranford Park Heritage Lottery Project	493	150	0	(343)	2,597	2,597	0	215	1,783	599
	Finance Property and Business Services				0	0	0	0	0	0	0
6,871	Housing Company Financing	18,129	6,000	0	(12,129)	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	56	(55)	0	111	56	(55)	56	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	8	(12)	0	20	8	(12)	8	0	0
0	Battle of Britain Enhancements	172	172	0	0	172	172	0	172	0	0
28,806	Total Major Projects	40,117	10,898	(113)	(29,106)	189,165	189,052	(113)	154,551	2,723	31,778

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	250	0	(500)	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	183	0	(1,763)	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	2,211	(44)	(972)	8,986	8,942	(44)	8,917	25	0
N/A	Civic Centre Works Programme	5,156	2,529	(74)	(2,553)	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	210	0	(435)	645	645	0	0	0	645
N/A	Transport for London	4,188	448	(3,577)	(163)	17,590	14,013	(3,577)	0	13,602	411
N/A	Emergency Active Travel	100	100	0	0	100	100	0	0	100	0
N/A	Street Lighting Replacement	924	781	0	(143)	2,403	2,403	0	2,283	0	120
N/A	Road Safety	310	200	0	(110)	910	910	0	910	0	0
N/A	Disabled Facilities Grant	2,852	1,852	(1,000)	0	14,260	13,260	(1,000)	0	13,260	0
N/A	Equipment Capitalisation - Social Care	2,359	2,359	0	0	11,795	11,795	0	2,824	8,971	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	976	(311)	(118)	2,905	2,594	(311)	821	40	1,733
N/A	Playground Replacement Programme	170	170	0	0	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	83	0	(273)	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	750	0	(2,210)	7,022	7,022	0	7,022	0	0
N/A	Chrysalis Programme	1,127	925	0	(202)	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	558	558	0	0	1,446	1,446	0	0	1,159	287
	Total Programme of Works	61,332	42,795	(5,120)	(13,417)	169,304	164,184	(5,120)	113,819	45,662	4,703

Appendix E – Treasury Management Report as at 30 September 2020

Table 23: Outstanding Deposits – Average Rate of Return 0.19%

Period	Actual (£m)	Actual (%)	Benchmark (%)
Call Accounts and MMF's*	12.9	46.24	70.00
Up to 1 Month Fixed-Term Deposits	0.0	0.00	
Over 1 Month Fixed-Term Deposits	0.0	0.00	0.00
Total	12.9	46.24	70.00
Strategic Pooled Funds	15.0	53.76	30.00
Total	27.9	100.00	100.00

*Money Market Funds

203. 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, and Santander UK plc. There is also an allocation to Strategic Pooled Funds.

204. The average rate of return on day-to-day operational treasury balances is 0.19%. 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.

205. The Council aims to minimise its exposure to bail-in risk by utilising bail-in exempt instruments and institutions whenever possible. While it is not always possible to avoid investing in institutions subject to bail-in risk, the Council's use of such institutions is limited to instant access accounts whereby monies can be recalled in the event that the risk of a bail-in is heightened.

206. Liquidity was maintained throughout September 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 £10m 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: 3.23%
Average Interest Rate on Temporary Borrowing: 0.46%

	Actual (£m)	Actual (%)
General Fund		
PWLB	45.77	15.75
Long-Term Market	15.00	5.16
Temporary	60.00	20.65
HRA		
PWLB	136.82	47.08
Long-Term Market	33.00	11.36
Total	290.59	100.00

207. During September there were three scheduled EIP debt repayments, for £0.5m, £0.75m and £1m. Gilt yields fell during the month, ending around 20bps lower than it began. With the ongoing need to take further borrowing and with restrictive premiums, early repayment of debt remains unfeasible.

208. 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 October, cash balances will be placed in instant access accounts and short term deposits. In addition, £10m of forward dated temporary borrowing will reach settlement.

