

COUNCIL BUDGET - 2020/21 REVENUE AND CAPITAL MONTH 7 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 £3,279k is reported against General Fund revenue budget normal activities as of October 2020 (Month 7), an improvement of £719k on the Month 6 position. Unallocated reserves are projected to total £31,184k at 31 March 2021.</p> <p>To date, COVID-19 pressures of £31,311k have been identified and are being funded by specific government grant, with the Council retaining £9,126k of funding in a dedicated Earmarked Reserve to supplement government support in 2020/21 and future years if required.</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 October 2020 (Month 7) as outlined in Table 1.**

- 2. Note the Treasury Management update as at October 2020 at Appendix E.**
- 3. Continue the delegated authority up until the January 2021 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 12 November 2020 and 10 December 2020 Cabinet meetings, detailed at Appendix F.**
- 4. Approve acceptance of gift funding in relation to a Planning Performance Agreement in accordance with the provisions of Section 93 of the Local Government Act 2003 for;**
 - a. Keith House (Eastern Site), Hayes - £32,000**
 - b. Hillingdon Hospital - £80,000**
- 5. Agree that the Council donates £50k to the Mayor of Hillingdon's Charitable Trust to support the Mayor's charitable work.**

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 7 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 F reports back on use of this delegated authority previously granted by Cabinet.
3. Gift funding has been offered by developers which if accepted by Cabinet will be utilised to fund dedicated staff to support this pre-application and application work. **Recommendation 4** seeks authority from Cabinet to approve the acceptance of £112k in relation to a number of major developments.
4. During the COVID-19 pandemic the Council has experienced a reduction in some costs such as travel expenditure and office expenses such as printing and stationery. At the same time the Mayor has been unable to run as many fund raising events as would be usual for the Mayor's Charity. **Recommendation 5** therefore seeks authority to make a payment of £50k to the Mayor's Charity from some of the underspends generated at this time to provide funding for the Mayor's charity.

Alternative options considered

5. There are no other options proposed for consideration.

SUMMARY

REVENUE

6. General Fund pressures totalling £31,311k are projected in relation to the impacts of the COVID-19 pandemic and the Council's response in 2019/20 and 2020/21, with £29,428k of this pressure impacting the current financial year. With the pandemic continuing and local authorities at the forefront of delivering support to residents, it is expected that this pressure will grow over the coming months and continue into the new financial year.
7. Funding through specific COVID-19 grants and the MHCLG scheme to cover 75% of income losses is expected to total £32,833k by 31 March 2021 and therefore sufficient to manage those pressures already identified. Given the likelihood that further pressures will emerge, the Council continues to maintain an Earmarked Reserve of £9,126k to manage further demands exceeding government funding.
8. On the assumption that this funding strategy for COVID-19 pressures can be achieved, an underspend of £3,279k is projected across General Fund budgets at Month 7, an improvement of £719k on the Month 6 position. The £3,279k underspend consists of £2,299k service underspends, a £212k underspend on contingency and a £768k 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 £31,184k at 31 March 2021.
9. Within this position, £3,577k of the £6,386k savings planned for 2020/21 are banked or on track for delivery in full by 31 March 2021, with £2,809k being tracked as being at an earlier stage of implementation or at risk as a result of the COVID-19 pandemic. While any in-year pressures relating to delays in implementing savings have been incorporated into the COVID-19 pressure noted above, it will be necessary to monitor the impact of any delays on the 2021/22 budget.
10. Within the Collection Fund, a pressure of £4,785k is reported at Month 7 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 and following the November 2020 Spending Review it is expected that 75% of this pressure will be funded by a specific government grant. The remaining 25% will ultimately impact on General Balances and has been factored into the latest iteration of the MTF.

CAPITAL

11. As at Month 7 an underspend of £27,675k is reported on the 2020/21 General Fund Capital Programme of £85,529k, due mainly to re-phasing of project expenditure into future years. Some schemes were temporarily put on hold during the COVID-19 pandemic. This position reflects the current 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 £4,028k.



FURTHER INFORMATION

General Fund Revenue Budget

13. **Normal Activities** - An underspend of £3,279k is reported across normal operating activities at Month 7, an improvement of £719k on the Month 6 position. The £719k consists of £712k improvement over the directorates, including £219k from Corporate Resources, £167k on Environment, Education & Community Services, £156k on Building Services, Transport & Business Improvement, £100k on Finance and £70k on Social Care. In addition, minor improvement are reported on Corporate Items and the net contingency requirement.
14. Overall the directorates are all reporting underspends totalling £2,299k on normal activities, however within this there are a number of pressures which are being managed and in the current year off-set through wider underspends. The improvement reported from Month 6 reflects the outcome of significant zero based budgeting, reviewing areas where underspends have occurred as a result of the pandemic, such as reductions in travel expenditure and office expenses such as printing and stationery, alongside reviewing areas where pressures are ultimately driven by COVID-19 and hence funded by COVID grant. Recommendation 5 outlined above seeks authority to donate an element of this favourable movement to the Mayor's charity to compensate for reduced scope for fundraising during the pandemic.
15. There are underspends reported against Interest and Investment Income and Levies and Other Corporate Budgets, a favourable variance of £764k includes a one-off windfall of £161k related to Icelandic investment recoveries and the benefit of maintaining short term borrowing. 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.
16. **COVID-19 Financial Impact** - There is a significant pressure of £29,428k relating to the in-year impact of the COVID-19 pandemic being reported under Exceptional Items in the table below. This pressure and £1,883k costs incurred in 2019/20 can be contained within the £32,833k confirmed government funding, although there remains a strong likelihood that further pressures will emerge over the remainder of the year as the pandemic continues. The Council therefore retains £9,126k in Earmarked Reserves to manage any costs exceeding available government funding.
17. 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.
18. **Savings** - £6,386k of savings are included in the 2020/21 General Fund revenue budget. Currently, delivery is on track or banked against £3,577k of this total, with £2,809k 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.

19. **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 7		Variance (As at Month 7) £'000	Variance (As at Month 6) £'000	Movement from Month 6 £'000
			Revised Budget £'000	Forecast Outturn £'000			
213,955	(1,427)	Directorate Operating Budgets	212,528	210,229	(2,299)	(1,587)	(712)
7,093	(55)	Corporate Operating Budgets	7,038	6,274	(764)	(762)	(2)
13,657	0	Development & Risk Contingency	13,657	13,445	(212)	(207)	(5)
(421)	1,482	Unallocated Budget Items	1,061	1,061	0	0	0
234,284	0	Sub-total Expenditure	234,284	231,009	(3,275)	(2,556)	(719)
(227,950)	0	Corporate Funding	(227,950)	(227,954)	(4)	(4)	0
6,334	0	Total Normal Activities	6,334	3,055	(3,279)	(2,560)	(719)
		<u>Exceptional COVID-19 items</u>					
0	0	Pressures	0	29,428	29,428	26,391	3,037
0	0	COVID-19 Funding	0	(29,428)	(29,428)	(26,391)	(3,037)
6,334	0	Total Net Expenditure	6,334	3,055	(3,279)	(2,560)	(719)
(34,239)	0	Balances b/fwd	(34,239)	(34,239)			
(27,905)	0	Balances c/fwd 31 March 2021	(27,905)	(31,184)			

20. General Fund Balances are expected to total £31,184k at 31 March 2021 as a result of the forecast position detailed above, which is £3,279k higher than anticipated in the budget strategy agreed in February 2020.

Directorate Operating Budgets

21. 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 7		Variance (As at Month 7 £'000)	Variance (As at Month 6) £'000	Movement from Month 6 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
19,095 (3,359)	25 (165)	Finance	Expenditure	19,120	19,040	(80)	19	(99)
			Income	(3,524)	(3,596)	(72)	(71)	(1)
15,736	(140)		Sub-Total	15,596	15,444	(152)	(52)	(100)
166,088 (38,158)	(1,819) 270	Social Care	Expenditure	164,269	165,975	1,706	1,108	598
			Income	(37,888)	(39,609)	(1,721)	(1,053)	(668)
127,930	(1,549)		Sub-Total	126,381	126,366	(15)	55	(70)
49,247 (35,800)	2,696 (3,299)	Environment , Education & Community Services	Expenditure	51,943	51,010	(933)	364	(1,297)
			Income	(39,099)	(38,923)	176	(954)	1,130
13,447	(603)		Sub-Total	12,844	12,087	(757)	(590)	(167)
49,000 (11,120)	977 (174)	Building Services, Transport & Business Improvement	Expenditure	49,977	48,876	(1,101)	(682)	(419)
			Income	(11,294)	(11,072)	222	(41)	263
37,880	803		Sub-Total	38,683	37,804	(879)	(723)	(156)
20,922 (1,960)	63 (1)	Corporate Resources & Services	Expenditure	20,985	20,100	(885)	(361)	(524)
			Income	(1,961)	(1,572)	389	84	305
18,962	62		Sub-Total	19,024	18,528	(496)	(277)	(219)
213,955	(1,427)	Total Directorate Operating Budgets		212,528	210,229	(2,299)	(1,587)	(712)

22. An underspend of £152k is reported on Finance budgets at Month 7, a change on Month 6 of £100k mainly due to fleet fuel cost reductions. 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.

23. There is a net underspend of £15k reported across Social Care before COVID-19 pressures, within this variance there are compensating movements being driven largely by staffing variances in Children's Services and Adult Social Care alongside non-staffing pressures within Provider and Commissioned Care, offset by staffing 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.

