

COUNCIL BUDGET - 2020/21 REVENUE AND CAPITAL MONTH 11 BUDGET MONITORING

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|---------------------------|--|
| Cabinet Member | Councillor Martin Goddard |
| Cabinet Portfolio | Cabinet Member for Finance |
| Report Author | Paul Whaymand, Corporate Director of Finance |
| Papers with report | Appendices A – F |

HEADLINE INFORMATION

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|---|---|
| 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 £3,754k is reported against General Fund revenue budget normal activities as of January 2021 (Month 11), an improvement of £134k on the Month 10 position. Unallocated reserves are projected to total £31,659k at 31 March 2021.</p> <p>To date, COVID-19 pressures of £34,956k have been identified and are being funded by specific government grant, with the Council also retaining £9,126k of its own 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 February 2021 (Month 11) as outlined in Table 1.
2. Note the Treasury Management update as at February 2021 at Appendix E.

- 3. Note those consultancy and agency assignments over £50k approved under delegated authority between the 18 March 2021 and 22 April 2021 Cabinet meetings, detailed at Appendix F.**
- 4. Ratify an Emergency Power decision taken by the Leader of the Council on 25 March 2021 to waive all fees for pavement licenses to support businesses as they emerge from the COVID-19 pandemic, with any forgone income to be funded through the Council's COVID-19 grant funding.**
- 5. Approve the proposed introduction of a free 30-minute parking period at the Kingsend South, Ruislip, short and long stay car parks, Ruislip, as set out in Appendix G.**
- 6. Note the payment of £204k to Uxbridge BID from Additional Restrictions Grant funding to support the 340 businesses within the Business Improvement District**
- 7. Agree to amend the standard parking charges for the Ruislip Lido Main car park as set out in Appendix H.**

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 11 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** notes consultancy and agency assignments approved by the Chief Executive under authority granted by Cabinet on 18 March 2021. Appendix F reports back on use of this delegated authority since the previous Cabinet meeting.
3. **Recommendation 4** As the Country emerges from lockdown, pavement licences will assist greatly with maximising the capacity of hospitality businesses by allowing them to host more customers whilst adhering to social distancing rules. Cabinet will recall at full Council last year, where officers were authorised to exercise the Council's powers under Part 1 of the Business and Planning Act 2020 to provide for new pavement licenses during the summer. As part of a recent review, officers will now issue 12 month licenses and the Leader of the Council has agreed to waive both the application fee (£50) and extension fee (£20) previously approved. Cabinet is asked to ratify this decision.
4. In order to help support the viability of the Waitrose store in Ruislip, **Recommendation 5** proposes the implementation of a free 30-minute parking period at the Council's Kingsend South short stay car park. It is further proposed this arrangement is extended to the adjacent Kingsend South long stay car park such that visitors to the neighbouring GP surgery are not disadvantaged and to avoid "transfers" between the two sites (visitors moving from car park to car park to benefit from the no-charge period). Further detail regarding the rationale and financial impact is contained in Appendix G.
5. As part of the Council's wider programme of support to businesses during the pandemic, £204k has been awarded to the Uxbridge Business Improvement District (BID), which has 340 businesses operating under their umbrella, in order to assist with the recovery from COVID-19. **Recommendation 6** requests that Cabinet note this grant award.
6. **Recommendation 7** In order to reduce the traffic congestion and the impact on local residents, changes to the standard parking rates during Peak season (1st April – 31st August) are proposed to further encourage visitors to Ruislip Lido to use public transport options. Further detail on the proposed changes are included in Appendix H.
7. **Alternative options considered**
8. There are no other options proposed for consideration.

SUMMARY

REVENUE

9. General Fund pressures totalling £34,956k are projected in relation to the impacts of the COVID-19 pandemic and the Council's response in 2019/20 and 2020/21, with £33,073k 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 may grow by outturn and continue into the new financial year.
10. Funding through specific COVID-19 grants and the MHCLG scheme to cover 75% of income losses is expected to total £38,256k by 31 March 2021 and therefore sufficient to manage those pressures already identified. Given the likelihood that further pressures will emerge through outturn and into the new year, the Council continues to maintain an Earmarked Reserve of £9,126k to manage further demands exceeding government funding.
11. On the assumption that this funding strategy for COVID-19 pressures can be maintained, an underspend of £3,754k is projected across General Fund budgets at Month 11, an improvement of £134k on the Month 10 position driven by minor changes in a number of areas across the Council. The £3,754k underspend consists of £2,941k service underspends and a £770k underspend on capital financing and funding. In addition, there is a £40k underspend in Month 11 against Development and Risk Contingency. Taking account of the budgeted £6,334k drawdown from General Balances, this will result in unallocated General Balances totalling £31,659k at 31 March 2021.
12. Within this position, £4,024k of the £6,386k savings planned for 2020/21 are banked or on track for delivery in full by 31 March 2021, with £2,362k 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 is expected that a similar approach will be required during 2021/22.
13. Within the Collection Fund, a pressure of £4,749k is reported at Month 11, representing a £40k improvement on Month 10, with the underlying variance resulting from 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 the in-year 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 MTFP.