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

210. 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
Social Care						
Approved Mental Health Worker	05/02/2018	02/11/2020	29/11/2020	143	4	147
AMHP	04/02/2019	02/11/2020	29/11/2020	134	6	140
AMHP	03/06/2019	02/11/2020	29/11/2020	109	6	115
AMHP	01/07/2019	02/11/2020	29/11/2020	103	6	109
Social Worker	03/08/2019	02/11/2020	29/11/2020	92	6	97
AMHP	30/09/2019	02/11/2020	29/11/2020	84	6	90
AMHP	30/09/2019	02/11/2020	29/11/2020	84	6	90
Social Worker	01/11/2019	02/11/2020	29/11/2020	88	7	95
AMHP	04/11/2019	02/11/2020	29/11/2020	77	6	83
AMHP	04/11/2019	02/11/2020	29/11/2020	128	10	137
Social Worker (CHC)	03/01/2017	02/11/2020	29/11/2020	187	4	191
AMHP	03/02/2020	02/11/2020	29/11/2020	58	6	63
AMHP	03/02/2020	02/11/2020	29/11/2020	58	6	63
Team Manager	03/02/2020	02/11/2020	29/11/2020	63	6	70
Social Worker	03/02/2020	02/11/2020	29/11/2020	45	5	50
Team Manager	17/07/2017	02/11/2020	29/11/2020	346	8	354
Senior Social Worker	01/04/2013	02/11/2020	29/11/2020	276	6	282
Social Worker	06/04/2017	02/11/2020	29/11/2020	267	6	273
Social Worker	23/10/2017	02/11/2020	29/11/2020	210	5	215
Social Worker	16/12/2016	02/11/2020	29/11/2020	304	6	310
Social Worker	21/08/2016	02/11/2020	29/11/2020	305	6	311
Social Worker	10/07/2017	02/11/2020	29/11/2020	235	6	241
Social Worker	04/05/2015	02/11/2020	29/11/2020	356	5	361
Social Worker	13/04/2015	02/11/2020	29/11/2020	400	6	406
Social Worker	11/07/2016	02/11/2020	29/11/2020	327	6	333
Social Worker	01/08/2015	02/11/2020	29/11/2020	369	7	376
Social Worker	27/10/2016	02/11/2020	29/11/2020	297	6	303
Educational Psychologist	04/02/2019	02/11/2020	29/11/2020	255	11	266
Educational Psychologist	15/11/2015	02/11/2020	29/11/2020	418	8	426
Special Needs Officer	01/12/2016	02/11/2020	29/11/2020	263	6	269
Social Worker	11/08/2014	02/11/2020	29/11/2020	497	6	503
Social Worker	01/01/2013	02/11/2020	29/11/2020	515	6	521
Social Worker	01/04/2013	02/11/2020	29/11/2020	312	6	318
Social Worker	26/08/2016	02/11/2020	29/11/2020	293	6	299
Support Worker	20/12/2015	02/11/2020	29/11/2020	142	3	145
Social Worker	04/07/2016	02/11/2020	29/11/2020	350	6	356
Social Worker	21/11/2016	02/11/2020	29/11/2020	288	6	294
Social Worker	01/01/2013	02/11/2020	29/11/2020	513	6	519
Senior Social Worker	29/06/2017	02/11/2020	29/11/2020	278	6	284