24. Environment, Education & Community Services is reporting a net underspend of £757k, within this position is an overspend on Education and Trading Standards offset by an underspend in Green Spaces and Housing. The underspend in Green Spaces is linked to a number of services not being operational due to the pandemic, in addition, the service are reporting underspends against staffing budgets due to vacant posts. There is a £167k improvement in Month 7 consisting of £80k in Planning, Transportation and Regeneration, a £32k improvement in Green Spaces, a £46k improvement in Community Safety and other minor movements.
25. A net £879k underspend is reported across Building Services, Transport & Business Improvement with £480k relating to slippage in Highways works and £370k in Property Services, with additional income from lease extensions and the garage portfolio. There is a £162k underspend against Waste Services relating to cessation of Waste Weekends and the new bulky waste collection services. This is being offset by a £115k overspend in Capital project related costs and a number of smaller variances across the service.
26. The Corporate Resources & Services directorate is forecasting an underspend of £496k which is being driven by vacant posts in the Business & Technical Support service and staffing costs relating to the COVID-19 response being identified for grant funding.
27. The Council is permitted to finance the costs associated with service transformation from Capital Receipts, with both one-off implementation costs and the support for service transformation, including the BID team, being funded from this resource. Current projections include an estimate of £2,531k 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

28. 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 £3,577k are either banked or on track for delivery. £447k 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.
29. 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.

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)	(374)	(80)	0	(31)	(590)	(1,261)	19.7%
G On track for delivery	(42)	(1,674)	0	(600)	0	0	(2,316)	36.3%
A Potential significant savings shortfall or a significant or risky project which is at an early stage;	0	(447)	0	0	0	0	(447)	7.0%
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 (£764k underspend, £2k favourable movement)

30. 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.
31. A favourable variance of £484k is 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 bank losses 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 £11k, 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 £764k.

Table 4: Corporate Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 7		Variance (As at Month 7) £'000	Variance (As at Month 6) £'000	Revised Budget £'000	
			Revised Budget £'000	Forecast Outturn £'000				
0	0	Interest and Investment Income	Salaries	0	0	0	0	0
8,459	111		Non-Sal Exp	8,570	7,978	(592)	(592)	0
(487)	(166)		Income	(653)	(814)	(161)	(161)	0
7,972	(55)		Sub-Total	7,917	7,164	(753)	(753)	0
499	0	Levies and Other Corporate Budgets	Salaries	499	499	0	1	(1)
12,376	0		Non-Sal Exp	12,376	12,365	(11)	18	(29)
(12,289)	0		Income	(12,289)	(12,289)	0	(28)	28
586	0		Sub-Total	586	575	(11)	(9)	(2)
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	6,274	(764)	(762)	(2)

Development & Risk Contingency

32. 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 7		Variance (As at Month 7) £'000	Variance (As at Month 6) £'000	Movement from Month 6 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
1,063	0	Social Care	Asylum Service	1,063	589	(474)	(284)	(190)
3,211	0		Demographic Growth - Looked After Children	3,211	3,519	308	196	113
895	0		Demographic Growth - Children with Disabilities	895	460	(435)	(297)	(138)
2,873	(150)		SEN transport	2,723	2,464	(259)	0	(259)
3,842	(1,049)		Demographic Growth - Adult Social Care	2,793	3,717	924	474	450
1,736	(914)	Environment, Education & Community Services	Impact of Welfare Reform on Homelessness	822	891	69	49	20
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)	(365)	0
(400)	0	Corporate Items	Additional Investment Income	(400)	(400)	0	0	0
500	0		General Contingency	500	500	0	0	0
16,127	(2,470)	Total Development & Risk Contingency		13,657	13,445	(212)	(208)	(5)

33. Within Social Care Contingency there are a number of movements in Month 7, including an improvement of £215k across Children's contingencies, partly driven by disputed Asylum cases being approved by the Home Office resulting in additional funding, offset by an increased call of £450k for Adult Social Care primarily relating to Mental Health. SEN Transport is reporting a £259k reduced call on contingency due to reduced demand in the earlier part of this year.
34. There is an increase in the pressure on homelessness of £20k, the forecast variance is against Temporary Accommodation and incentive budgets. There is no change in Waste Services which is £365k below the contingency budget. This variance results from a revision to the forecast following confirmation of the quarter 2 pay as you throw tonnages from the West London Waste Authority.
35. 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 £212k underspend, which is being reflected in the overall monitoring position.

Exceptional Items – COVID-19 Pressures

36. The majority of the COVID-19 pressure is relating to Social Care, and Environment, Education & Community Services, these two areas represent £22,702k of the £29,428k pressure. In addition, £1,883k pressures were identified in the 2019/20 financial year to give a total direct cost of £30,811k.
- a. Within Social Care, the Council is forecasting a pressure of just over £9.5m, driven by support offered to providers, additional demand for services and Personal Protective Equipment (PPE) to enable to Council to ensure that some of the more vulnerable residents are supported and receive the care they need during the pandemic.
 - b. In addition, approximately £1.7m of support has been provided to support homeless residents of the borough and ensure their safety during COVID-19, with a further £2.4m 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 £3.7m of this value.
37. 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. The Council has confirmed funding of £32,833k (although the final figure will in part be based on actual income losses and may therefore fluctuate) which will be sufficient to manage pressures identified to date, although there remains a risk that new and emerging issues will leave a funding gap in either the current or future years.
38. The strategy to deal with any unfunded COVID-19 costs is to utilise Earmarked Reserves totalling £9,216k. 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 pressures in 2020/21 and later years.

HIP Initiatives

39. There is £677k of HIP Initiative balances brought forward at the start of the year. To date £11k has been allocated leaving, £666k available for future releases.

Schools Budget

40. At Month 7 the Dedicated Schools Grant position is reporting an in-year overspend of £9,451k. This is a £315k adverse movement from Month 6 with the Central Schools Services showing a adverse £9k movement and a further £306k adverse movement in High Needs.

41. There are continuing pressures in the cost of High Needs. There is a current backlog of cases and the growth in EHCP numbers in the 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

42. The Collection Fund is forecasting a deficit of £4,785k as at Month 7, a £19k favourable movement from Month 6 relating to a slight improvement in Business Rates. 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.
43. Any deficit realised at outturn will impact on the General Fund budget in future years, with the Government confirming that Councils will be required to spread the deficit over a period of three years in equal increments as a result of the in-year deficit being directly attributable to COVID-19, a third of the in-year deficit (£1,829k) would hit the Council's budget position for 2021/22 to 2023/24, effectively increasing the budget gap by this value, offset in 2021/22 by the brought forward surplus of £702k. The Spending Review confirmed that the Government will be funding 75% of this deficit, with further details to follow on the exact mechanics of this announcement, in the interim, the Council is assuming 75% of the £1,829k will be funded through this mechanism in the budget strategy, meaning only £457k will impact on the Council's balances.

Housing Revenue Account

44. The Housing Revenue Account is currently forecasting a £36k variance, resulting in a drawdown of reserves of £2,021k. This results in a projected 2020/21 closing HRA General Balance of £15,054k. This excludes the potential cost pressures of COVID-19, which are estimated at £345k. These pressures have not been included in the Month 7 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

45. 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 £1,421k lower. The reduction in the borrowing requirement would result in a £70k per annum reduction to revenue, which represents a minor variance when set in the context of the current MTFF position on capital financing costs.
46. 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.

Appendix A – Detailed Group Forecasts (General Fund)

FINANCE

47. A forecast underspend of £152k is reported for the Finance Directorate as at Month 7 against normal activities, with £1,456k being reported against the COVID-19 pressure within Exceptional Items. Pressures across the Group relating to the partial achievement of the managed vacancy target for the service have been netted down by vacancies across the group and reductions in running costs within the Fleet Service.
48. Reductions in running costs for the Fleet Service together with reductions in card transactions during the pandemic, most significantly during the first lockdown, have contributed to the current year monitoring underspend.

Table 6: Finance Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 7		Variance (As at Month 7) £'000	Variance (As at Month 6) £'000	Movement from Month 6 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
4,224	0	Corporate Finance	Salaries	4,224	4,224	0	(5)	5
636	0		Non-Sal Exp	636	679	43	48	(5)
(445)	0		Income	(445)	(504)	(59)	(59)	0
4,415	0		Sub-Total	4,415	4,399	(16)	(16)	0
5,844	215	Exchequer and Business Assurance Services	Salaries	6,059	6,144	85	89	(4)
3,283	9		Non-Sal Exp	3,292	3,272	(20)	(19)	(1)
(2,796)	(224)		Income	(3,020)	(3,039)	(19)	(18)	(1)
6,331	0		Sub-Total	6,331	6,377	46	52	(6)
1,790	(199)	Procurement	Salaries	1,591	1,551	(40)	(40)	0
3,318	0		Non-Sal Exp	3,318	3,170	(148)	(54)	(94)
(118)	59		Income	(59)	(53)	6	6	0
4,990	(140)		Sub-Total	4,850	4,668	(182)	(88)	(94)
11,858	16	Finance Directorate	Salaries	11,874	11,919	45	44	1
7,237	9		Non-Sal Exp	7,246	7,121	(125)	(25)	(100)
(3,359)	(165)		Income	(3,524)	(3,596)	(72)	(71)	(1)
15,736	(140)		Total	15,596	15,444	(152)	(52)	(100)

Exceptional Items – COVID-19 Pressures

Finance Development & Risk Contingency

Original Budget £'000	Budget Changes £'000	Development & Risk Contingency	Month 7		Variance (As at Month 7) £'000	Variance (As at Month 6) £'000	Movement from Month 6 £'000
			Revised Budget £'000	Forecast Outturn £'000			
0	0	COVID-19	0	1,456	1,456	675	781
0	0	Total Exceptional Items	0	1,456	1,456	675	781

49. Within the Finance Service, £1,456k is being reported against COVID-19 pressures under Exceptional Items. The pressure arises predominantly from shortfalls in court fee income

following the cessation of court hearings during the COVID pandemic and is likely to increase until recovery activity through the courts can resume as normal. The income pressure has increased by £600k at Month 7 from £660k reported at Month 6 to £1,260k following the move to tier 2 and subsequently to full lockdown restrictions. Additional overtime and 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 reported at Month 6, as well as increased requirements within the E&BAS as at Month 7.

FINANCE OPERATING BUDGETS (£152k underspend, £100k favourable movement)

Corporate Finance (£16k underspend - nil movement)

50. The position remains in line overall with that reported for Month 6 and arises 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 pandemic. The underspend for banking security costs relating cash collection at pilot sites has increased for Month 7 due to further lockdown restrictions and accounts for the non-salaries movement from Month 6.

Exchequer & Business Assurance Services (£46k pressure, £6k favourable movement)

51. Staff resource assumptions are consistent with Month 6 and a reduction in bank charges reflects the trend across other services in the group. The Service is on track to deliver the MTFE savings target currently unallocated for 2020/21.

Procurement (£182k underspend, £94 favourable movement)

52. The favourable movement of £94k from Month 6 is due to the unwinding of fuel forecasts due to comparatively stable oil and fuel prices, together with reductions in contracted repairs and maintenance costs that were recently negotiated. These in-year cost reductions have been translated into permanent savings during the zero based budgeting exercise undertaken during the recent MTFE process for 2021/22.

SOCIAL CARE

53. Social Care is projecting an underspend of £15k at Month 7 on normal activities, an improvement of £70k the Month 6 base budget position. The contingency position is an improvement of £25k, with a net overspend of £64k on the development and risk contingency across Social Care. This excludes COVID-19 exceptional items of £9,625k that are covered under the development and risk contingency below.

Table 7: Social Care Operating Budgets

Original Budget £'000	Budget Changes £'000	Service		Month 7		Variance (As at Month 7) £'000	Variance (As at Month 6) £'000	Movement from Month 6 £'000
				Revised Budget £'000	Forecast Outturn £'000			
21,123	(696)	Provider and Commissioned Care	Salaries	20,427	18,798	(1,629)	(1,203)	(426)
9,849	651		Non-Sal	10,500	11,189	689	319	370
(4,876)	0		Exp	(4,876)	(4,668)	208	199	9
26,096	(45)		Income	26,051	25,319	(732)	(685)	(47)
7,350	732	Adult Social Work	Salaries	8,082	8,340	258	352	(94)
77,244	(2,483)		Non-Sal	74,761	74,424	(337)	(912)	575
(23,405)	308		Exp	(23,097)	(22,841)	256	797	(541)
61,189	(1,443)		Income	59,746	59,923	177	237	(60)
17,296	(28)	Children's Services	Salaries	17,268	17,171	(97)	(19)	(78)
21,287	6		Non-Sal	21,293	23,888	2,595	2,338	257
(9,600)	(38)		Exp	(9,638)	(11,727)	(2,089)	(1,953)	(136)
28,983	(60)		Income	28,923	29,332	409	366	43
1,714	(1)	SEND	Salaries	1,713	1,877	164	163	1
178	1		Non-Sal	179	229	50	50	0
(125)	0		Exp	(125)	(221)	(96)	(96)	0
1,767	0		Income	1,767	1,885	118	117	1
351	0	Public Health	Salaries	351	371	20	20	0
6,822	0		Non-Sal	6,822	6,801	(21)	(21)	0
(45)	0		Exp	(45)	(45)	0	0	0
7,128	0		Income	7,128	7,127	(1)	(1)	0
456	0	Health Integration & Voluntary Sector Partnerships	Salaries	456	469	13	21	(8)
2,417	0		Non-Sal	2,417	2,418	1	0	1
(107)	0		Exp	(107)	(107)	0	0	0
2,766	0		Income	2,766	2,780	14	21	(7)
48,290	7	Social Care Directorate Total	Salaries	48,297	47,026	(1,271)	(666)	(605)
117,797	(1,825)		Non-Sal	115,972	118,949	2,977	1,774	1,203
(38,158)	270		Exp	(37,888)	(39,609)	(1,721)	(1,053)	(668)
127,929	(1,548)		Income	126,381	126,366	(15)	55	(70)

SOCIAL CARE DEVELOPMENT AND RISK CONTINGENCY (£64k overspend, £25k favourable movement)

54. 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 7 projected position for the Development and Risk Contingency.
55. At Month 7, Social Care contingency is forecast to overspend against contingency by £64k, representing an improvement of £25k on the month 6 position.
56. Adults placements contingency is forecast to overspend against contingency by £924k, representing an adverse movement of £450k on the month 6 position mainly due to additional Transition clients, netted off by the underspend within CWD contingency, and the impact of changes in funding arrangements for Learning Disability packages.
57. SEN Transport is reporting an underspend of £259k against contingency due to fewer routes operating and associated Passenger Assistants expenditure during April to July, reducing the drawdown required for contingency. However, given factors such as additional staffing expenditure due to Passenger Assistant illness/shielding requirements, ad hoc school closures due to staff illness, and potentially additional referrals from the SEN Team over the next few months (estimated to be 25-30 children), this will continue to be closely monitored.
58. Within Asylum, further cases that were previously disputed by the Home Office have now been approved, resulting additional funding being provided.
59. This adverse movement within Looked After Children is made up of a pressure on Secure Remand, Residential and Independent Fostering Placements, as a result of an increase in the number of high cost and semi-independent living placements. However, this increase is attributed to the impact of COVID-19, which has reduced the overall forecast and call on contingency by £706k through the remainder of the financial year.

Table 8: Social Care Development & Risk Contingency

Original Budget	Budget Changes	Development & Risk Contingency	Month 7		Variance (As at Month 7)	Variance (As at Month 6)	Movement from Month 6
			Revised Budget	Forecast Outturn			
£'000	£'000		£'000	£'000	£'000	£'000	£'000
1,063	0	Asylum Service	1,063	589	(474)	(284)	(190)
3,211	0	Demographic Growth - Looked After Children	3,211	3,519	308	196	113
895	0	Demographic Growth - Children with Disabilities	895	460	(435)	(297)	(138)
2,873	(150)	SEN Transport	2,723	2,464	(259)	0	(259)
3,842	(1,049)	Demographic Growth - Adult Social Care	2,793	3,717	924	474	450
11,884	(1,199)	Current Commitments	10,685	10,749	64	89	(25)
0	0	COVID-19	0	9,560	9,560	8,504	1,056
0	0	Total Exceptional Items	0	9,560	9,560	8,504	1,056

Exceptional Items – COVID-19 Pressures

60. Within Social Care, COVID-19 pressures of £9,625k are being reported, which is an increase on the requirement of £1,121k on the month 6 position. This is predominantly made up of the allocation of £721k of Semi-Independent costs within Childrens Services being added to the allocation this month, alongside a further £712k from increases within Mental Health and smaller staffing specific additional costs. This has been netted down by an adjustment of £500k to reflect a lower forecast for the additional support provided to suppliers and minor alignments with expenditure forecasts across the Group.
61. The Provider and Commissioned Care pressure includes £394k of additional staffing costs in care homes as a direct result of the pandemic. Of non-staffing pressures, there is £84k in undeliverable savings from the delayed implementation of the restructure of Children and Family Development Services; £131k in additional costs for flats in the Extra care centres that were vacant and were unable to be re-let to the usual pre-COVID timescales between March and September; and £42k in additional banking administration charges for the Brokerage service due to extra payment cards being issued as part of the service's COVID response. Additionally a loss of £356k in income is being reported which mostly relates to Early Years Centres as parental fee forecasts have fallen.
62. The Adult Social Care pressure includes £1,500k 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 £2,062k is being forecast for additional demand, within the service as a result of the pandemic, with an increase of £712k this month representing the additional impact on Mental Health Services as a result of the pandemic. The remaining balance relates to workforce pressures within the service that are directly attributable to the pandemic.
63. The pressure associated with Children's Services (LAC) relates to an increase in spend in Residential care, as during the pandemic the department are unable to move Children on to more suitable accommodation and therefore achieve a lower unit cost, based on providing a more appropriate level of care. This is specifically caused by delays in moving on clients in LAC and Asylum and continuing to pay for spot purchases within Semi-Independent Placements, due to the limited availability of beds currently within the Block Contract arrangement.

SOCIAL CARE OPERATING BUDGETS (£15k overspend £70k favourable movement)

Provider and Commissioned Care (£732k underspend - £47k improvement)

64. At Month 7, Provider and Commissioned Care are reporting a £732k underspend. This is driven by large staffing underspends of £1,629k driven by reductions in agency cover as lower levels of staffing were required for service provision during lockdown. This has been particularly apparent in services such as Passenger Transport, which was heavily impacted by school closures and the temporary closure of Children's Centres, where permanent staff were redeployed to Early Year's Centres to replace agency staffing.

Adult Social Work (£177k overspend - £60k favourable movement)

65. The position reported at Month 7 on the base budget is an overspend of £177k across Adult Social Work, a favourable movement of £160k on Month 6.
66. There is an ongoing extensive review of the pooled budget arrangements with the CCG and the use of the Hospital Discharge NHS Covid Funding to fund additional costs of discharges,

in the current year and then to determine the long-term impact of clients currently funded through this funding arrangement.

67. There has been a review of demographics across Learning Disabilities and Mental Health Placements to determine any additional pressures arising this year as a result of the wider impacts of COVID-19.

Children's Services (£409k overspend - £43k adverse movement)

68. Minor adverse movements in non-staffing budgets across children's services have been netted down by slight improvements in staffing forecasts as a result of a reduction of agency spend.
69. 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 (£118k overspend, £1k adverse movement)

70. 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 7.