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
Senior Educational Psychologist	15/08/2016	02/11/2020	29/11/2020	385	11	396
Social Worker	02/07/2017	02/11/2020	29/11/2020	229	6	235
Independent Domestic Violence Advocate	01/10/2018	02/11/2020	29/11/2020	110	4	114
Independent Domestic Violence Advocate	01/10/2018	02/11/2020	29/11/2020	54	4	58
Senior Social Worker	21/11/2017	02/11/2020	29/11/2020	135	7	142
Senior Social Worker	19/12/2011	02/11/2020	29/11/2020	143	7	150
Social Worker	24/11/2015	02/11/2020	29/11/2020	153	4	157
Social Worker	01/04/2013	02/11/2020	29/11/2020	129	6	135
SEND Officer	04/11/2019	02/11/2020	29/11/2020	64	5	69
SEND Officer	02/12/2019	02/11/2020	29/11/2020	73	6	79
Head of Service - LAC and Young People's Services	17/02/2020	02/11/2020	29/11/2020	70	8	78
Support Worker	03/04/2017	02/11/2020	29/11/2020	125	3	128
Registered Manager	04/02/2019	02/11/2020	29/11/2020	78	5	82
Support Worker	03/10/2016	02/11/2020	29/11/2020	96	2	98
Support Planner	03/09/2018	02/11/2020	29/11/2020	73	3	76
Care Worker	06/07/2016	02/11/2020	29/11/2020	124	2	126
Care Worker	06/03/2017	02/11/2020	29/11/2020	104	2	106
Brokerage Officer	03/09/2018	02/11/2020	29/11/2020	63	2	65
Residential Worker	29/04/2019	02/11/2020	29/11/2020	58	3	61
Nursery Practitioner	01/10/2017	02/11/2020	29/11/2020	98	2	100
Early Years Practitioner	01/04/2018	02/11/2020	29/11/2020	49	2	51
SENDIASS Manager	29/04/2019	02/11/2020	29/11/2020	136	7	143
Senior Early Years Practitioner	01/04/2018	02/11/2020	29/11/2020	60	2	62
Early Years Practitioner	01/04/2018	02/11/2020	29/11/2020	55	2	56
Early Years Practitioner	01/04/2018	02/11/2020	29/11/2020	70	2	72
Early Years Practitioner	06/02/2017	02/11/2020	29/11/2020	97	2	99
Early Years Practitioner	01/04/2018	02/11/2020	29/11/2020	70	2	72
Early Years Practitioner	01/04/2018	02/11/2020	29/11/2020	70	2	72
Early Years Practitioner	25/03/2016	02/11/2020	29/11/2020	104	2	107
Nursery Officer	05/09/2016	02/11/2020	29/11/2020	99	2	101
Early Years Practitioner	23/02/2015	02/11/2020	29/11/2020	130	2	132
Children's Centre Practitioner	01/04/2018	02/11/2020	29/11/2020	48	2	50
Service Development & Quality Assurance Officer	01/04/2019	02/11/2020	29/11/2020	186	9	195
Residential Worker	29/04/2019	02/11/2020	29/11/2020	52	3	55
FIS Officer	01/04/2018	02/11/2020	29/11/2020	51	3	54
Support Worker	03/06/2019	02/11/2020	29/11/2020	48	3	51
Support Worker	07/08/2019	02/11/2020	29/11/2020	53	3	56
Early Years Practitioner	01/04/2019	02/11/2020	29/11/2020	49	2	51
Online Services Co-ordinator	04/03/2019	02/11/2020	29/11/2020	113	5	118
Senior Business Analyst (Liquid Logic Implementation)	01/07/2019	02/11/2020	29/11/2020	111	7	118
Project Manager/Senior Business Analyst (Liquid Logic Implementation)	01/07/2019	02/11/2020	29/11/2020	116	7	123

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
Senior Business Analyst (Liquid Logic Implementation)	01/07/2019	02/11/2020	29/11/2020	112	7	119
Environment, Education & Community Services						
Major Application (PPA) Planner	20/03/2017	26/10/2020	24/01/2021	361	28	389
Senior Land Contamination Officer	18/11/2018	30/06/2020	29/09/2020	133	19	151
Private Sector Housing Officer*2	04/02/2019	05/10/2020	27/12/2020	283	32	315
Parking Operations Manager	03/07/2017	30/09/2020	16/02/2021	224	34	259
Project Manager - Hayes Development	02/08/2020	12/10/2020	11/12/2021	118	118	236
CME Tracker	26/04/2018	01/10/2020	31/12/2020	120	12	132
Post 16 Tracking Worker	01/10/2018	01/10/2020	31/12/2020	48	6	54
Post 16 Tracking Worker	01/10/2018	01/10/2020	31/12/2020	51	6	57
Education – Deputy Director	06/07/2020	01/10/2020	12/11/2020	37	17	54
Education Project Manager	29/01/2018	26/10/2020	10/01/2021	302	23	325
Corporate Resources & Services						
Customer Service Advisor	10/05/2018	12/10/2020	10/01/2021	51	8	59