Public Health (Breakeven, nil movement)

71. 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 (£14k overspend - £7k adverse movement)

72. An improvement of £7k on the Month 6 position is reported as a result of the changes to staffing assumptions. 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

73. The Environment, Education and Community Services directorate is showing a projected outturn underspend of £757k at Month 6 on normal activities, a favourable movement of £167k from Month 6. A further £12,642k 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 7		Variance (As at Month 7) £'000	Variance as at Month 6 £'000	Movement from Month 6 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
4,526	0	Planning, Transportation & Regeneration	Salaries	4,526	4,401	(125)	23	(148)
1,414	286		Non-Sal Exp	1,700	1,790	90	104	(14)
(4,770)	(231)		Income	(5,001)	(5,111)	(110)	(192)	82
1,170	55		Sub-Total	1,225	1,080	(145)	(65)	(80)
13,164	17	Green Spaces, Sports & Culture	Salaries	13,181	12,831	(350)	(332)	(18)
5,994	0		Non-Sal Exp	5,994	5,893	(101)	(141)	40
(10,767)	0		Income	(10,767)	(10,695)	72	126	(54)
8,391	17		Sub-Total	8,408	8,029	(379)	(347)	(32)
3,030	446	Housing	Salaries	3,476	3,432	(44)	23	(67)
3,940	3,121		Non-Sal Exp	7,061	6,544	(517)	518	(1,035)
(3,482)	(3,259)		Income	(6,741)	(6,493)	248	(844)	1,092
3,488	308		Sub-Total	3,796	3,483	(313)	(303)	(10)
973	0	Education	Salaries	973	1,003	30	22	8
4,230	0		Non-Sal Exp	4,230	4,376	146	146	0
(4,313)	0		Income	(4,313)	(4,322)	(9)	(9)	0
890	0		Sub-Total	890	1,057	167	159	8
2,419	36	Trading Standards, Environment Health & Licensing	Salaries	2,455	2,381	(74)	39	(113)
559	0		Non-Sal Exp	559	773	214	215	(1)
(3,134)	0		Income	(3,134)	(3,131)	3	(82)	85
(156)	36		Sub-Total	(120)	23	143	172	(29)
959	0	Parking Services	Salaries	959	872	(87)	(81)	(6)
2,958	0		Non-Sal Exp	2,958	2,983	25	(3)	28
(8,429)	0		Income	(8,429)	(8,452)	(23)	(23)	0
(4,512)	0		Sub-Total	(4,512)	(4,597)	(85)	(107)	22
2,364	(185)	Community Safety, Cohesion & Resilience	Salaries	2,179	1,865	(314)	(247)	(67)
2,716	(1,024)		Non-Sal Exp	1,692	1,866	174	78	96
(905)	191		Income	(714)	(719)	(5)	70	(75)
4,175	(1,018)		Sub-Total	3,157	3,012	(145)	(99)	(46)
27,435	314	Environment, Education & Community	Salaries	27,749	26,785	(964)	(553)	(411)
21,811	2,383		Non-Sal Exp	24,194	24,225	31	917	(886)
(35,800)	(3,299)		Income	(39,099)	(38,923)	176	(954)	1,130

13,446	(602)	₹	Total	12,844	12,087	(757)	(590)	(167)
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74. 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 7, projected calls on contingency are forecast to be £89k greater than the budgeted provision.

Table 10: Development and Risk Contingency

Original Budget £'000	Budget Changes £'000	Contingency Item	Month 7		Variance as at Month 7 £'000	Variance as at Month 6 £'000	Movement from Month 6 £'000
			Revised Budget £'000	Forecast Outturn £'000			
822	0	Impact of Welfare Reform on Homelessness	822	891	69	49	20
0	0	Development Control - General Contingency	0	20	20	20	0
822	0	Total	822	911	89	69	20
		COVID-19	0	(13,142)	(13,142)	(12,257)	885
0	0	Total Exceptional Items	0	(12,642)	(12,642)	(12,257)	385

75. The data in the table below shows the use of Temporary Accommodation. At Month 7, 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 MTF.

Table 11: Housing Needs performance data

	August 2020	September 2020	October 2020
All Approaches	249	271	273
Full Assessment Required	201	214	194
New into Temporary Accommodation (Homeless and Relief)	30	44	29
Households in Temporary Accommodation	426	439	431
Households in B&B	165	176	176

76. 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 £891k, £69k above the budgeted provision. The movement of £20k is as a result of delays in moving clients out of Bed and Breakfast accommodation into the Private Rented Sector.
77. The service is currently forecasting the number of clients in B&B accommodation will average 168 over the financial year, however, management actions to reduce numbers through increased non-cost prevention and move-on activity are ongoing.
78. 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.
79. 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

80. Environment, Education and Community Services are currently forecasting £13,142k of pressures against the COVID-19 exceptional items disclosure, with approximately £8,328k of this amount related to losses of income during the pandemic, with the balance being related to cost pressures.
81. The largest single pressure within the service area relates to approximately £3,742k 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, with a general reduction in parking activity also experienced. A further £3,013k 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 £1,573k 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.
82. The expenditure pressures being reported in this area include approximately £1,755k for homelessness and rough sleeper support, ensuring that this vulnerable group is protected during the pandemic, alongside an estimated £2,486k of lost income and financial support for 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 £107k within the Anti-Social Behaviour Team.

ENVIRONMENT, EDUCATION AND COMMUNITY SERVICES OPERATING BUDGETS (££757k underspend, £167k favourable movement)

Planning, Transportation and Regeneration (£145k underspend, £80k favourable movement)

83. Planning Services is currently reporting a £145k underspend, largely driven by unbudgeted Section 106 funding for Air Quality project management, recruitment delays to permanent posts and the significant reduction of agency staff across Development Management. Building Control is forecasting an underspend of £36k due to posts being held vacant until next financial year, whilst Transport and Aviation Services is reporting a £9k overspend attributable to unachievable managed vacancy factor due to limited staff turnover.

Green Spaces, Sports and Culture (£379k underspend, £32k favourable movement)

84. Green Spaces, Sports and Culture is currently reporting a £379k underspend, of which £350k relates to underspends against staffing; largely driven by vacant posts across the service in a number of different areas. A further £101k 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 £72k related to the non-staffing expenditure, partly offsets this position.

Housing (£313k underspend, £10k favourable movement)

85. Housing is reporting an underspend of £313k at Month 7. There is a variance within the First Time Buyers service of £275k due to reduced levels of activity following a slowdown in the Housing Market. Non contingency funded Homelessness budgets are underspending by £19k, predominantly due to the Winter Night Shelter provision not being required for 2020-21, as alternative support is being offered through the Rough Sleepers Grant.

Education (£167k overspend, £8k adverse movement)

86. The Month 7 position for Education shows an overspend of £167k 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 £8k adverse movement relates to staffing changes in the Attendance and Exclusions team where, some additional responsibility allowances have been allocated to staff covering a post which is currently vacant.

Trading Standards, Environment Health & Licensing (£167k overspend, £8k adverse movement)

87. The service is reporting a £167k pressure at Month 7. There is a £74k staffing underspend forecast, largely attributable to delays in recruiting to vacant posts, not all of which are covered by agency resource. The £214k non-staffing pressure reflects ongoing costs associated with the Project Pompeii animal welfare case (£66k) and overspends within the Imported Food Office. The broadly offsetting movements for staffing costs and income reflect a restatement in the presentation of forecast spend in alignment with the Reopening High Streets Safely grant award.

Parking Services (£85k underspend, £22k adverse movement)

88. Of the reported underspend at Month 7, £87k is attributable to the service's staffing forecast, with recruitment to several vacant posts, particularly within the Parking Admin Team, subject to delay. The £25k non-staffing pressure partly reflects costs associated with CCTV cameras – both new kit and the repair of existing equipment. There is an expected over-achievement of £23k in parking suspensions income.

Community Safety, Cohesion & Resilience (£145k underspend, £46k favourable movement))

89. The service is reporting a £145k underspend, with staffing underspends resulting from recruitment delays across the Community Safety and ASBET teams partly negated by non-staffing overspends. The favourable movement of £46k compared with Month 6 reflects further recruitment delays across the service.

BUILDING SERVICES, TRANSPORT & BUSINESS IMPROVEMENT

90. Building Services, Transport and Business Improvement directorate is showing a projected outturn underspend of £879k at Month 7 on normal activities, a favourable movement of (£156k) from Month 6. A pressure of £3,456k is being reported against the COVID-19 pressures under exceptional items, a movement of £126k from Month 6. The overall variance is a result of underspends within Highways, Waste Services and Property & Estates.

Table 12: Building Services, Transport & Business Improvement

Original Budget	Budget Changes	Service	Month 7		Variance (As at Month 7)	Variance (as at Month 6)	Movement from Month 6	
			Revised Budget	Forecast Outturn				
£'000	£'000		£'000	£'000	£'000	£'000	£'000	
449	10	Property & Estates	Salaries	459	429	(30)	(30)	0
3,596	0		Non-Sal Exp	3,596	3,527	(69)	(36)	(33)
(2,869)	(10)		Income	(2,879)	(3,195)	(316)	(304)	(12)
1,176	0		Sub-Total	1,176	761	(415)	(370)	(45)
1,581	0	Capital Programme	Salaries	1,581	1,265	(316)	(329)	13
254	0		Non-Sal Exp	254	89	(165)	(195)	30
(1,526)	0		Income	(1,526)	(930)	596	592	4
309	0		Sub-Total	309	424	115	68	47
921	(106)	Repairs & Engineering	Salaries	815	876	61	49	12
4,313	975		Non-Sal Exp	5,288	5,230	(58)	42	(100)
(222)	(163)		Income	(385)	(360)	25	(62)	87
5,012	706		Sub-Total	5,718	5,746	28	29	(1)
2,114	0	Highways	Salaries	2,114	2,134	20	18	2
3,741	0		Non-Sal Exp	3,741	3,297	(444)	(303)	(141)
(3,015)	0		Income	(3,015)	(3,011)	4	4	0
2,840	0		Sub-Total	2,840	2,420	(420)	(281)	(139)
9,399	96	Waste Services	Salaries	9,495	9,499	4	2	2
14,589	0		Non-Sal Exp	14,589	14,546	(43)	(32)	(11)
(3,236)	0		Income	(3,236)	(3,359)	(123)	(116)	(7)
20,752	96		Sub-Total	20,848	20,686	(162)	(146)	(16)
3,087	0	ICT	Salaries	3,087	2,908	(179)	(113)	(66)
4,444	0		Non-Sal Exp	4,444	4,626	182	116	66
(200)	0		Income	(200)	(203)	(3)	(3)	0
7,331	0		Sub-Total	7,331	7,331	0	0	0
358	0	Town Centre Initiatives	Salaries	358	295	(63)	(55)	(8)
156	0		Non-Sal Exp	156	155	(1)	184	(185)
(53)	0		Income	(53)	(14)	39	(152)	191
461	0		Sub-Total	461	436	(25)	(23)	(2)
17,909	0	Building Services, Transport & Business Improvement Directorate	Salaries	17,909	17,406	(503)	(458)	(45)
31,093	975		Non-Sal Exp	32,068	31,470	(598)	(224)	(374)
(11,121)	(173)		Income	(11,294)	(11,072)	222	(41)	263
37,881	802		Total	38,683	37,804	(879)	(723)	(156)

91. 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 7, projected calls on contingency are £365k below budget.

Table 13: Development and Risk Contingency

Original Budget £'000	Budget Changes £'000	Development & Risk Contingency	Month 7		Variance (As at Month 7) £'000	Variance (as at Month 6) £'000	Movement from Month 6 £'000
			Revised Budget £'000	Forecast Outturn £'000			
2,050	0	Waste Disposal Levy & Associated Contracts	2,050	1,685	(365)	(365)	(0)
2,050	0	Current Commitments	2,050	1,685	(365)	(365)	(0)
		COVID-19	0	3,456	3,330	3,330	126
0	0	Total Exceptional Items	0	3,456	3,330	3,330	126

92. The call on the Waste contingency is £1,685k, which funds estimated population driven increases in the cost of disposal via the West London Waste Authority (WLWA) levy and associated waste disposal contracts. The variance reflects tonnage-based PAYT rebates for the first half of 2020/21 and realigned forecasts for other waste disposal contracts based on actual costs incurred this year to date.
93. There has been a 4% increase in residual waste volumes (which account for the largest proportion of the Council's disposal costs) this year to date compared to the same period last year, although this is within budgeted levels. Whilst mixed organic (food and garden) tonnages are running 15% above the level in the equivalent period last year (being impacted by the pandemic and lockdown), aggregate PAYT costs are below expectations, partly reflecting partly the more favourable disposal rates on these waste streams.
94. Mixed dry recycling tonnages are running 18% 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. 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

95. Building Services, Transport and Business Improvement Services are currently forecasting COVID-19 pressures of £3,456k, which relates to £1,663k of expenditure pressures alongside £1,793k of income shortfalls all directly attributable to the COVID-19 pandemic.
96. 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.
97. 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.

98. 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.
99. Finally, £510k is being reported in Highways as a result of the part-year suspension of vehicle crossovers work and reduced street-works activity during the early part of the first lockdown period.

BUILDING SERVICES, TRANSPORT AND BUSINESS IMPROVEMENT SERVICES OPERATING BUDGETS (£879k underspend, 156k favourable movement)

Property and Estates (£415k underspend, £45k favourable movement)

100. There is a reported underspend of (£415k) at Month 7, predominantly due to additional rental income receivable from two new leases effective from April.

Capital Programme (£115k overspend, £47k adverse movement)

101. The Capital and planned works service is showing a projected pressure of £115k 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 (£28k overspend, £1k favourable movement)

102. The Facilities Management Service is showing an overspend of £22k 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 £6k due to the use of an external training provider.

Highways (£420k underspend, £139k favourable movement)

103. The service is reporting a £420k underspend at Month 7, largely reflecting non-staffing underspends. These comprise 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, a reduction in the minor works programme and the suspension of column testing works, which cannot take place over the winter period. The latter is the main component of the service's favourable movement in the month.

Waste Services (£162k underspend, £16k favourable movement)

104. There is a reported £162k underspend across Waste Services. The £43k non-staffing underspend is attributable to the temporary cessation of Waste Weekend events and the permanent closure of the Hatton Cross public convenience (the latter also contributing to the favourable movement in Month 7) partly offset by increased spend on trade waste bin maintenance. There is a favourable income variance of £123k, largely reflecting the new charging structure for bulky waste collection services, with some additional revenue arising as a result of sales of bulk bins to developers of flatted properties.

ICT (£nil variance, no movement)

105. ICT is reporting a nil variance at Month 7. Whilst there is a favourable staff costs variance of £179k, 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 £182k with annual renewal uplifts and upgrades impacting on contract costs. The favourable staffing movement in the month results from a further recruitment delay, this being offset with an adverse non-staffing movement due to the emergence of additional contract cost pressures.

Town Centre Initiatives (£25k underspend, 2k favourable movement)

106. A £63k staffing underspend at Month 7 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 reported within the service's income forecast) and maternity leave adjustments, the latter also accounting for the favourable movement. The broadly offsetting movements for non-staffing costs and income reflect a restatement in the presentation of forecast spend to be allocated to the Reopening High Streets Safely grant award.

CORPORATE RESOURCES & SERVICES OPERATING BUDGET

107. An underspend of £496k is reported for the Corporate Resources and Services Directorate at Month 7, a favourable movement of £219k from Month 6. The overall variance is a result of an underspend within Business and Technical Support. A pressure of £1,088k is reported against the COVID-19 exceptional item disclosure, an adverse movement of £190k from Month 6.

Table 14: Corporate Resources & Services Directorate Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 7		Variance (As at Month 7) £'000	Variance (As at Month 6) £'000	Movement from Month 6	
			Revised Budget £'000	Forecast Outturn £'000				
1,496	0	Democratic Services	Salaries	1,496	1,521	25	27	(2)
1,750	0		Non-Sal Exp	1,750	1,783	33	36	(3)
(702)	0		Income	(702)	(692)	10	10	0
2,544	0		Sub-Total	2,544	2,612	68	73	(5)
1,791	0	Human Resources	Salaries	1,791	1,780	(11)	(21)	10
978	0		Non-Sal Exp	978	968	(10)	(3)	(7)
(232)	0		Income	(232)	(242)	(10)	(7)	(3)
2,537	0		Sub-Total	2,537	2,506	(31)	(31)	0
2,303	44	Legal Services	Salaries	2,347	2,188	(159)	(146)	(13)
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	1,987	(135)	(122)	(13)
614	0	Corporate Communications	Salaries	614	597	(17)	(15)	(2)
152	0		Non-Sal Exp	152	149	(3)	(3)	0
(26)	0		Income	(26)	(26)	0	0	0
740	0		Sub-Total	740	720	(20)	(18)	(2)
679	0	Business Performance	Salaries	679	671	(8)	(4)	(4)
83	0		Non-Sal Exp	83	83	0	0	0
0	0		Income	0	0	0	0	0
762	0		Sub-Total	762	754	(8)	(4)	(4)
11,014	20	Business & Technical Support	Salaries	11,034	10,300	(734)	(516)	(218)
2	0		Non-Sal Exp	2	(23)	(25)	260	(285)
(717)	0		Income	(717)	(328)	389	81	308
10,299	20		Sub-Total	10,319	9,949	(370)	(175)	(195)
17,897	64	Corporate Resources & Services Directorate	Salaries	17,961	17,057	(904)	(675)	(229)
3,023	1		Non-Sal Exp	3,024	3,043	19	314	(295)
(1,961)	0		Income	(1,961)	(1,572)	389	84	305
18,959	65		Total	19,024	18,528	(496)	(277)	(219)

Exceptional Items – COVID-19 Pressures

108. Within Corporate Resources and Services Directorate, a pressure of £1,088k is being reported against the COVID-19 exceptional items disclosure, with £622k of this relating to expenditure pressures and £466k relating to income shortfalls.

Table : 15 Corporate Resources & Services Development & Risk Contingency

Original Budget £'000	Budget Changes £'000	Development & Risk Contingency	Month 7		Variance (As at Month 7) £'000	Variance (As at Month 6) £'000	Movement from Month 6 £'000
			Revised Budget £'000	Forecast Outturn £'000			
0	0	COVID-19	0	1,088	898	898	190
0	0	Total Exceptional Items	0	1,088	898	898	190

109. 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. There are £182k of staffing costs directly relating to the Covid -19 response. The remaining balance is made up of smaller items, the largest being £18k of mortuary funding for additional PPE and refrigerated storage.

110. Within the £485k pressure reported against income shortfalls from the COVID-19 pandemic, £152k 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 (£313k underspend, £36k favourable movement)

Democratic Services (£68k pressure, £5k favourable movement)

111. A pressure of £68k is reported for Month 7, broadly in line with the position reported for Month 6 due to minor changes across the Service.

Human Resources (£31k underspend, nil movement)

112. The Month 7 position is now reflecting the impact of the reorganisation of the senior Management tier, in full, 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 and have increased further across months accounting for the month on month movement across non-salaries.

Legal Services (£135k underspend, £13k favourable movement)

113. Posts held vacant within Legal Services during the COVID pandemic have resulted in a net underspend. The Month 7 position assumes recruitment to 6 posts of varying grades currently vacant before the year end and includes a £60k provision for the utilisation of external legal expertise that may be required to support with peaks in workload.

Corporate Communications (£20k underspend, £2k favourable movement)

114. The service is reporting an underspend of £20k at Month 7. There is a £17k 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)

115. The Business Performance position at Month 7 is broadly in line with the position reported at Month 6.

Business & Technical Support (£370k underspend, £195k favourable movement)

116. The service is reporting an underspend of £370k, largely attributable to vacant posts, with recruitment to a number of these no longer anticipated following staffing reviews across the group. Staffing posts identified in the Covid-19 response have been moved to the exceptional items. 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 (£9,451k overspend, £315k adverse)

117. The Dedicated Schools Grant (DSG) monitoring position is an in-year overspend of £9,451k at month 7, this is an increase of £2,276k on the budgeted deficit of £7,175k and a £315k adverse movement from the position reported at month 6. 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 latest projections indicate a further increase in the expenditure on the cohort of post-19 students with an EHCP accessing education placements. When the £15,002k deficit brought forward from 2019/20 is taken into account, the cumulative deficit carry forward to 2021/22 is £24,453k.

Table 16: DSG Income and Expenditure 2020/21

Original Budget	Budget Changes	Funding Block	Month 7		Variance		
			Revised Budget	Forecast Outturn	Variance (As at Month 7)	Variance (As at Month 6)	Change from Month 6
			£'000	£'000	£'000	£'000	£'000
(296,926)	151	Dedicated Schools Grant Income	(296,775)	(296,775)	0	0	0
231,400	(28)	Schools Block	231,372	231,253	(119)	(119)	0
25,401	0	Early Years Block	25,401	25,401	0	0	0
3,270	0	Central Schools Services Block	3,270	3,317	47	38	9
44,030	(123)	High Needs Block	43,907	46,255	2,348	2,042	306
7,175	0	Total Funding Blocks	7,175	9,451	2,276	1,961	315
		Balance Brought Forward 1 April 2020	15,002	15,002			
		Balance Carried Forward 31 March 2021	22,177	24,453			

Dedicated Schools Grant Income (Nil variance, no change)

118. There has been a minor adjustment to the DSG allocation following updates to the High Needs planned place numbers for 2020/21 and the Import/Export mechanism which reflects the local authority in which pupils with SEND are resident. It is not expected that there will be any further adjustments to the Dedicated Schools Grant Income for 2020/21.

Schools Block (£119k underspend, no change)

119. 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.

120. 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.

121. 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)

122. 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.

123. 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 financial impact of this change in the funding mechanism for early years with the current assumption that the funding levels are sufficient to meet the demand.

Central School Services Block (£47k overspend, £9k adverse)

124. The published DSG budget allocations confirmed a 20% decrease in the Central School Services Block provided for historic commitments. This resulted in a £265k reduction in funding, though this was partly offset by £51k of additional funding for pupil growth. 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.

125. At month 7 the Central School Services block is projecting a £47k pressure predominantly due the additional cost of maternity cover in the School Placement and Admissions.

High Needs Block (£2,348k overspend, £306k adverse)

126. There continues to be significant pressure in the High Needs Block in 2020/21, with an overspend of £2,348k being projected at month 7. The growth in the number of pupils with an EHCP continued throughout 2019/20 and the current academic year has seen a further increase in the number of pupils with an EHCP.

127. Most in-borough special schools are 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.

128. 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.

129. 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 current projection has been updated to reflect the changes in placements of this cohort from September 2020, resulting in the reported adverse movement in high needs expenditure.
130. 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

131. Some schools have indicated budget pressures as a consequence of additional costs in relation to COVID-19. Whilst most schools have now received additional funding to cover some of these exceptional costs, the DfE has confirmed that there will be no opportunity for schools to claim for further 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. Several 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 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 through the 2020/21 academic year, 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 £4,785k 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. Any deficit realised at outturn will impact on the General Fund budget in future years, with the Government confirming that Councils will be required to spread the deficit over a period of three years in equal increments as a result of the in-year deficit being directly attributable to COVID-19, a third of the in-year deficit (£1,829k) would hit the Council's budget position for 2021/22 to 2023/24, effectively increasing the budget gap by this value, offset in 2021/22 by the brought forward surplus of £702k. The Spending Review confirmed that the Government will be funding 75% of this deficit, with further details to follow on the exact mechanics of this announcement, in the interim, the Council is assuming 75% of the £1,829k will be funded through this mechanism in the budget strategy, meaning only £457k will impact on the Council's balances.
136. 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	Month7		Variance (As at Month 7) £'000	Variance (As at Month 6) £'000	Movement from Month 6 £'000	
			Revised Budget £'000	Forecast Outturn £'000				
(131,835)	0	Council Tax	Gross Income	(131,835)	(131,187)	648	607	41
11,049	0		Council Tax Support	11,049	13,157	2,108	2,109	(1)
39	0		B/fwd Deficit	39	303	264	264	0
(120,747)	0		Sub-Total	(120,747)	(117,727)	3,020	2,980	40
(112,314)	0	Business Rates	Gross Income	(112,314)	(80,478)	31,836	31,712	125
(6,141)	0		Section 31 Grants	(6,141)	(32,109)	(25,968)	(25,751)	(218)
53,666	0		Less: Tariff	53,666	53,666	0	0	0
8,784	0		Less: Levy	8,784	5,647	(3,137)	(3,171)	33
(498)	0		B/fwd Surplus	(498)	(1,464)	(966)	(966)	0
(56,503)	0	Sub-Total	(56,503)	(54,738)	1,765	1,824	(59)	
(177,250)	0	Total Collection Fund		(177,250)	(172,465)	4,785	4,804	(19)

137. At Month 7 a deficit of £3,020k is projected against Council Tax, the position includes an adverse variance reported against Gross Income of £648k, 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 6 is mainly driven by a

marginal movement in the taxbase forecast. The majority of the pressure in Council Tax is driven by a £2,108k 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.

138. A £1,765k deficit is reported across Business Rates at Month 7, the position includes an adverse variance against in-year activity of £2,731k with this variance being driven by an adverse position within Gross Rates of £31,836k. 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 £25,968k. The £31,836k 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.
139. The in-year position includes a favourable position being reported against the Levy of £3,137k, 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

140. The Housing Revenue Account (HRA) is currently forecasting a drawdown of reserves of £2,021k, which is £12k favourable compared to the Month 6 position. This excludes the potential cost pressures of Covid-19, which are estimated at £345k. The 2020/21 closing HRA General Balance is forecast to be £15,054k. 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 7		Variance (+ adv / - fav)		
	Revised Budget	Forecast Outturn	Variance (As at Month 7)	Variance (As at Month 6)	Movement from Month 6
	£'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	14,606	(135)	(198)	63
Tenant Services	3,759	3,807	48	37	11
Repairs	5,368	5,723	355	181	174
Planned Maintenance	4,040	3,450	(590)	(330)	(260)
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	65,021	(322)	(310)	(12)
(Surplus) / Deficit	2,057	2,021	(36)	(24)	(12)
General Balance 01/04/2020	(17,075)	(17,075)	0	0	0
General Balance 31/03/2021	(15,018)	(15,054)	(36)	(24)	(12)

Income

141. As at Month 7 the rental income and other income forecast is an under-recovery totalling £286k, nil movement on Month 6.

142. The number of Right to Buy (RTB) applications received in the first seven months of 2020/21 was 106 compared to 104 for the same period in 2019/20; an increase of 2%. There has been 20 RTB completions in the first seven months of 2020/21 compared to 31 for the same period in 2019/20; a reduction of 35%. As at Month 7, the 2020/21 RTB budgeted sales is 50, however the forecast RTB sales has been reduced by 10 to 40 after taking into consideration the actual sales to date. The RTB applications and sales will be kept under further review during the latter part of the financial year.

Expenditure

143. The Housing management service is forecast to underspend by £135k, an adverse movement of £63k on Month 6 due to increased forecasts on various running costs including a £29k reduction in the RTB sales administration allowance.

144. Tenant services is forecast to overspend by £48k, an adverse movement of £11k due to increased staffing costs compared to Month 6.
145. The repairs and planned maintenance budget totals £9,408k. There is a net favourable movement on Month 6 of £86k due a reduced forecast on the external decoration programme of £260k; and increased forecast spend on overtime and specialist repairs consultancy services of £34k and voids of £140k. The voids forecast includes £200k of confirmed Covid-19 costs, of which £60k can be contained within existing void repairs budgets and £140k is funded from the overall HRA repairs and planned maintenance budgets.
146. As at Month 7 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

147. 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 £345k in Month 7 and are not included in the HRA forecast position.
148. The key pressures relate to repairs and maintenance totalling £81k due to unreported and catch up day-to-day repairs, potential staffing costs of £50k relating to domestic violence and anti-social behaviour, and bad debt provision totalling £214k due to increasing arrears and the relative age of the arrears.
149. The movement from Month 6 is a net reduction of £150k: an increase in staffing pressures of £50k and a reduction of £200k for void repairs. The £200k void repairs pressure has been moved from the Covid-19 risk list below and is now declared in the HRA Month 7 forecast £36k underspend position as a confirmed Covid-19 cost.

Table 19: HRA COVID-19 pressures

HRA COVID-19 pressures	2020/21 Month 7	2020/21 Month 6	2020/21 Movement from Month 6
	£'000	£'000	£'000
Repairs and Planned Maintenance	81	281	(200)
Staffing	50	0	50
Development and Risk Contingency – Bad Debt Provision	214	214	0
Total HRA Revenue Covid-19 pressures	345	495	(150)

HRA Capital Expenditure

150. The HRA capital programme is set out in the table below. The 2020/21 revised budget has reduced to £63,009k following re-phasing of some expenditure budgets into future years. The 2020/21 forecast expenditure is £47,337k with a net variance of £15,672k of which £14,677k is due to re-phasing and £995k due to cost underspends.

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	36,272	28,188	(170)	(7,914)	141,424	141,254	(170)	
New Build - Shared Ownership	4,000	890	(125)	(2,985)	14,867	14,742	(125)	
New Build - Supported Housing Provision	816	816	0	0	816	816	0	
Total Major Projects	41,088	29,894	(295)	(10,899)	157,107	156,812	(295)	
HRA Programmes of Work								
Works to Stock programme	15,870	12,092	0	(3,778)	60,243	60,243	0	
Major Adaptations to Property	2,188	1,488	(700)	0	10,129	9,429	(700)	
Green Homes	3,863	3,863	0	0	3,863	3,863	0	
Total HRA Programmes of Work	21,921	17,443	(700)	(3,778)	74,235	73,535	(700)	
Total HRA Capital	63,009	47,337	(995)	(14,677)	231,342	230,347	(995)	
Movement from Month 5	(6,463)	2,023		8,486				

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

Major Projects

151. Following November Cabinet approval of re-phasing of £6,463k expenditure on various projects continuing into future years, the 2020/21 Major Projects programme revised budget is £41,088k. Forecast expenditure in 2020/21 is £29,894k, with a re-phasing variance of £10,899k and a cost underspend of £295k forecast in 2020/21.

New General Needs Housing Stock

152. There is forecast re-phasing of £7,914k across the General Needs programme due to delays in the progress of several projects, partly arising from Covid-19 lockdown.

153. 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.

154. The redevelopment of Maple and Poplar Day Centre was put on hold due to the Covid-19 crisis but is now expected to commence shortly. 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.

155. 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.
156. 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 now expected to be complete by May 2021.
157. A total of £6,265k has been committed this financial year for various buy backs of former Right to Buy properties, from the Acquisitions and Internal Developments budget, inclusive of stamp duty, legal fees & expected void repairs costs. A further ten ex-Right to Buy properties have been identified amounting to £2,351k, which will be submitted for formal approval shortly.
158. 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. A deposit of £1,297k was previously paid in 2019/20 and 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.
159. 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

160. The New Build Shared Ownership budget comprises schemes being delivered across four sites. These are expected to deliver 94 units in total.
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 during 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. Forecast expenditure for the year has increased by £2,566k due to additional works required to remediate Packet Boat House. Works are in various stages of progress across various work streams with some schemes and planned programmes continuing into next year.

164. The major adaptations to property budget forecast is reporting an underspend of £700k 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 October 2020 for a total gross sales value of £3,995k. A further 20 sales are forecast to bring the yearly total to 40, totalling £7,990k 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 repayable to the MHCLG.
168. During 2020/21, some of the 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)	0	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	627	300	(327)	0	(327)	6,072	6,072	0
315	Willow Tree	10	2,025	1,985	(40)	0	(40)	2,627	2,627	0
31	2 East Way	1	10	10	0	0	0	203	203	0
25	Bartram Close	2	305	0	(305)	0	(305)	305	305	0
67	34-44 Sullivan Crescent	6	41	15	(26)	0	(26)	949	949	0
363	Nelson Road	6	1,704	1,096	(608)	0	(608)	1,944	1,944	0
285	Great Bentley	2	236	100	(136)	0	(136)	471	471	0
39	Petworth Gardens	9	100	38	(62)	0	(62)	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	612	233	(379)	0	(379)	1,089	1,089	0
403	Woodside Day Centre	27	500	150	(350)	0	(350)	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	17	(11)	0	(11)	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	41,088	29,894	(11,194)	(295)	(10,899)	157,107	156,812	(295)
12,943	New General Needs Housing Stock	161	36,272	28,188	(8,084)	(170)	(7,914)	141,424	141,254	(170)
3,373	New Build - Shared Ownership	116	4,000	890	(3,110)	(125)	(2,985)	14,867	14,742	(125)
35,156	New Build - Supported Housing	148	816	816	0	0	0	816	816	0
51,472		425	41,088	29,894	(11,194)	(295)	(10,899)	157,107	156,812	(295)

Appendix D - GENERAL FUND CAPITAL PROGRAMME

169. As at Month 7 an underspend of £27,675k is reported on the 2020/21 General Fund Capital Programme of £85,529k, 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 £4,028k.
170. General Fund Capital Receipts of £7,679k are forecast for 2020/21, with a deficit of £344k 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 £1,421k. This is due to cost under spends of £4,028k, offset by a combined shortfall of £1,344k on other Council resources (capital receipts and CIL), and £1,263k grants and contributions.

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	20,495	251	(20)
Major Projects	189,841	189,728	(113)	-
Programme of Works	169,380	165,214	(4,166)	954
General Contingency	6,657	6,657	-	
Total Capital Programme	386,122	382,094	(4,028)	934
Movement	76	1,010	934	

173. The 2020/21 revised budget has increased by £76k due to a new allocation of Section 106 monies towards canal towpath improvement works between Cowley Mill Road and Rockingham Road under Highways S106 projects.

Schools Programme

174. The Schools Expansions programme is reporting an overspend of £251k relating mainly to additional items of £277k requested by Ruislip High School 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 £20k arising on the agreement of final accounts for Vyners within the Secondary Schools programme

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 additional temporary classrooms budget has been re-phased into future years as 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 will commence shortly to extend the Uxbridge mortuary, following appointment of the main contractor. The revised budget is £1,900k following Cabinet approval to transfer £676k from general contingency due to increases in scope identified during the design phase.
181. The first phase of remedial works at the Battle of Britain Bunker are in progress, with further packages of works to take place next year. 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. Following settlement between the Department for Transport and TFL for the remainder of this financial year, TFL have confirmed an allocation of £946k in respect of the 2020/21 LIP, resulting in the expenditure and grant financing shortfall reducing to £2,515k from the original budget.
188. The Department for Transport have 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.
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 library commenced in early November and Ickenham library is scheduled to commence in December. 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 with works continuing into next year, and £110k total under spends are reported on completed projects that commenced in 2019/20.
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 £140k is reported on the project, a favourable movement of £51k in month. 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. 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 28 carriageways and 42 footways, amounting to £9,005k has recently been approved. These works will commence later this year.
196. Under Corporate Technology and Innovation, the project to upgrade computer hardware and transition to Windows 10/Microsoft 365 is in progress, with new laptops being rolled out to Council staff in recent weeks.

197. 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. Based on existing commitments to date, the budget is forecast to under spend by £65k.
198. The remaining 2020/21 general capital contingency budget is £657k following November Cabinet approval of the allocation of £676k towards the extension of Uxbridge mortuary.

Capital Financing - General Fund

199. Table 22 below outlines the latest financing projections for the capital programme, with an underspend of £882k 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	6,100	(14,529)	62,160	62,160	-	-
Invest to Save Schemes	5,881	4,753	(1,128)	8,881	8,741	(140)	(51)
Service Provision	43,881	34,452	(9,429)	221,513	218,888	(2,625)	(412)
Total Council Resources	70,391	45,305	(25,086)	292,554	289,789	(2,765)	(463)
Financed By							
Capital Receipts	8,097	7,679	(418)	52,820	52,476	(344)	141
CIL	3,500	2,500	(1,000)	17,500	16,500	(1,000)	-
Prudential Borrowing	58,794	35,126	(23,668)	222,234	220,813	(1,421)	(604)
Total Council Resources	70,391	45,305	(25,086)	292,554	289,789	(2,765)	(463)
Grants & Contributions	15,138	12,549	(2,589)	93,568	92,305	(1,263)	1,397
Capital Programme	85,529	57,854	(27,675)	386,122	382,094	(4,028)	934
Movement	(28,359)	(3,242)	25,117	76	1,010	934	

200. Forecast capital receipts in 2020/21 have increased by £141k due to higher than expected sales prices achieved for two former garage sites at auction in October. However this is partly offset by an increase in forecast financing of transformation costs and a reduction in General Fund Share of Right to Buy as forecast RTB sales for the year have reduced by 10. Further auction sales are planned in December and February 2021.

201. As at the end of October 2020, a total of £639k Community Infrastructure Levy receipts have been invoiced (after administration fees), an increase in month of £11k. 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, although there a number of identified sites where monies may be due this financial year. 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.

202. Forecast grants and contributions are £1,263k 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 announced this summer. Forecast contributions have increased by £1,397k mainly due to the improvement in TFL grant following the recent settlement.

203. Prudential Borrowing has moved favourably by £604k due partly to under spends on Council resourced capital schemes and improvement in capital receipts forecast for the year.

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	4,781	5,038	257	0	9,571	9,828	257	9,528	300	0
0	Additional Temporary Classrooms	0	0	0	0	6,650	6,650	0	4,400	2,250	0
458	Schools SRP	411	411	0	0	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	5,799	6,050	251	0	20,244	20,495	251	14,529	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	0	0	0	0	44,000	44,000	0	42,950	0	1,050
963	New Yiewsley Leisure Centre	365	365	0	0	29,037	29,037	0	29,037	0	0
69	Yiewsley/West Drayton Comm Centre	1,500	1,500	0	0	1,931	1,931	0	1,931	0	0
773	Hillingdon Outdoor Activity Centre	250	200	0	(50)	25,727	25,727	0	0	0	25,727
0	New Museum	50	5	0	(45)	5,632	5,632	0	4,882	0	750
0	Shopping Parades Initiative	503	457	(46)	0	2,896	2,850	(46)	2,105	590	155
7,294	Hayes Town Centre Improvements	437	437	0	0	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	288	288	0	0	1,462	1,462	0	1,462	0	0
58	RAGC Expansion	94	20	0	(74)	1,356	1,356	0	1,356	0	0
7	Uxbridge Mortuary Extension	1,026	350	0	(676)	1,900	1,900	0	950	0	950
2	1 & 2 Merrimans Housing Project	10	5	0	(5)	619	619	0	619	0	0
31	Uxbridge Cemetery Gatehouse	0	0	0	0	543	543	0	543	0	0
0	Uniter Building Refurbishment	20	5	0	(15)	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	308	150	0	(158)	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	11,750	6,000	0	(5,750)	43,129	43,129	0	43,129	0	0
250	Yiewsley Site Development	150	100	0	(50)	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	0	0	0	0	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	17,665	10,729	(113)	(6,823)	189,841	189,728	(113)	154,892	2,723	32,113

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	193	0	(557)	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	50	0	(1,570)	3,620	3,620	0	3,620	0	0
N/A	Harlington Road Depot Improvements	586	260	0	(326)	586	586	0	586	0	0
N/A	Property Works Programme	3,227	2,220	(39)	(968)	8,986	8,947	(39)	8,922	25	0
N/A	Civic Centre Works Programme	5,156	2,306	(71)	(2,779)	8,177	8,106	(71)	8,106	0	0
N/A	CCTV Programme	284	344	0	60	384	384	0	384	0	0
N/A	Highways Structural Works	15,684	12,922	0	(2,762)	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	1,512	(2,515)	(161)	17,590	15,075	(2,515)	0	14,664	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	938	(311)	(156)	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	700	(65)	0	3,825	3,760	(65)	3,760	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	900	(140)	0	1,040	900	(140)	900	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	540	430	0	(110)	540	540	0	0	0	540
N/A	Devolved Capital to Schools	558	558	0	0	1,446	1,446	0	0	1,159	287
	Total Programme of Works	61,408	40,418	(4,166)	(16,824)	169,380	165,214	(4,166)	113,711	46,724	4,779

Appendix E – Treasury Management Report as at 31 October 2020

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

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

*Money Market Funds

204. 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.
205. The average rate of return on day-to-day operational treasury balances is 0.17%. 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.
206. The Council aims to minimise its exposure to bail-in risk by utilising bail-in exempt instruments and institutions whenever possible. However, with average balances being lower than historic levels, the majority of funds need to be held in instant access facilities to manage daily cash flow. It is therefore not possible to fully protect Council funds from bail-in risk. At the end of October, 100% of the Council's day-to-day operational treasury investments had exposure to bail-in risk compared to a September benchmark average of 64% in the Local Authority sector (latest benchmark provided quarterly by the Council's treasury advisors Arlingclose). The Council's exposure reduces to 0% once instant access facilities are excluded from the total bail-in percentage.
207. Liquidity was maintained throughout October by placing surplus funds in instant access accounts and making short-term deposits with the DMADF with maturities matched to cash outflows. In addition £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: 0.43%

	Actual (£m)	Actual (%)
General Fund		
PWLB	45.77	15.48
Long-Term Market	15.00	5.08
Temporary	65.00	21.99
HRA		
PWLB	136.82	46.29
Long-Term Market	33.00	11.16
Total	295.59	100.00

208. During October there were no scheduled long term debt repayments, however, £5m of temporary borrowing reached maturity. Gilt yields fluctuated during the month, ending around

2bps lower than it began. With the ongoing need to take further borrowing and with restrictive premiums, early repayment of debt remains unfeasible.

209. 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 November, cash balances will be placed in instant access accounts and short term deposits. In addition, £15m of forward dated temporary borrowing will reach settlement.

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

211. 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
Finance						
Benefit Officer	03/04/2017	16/11/2020	14/02/2021	180	13	193
Social Care						
Approved Mental Health Worker	05/02/2018	30/11/2020	31/01/2021	147	9	156
AMHP	04/02/2019	30/11/2020	31/01/2021	140	13	154
AMHP	03/06/2019	30/11/2020	31/01/2021	115	13	128
AMHP	01/07/2019	30/11/2020	31/01/2021	109	13	123
Social Worker	03/08/2019	30/11/2020	31/01/2021	97	12	110
AMHP	30/09/2019	30/11/2020	31/01/2021	90	13	103
AMHP	30/09/2019	30/11/2020	31/01/2021	90	13	103
Social Worker	01/11/2019	30/11/2020	31/01/2021	95	15	110
AMHP	04/11/2019	30/11/2020	31/01/2021	83	13	96
Social Worker	03/02/2020	30/11/2020	31/01/2021	43	9	52
AMHP	03/02/2020	30/11/2020	31/01/2021	63	13	77
Team Manager	03/02/2020	30/11/2020	31/01/2021	70	15	84
Social Worker	03/02/2020	30/11/2020	31/01/2021	50	10	61
AMHP	04/05/2020	30/11/2020	31/01/2021	44	13	58
Social Worker/Senior Social Worker	02/08/2020	30/11/2020	31/01/2021	39	13	53
AMHP	02/08/2020	30/11/2020	31/01/2021	38	13	51
Social Worker	02/08/2020	30/11/2020	31/01/2021	45	15	60
Social Worker	02/08/2020	30/11/2020	31/01/2021	44	15	59
AMHP	04/11/2019	30/11/2020	31/01/2021	137	22	160
Social Worker (CHC)	03/01/2017	30/11/2020	31/01/2021	191	9	200
Team Manager	17/07/2017	30/11/2020	31/01/2021	354	19	373
Senior Social Worker	01/04/2013	30/11/2020	31/01/2021	282	14	296
Social Worker	06/04/2017	30/11/2020	31/01/2021	273	14	287
Social Worker	23/10/2017	30/11/2020	31/01/2021	215	12	227
Social Worker	16/12/2016	30/11/2020	31/01/2021	310	14	324
Social Worker	21/08/2016	30/11/2020	31/01/2021	312	14	326
Social Worker	10/07/2017	30/11/2020	31/01/2021	241	14	255
Social Worker	04/05/2015	30/11/2020	31/01/2021	361	12	373
Social Worker	13/04/2015	30/11/2020	31/01/2021	406	14	420
Social Worker	11/07/2016	30/11/2020	31/01/2021	333	14	347
Social Worker	01/08/2015	30/11/2020	31/01/2021	376	16	392
Social Worker	27/10/2016	30/11/2020	31/01/2021	304	14	318
Educational Psychologist	04/02/2019	30/11/2020	31/01/2021	267	25	292

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
Educational Psychologist	15/11/2015	30/11/2020	31/01/2021	426	17	443
Social Worker	11/08/2014	30/11/2020	31/01/2021	503	14	517
Social Worker	01/01/2013	30/11/2020	31/01/2021	521	14	535
Social Worker	01/04/2013	30/11/2020	31/01/2021	318	14	332
Social Worker	26/08/2016	30/11/2020	31/01/2021	299	13	312
Support Worker	20/12/2015	30/11/2020	31/01/2021	145	7	152
Social Worker	04/07/2016	30/11/2020	31/01/2021	356	14	370
Social Worker	21/11/2016	30/11/2020	31/01/2021	294	14	308
Social Worker	01/01/2013	30/11/2020	31/01/2021	519	14	533
Senior Social Worker	29/06/2017	30/11/2020	31/01/2021	284	14	298
Senior Educational Psychologist	15/08/2016	30/11/2020	31/01/2021	396	25	421
Social Worker	02/07/2017	30/11/2020	31/01/2021	235	14	249
Independent Domestic Violence Advocate	01/10/2018	30/11/2020	31/01/2021	114	9	123
Independent Domestic Violence Advocate	01/10/2018	30/11/2020	31/01/2021	58	9	67
Senior Social Worker	21/11/2017	30/11/2020	31/01/2021	142	15	157
Senior Social Worker	19/12/2011	30/11/2020	31/01/2021	150	16	166
Social Worker	24/11/2015	30/11/2020	31/01/2021	157	9	166
Social Worker	01/04/2013	30/11/2020	31/01/2021	135	14	149
Head of Service - LAC and Young People's Services	17/02/2020	30/11/2020	31/01/2021	78	18	96
SEND Officer	24/04/2020	30/11/2020	31/01/2021	45	13	58
EDT Senior Social Worker	24/04/2020	30/11/2020	31/01/2021	49	14	63
Emergency Duty Team Approved Mental Health Practitioner	10/06/2020	30/11/2020	31/01/2021	40	15	55
SEND Team Manager	24/04/2020	30/11/2020	31/01/2021	36	25	61
Support Worker	03/04/2017	30/11/2020	31/01/2021	128	6	134
Registered Manager	04/02/2019	30/11/2020	31/01/2021	82	10	92
Support Worker	03/10/2016	30/11/2020	31/01/2021	98	4	102
Support Planner	03/09/2018	30/11/2020	31/01/2021	76	6	82
Care Worker	06/07/2016	30/11/2020	31/01/2021	126	5	131
Care Worker	06/03/2017	30/11/2020	31/01/2021	106	5	111
Brokerage Officer	03/09/2018	30/11/2020	31/01/2021	65	5	70
Residential Worker	29/04/2019	30/11/2020	31/01/2021	61	7	68
SENDIASS Manager	29/04/2019	30/11/2020	31/01/2021	143	16	159
Service Development & Quality Assurance Officer	01/04/2019	30/11/2020	31/01/2021	195	20	216
Residential Worker	29/04/2019	30/11/2020	31/01/2021	55	6	60
FIS Officer	01/04/2018	30/11/2020	31/01/2021	54	7	61
Support Worker	03/06/2019	30/11/2020	31/01/2021	51	6	56
Support Worker	07/08/2019	30/11/2020	31/01/2021	56	7	63
Residential Worker	30/09/2019	30/11/2020	31/01/2021	45	7	52
Online Services Co-ordinator	04/03/2019	30/11/2020	31/01/2021	118	12	130

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	30/11/2020	31/01/2021	118	16	134
Project Manager/Senior Business Analyst (Liquid Logic Implementation)	01/07/2019	30/11/2020	31/01/2021	123	16	138
Senior Business Analyst (Liquid Logic Implementation)	01/07/2019	30/11/2020	31/01/2021	119	16	135
Environment, Education & Community Services						
Education – Deputy Director	06/07/2020	13/11/2020	05/02/2021	54	34	88
Private Sector Housing Officer	01/03/2018	16/11/2020	07/02/2021	125	12	137
Housing Options & Homeless Prevention Officers x3	18/03/2019	23/11/2020	14/02/2021	270	37	307
Building Services, Transport & Business Improvement						
ICT Project Manager	01/11/2020	01/11/2020	21/03/2021	0	52	52
Corporate Resources & Services						
Customer Service Advisor	21/01/2019	23/11/2020	21/02/2021	52	7	59
Customer Service Advisor	23/07/2018	23/11/2020	21/02/2021	69	8	77
Customer Service Advisor	28/01/2019	30/11/2020	28/02/2021	50	7	57