CAPITAL

14. As at Month 11 an underspend of £44,161k is reported on the 2020/21 General Fund Capital Programme of £85,723k, due mainly to re-phasing of project expenditure into future years. Some schemes were temporarily put on hold during the COVID-19 pandemic. The forecast outturn variance over the life of the 2020/21 to 2024/25 programme is an under spend of £7,716k. This outlook for the capital programme remains broadly consistent with those factored into the capital programme projections included in the budget setting reports presented to Cabinet and Council in February 2021.

FURTHER INFORMATION

General Fund Revenue Budget

16. **Normal Activities** - An underspend of £3,754k is reported across normal operating activities at Month 11, an improvement of £134k on the Month 10 position. The £134k consists of £91k improvement across the directorate positions, consisting of minor movements across a range of services areas and no movement on Corporate Operating Budgets. In addition, there are compensating movements on service contingency largely in Social Care placements resulting in a £40k forecast underspend on Contingency, this includes £500k general contingency which remains available to deal with any issues emerging by outturn.
17. Overall, the directorates are all reporting underspends totalling £2,941k on normal activities, however, within this there are a number of pressures which are being managed and in the current year offset through wider underspends. These underspends are being predominantly driven by the COVID-19 pandemic, in service areas unable to run at normal levels, or forced to close, due to measures put in place to help contain the virus and reduce the rate of infection. Specific pressure areas with departmental budgets are expanded upon in Appendix A to this report.
18. There are underspends reported against Interest and Investment Income and Levies and Other Corporate Budgets, a favourable variance of £770k 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.
19. **COVID-19 Financial Impact** - There is a significant pressure of £33,073k 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 £38,256k confirmed government funding, although there remains a strong likelihood that further pressures could emerge through outturn as the pandemic continues. The Council therefore retains £9,126k in Earmarked Reserves to manage any costs exceeding available government funding.
20. The COVID-19 financial pressure is being driven largely by a reduction in Fees and Charges income, partly due to services not running during the pandemic and partly due to the Council ceasing Fees and Charges to support the residents during times of financial hardship. In addition, the Council is continuing to support the Social Care provider market, to ensure consistency in service delivery to our more vulnerable residents, compounded by a forecast increase in demand for these services during the pandemic. Alongside this, the Council continues to support homelessness and rough sleepers, ensuring this group are protected during the pandemic.
21. **Savings** - £6,386k of savings are included in the 2020/21 General Fund revenue budget. There has been no month on month movement in the savings tracker for Month 11 and delivery is on track or banked against £4,024k of this total, with £2,362k either in the early stages of delivery or deemed higher risk. The value of the savings at risk are directly attributable to the COVID-19 pandemic, due to delays in implementing the saving programme as a result of the Council's efforts to redirect resources during these difficult times, protecting vulnerable residents and supporting local businesses, particularly within the Social Care market place. Where savings are not expected to be delivered in full during the current financial year, the resulting pressures form part of the reported COVID-19 pressure and associated funding strategy.

22. **2020/21 Pay Award** - The Council budgeted for a 2% pay award being agreed based on the latest intelligence available at the time the budget was set at February Council. The in-year monitoring position reported reflects the 2.75% uplift in pay, the 0.75% element above the budgeted 2% has been factored into the 2021/22 budget approved by Cabinet and Council in February 2021.

Table 1: General Fund Overview

| Original Budget £'000 | Budget Changes £'000 | Service | Month 11 | | Variance (As at Month 11) £'000 | Variance (As at Month 10) £'000 | Movement from Month 10 £'000 |
|--------------------------|-------------------------|-------------------------------------|-------------------------|---------------------------|---------------------------------------|---------------------------------------|---------------------------------|
| | | | Revised Budget £'000 | Forecast Outturn £'000 | | | |
| 213,954 | (885) | Directorate Operating Budgets | 213,069 | 210,128 | (2,941) | (2,850) | (91) |
| 7,093 | (55) | Corporate Operating Budgets | 7,038 | 6,269 | (769) | (766) | (3) |
| 13,657 | 0 | Development & Risk Contingency | 13,657 | 13,617 | (40) | 0 | (40) |
| (420) | 940 | Unallocated Budget Items | 520 | 520 | 0 | 0 | 0 |
| 234,284 | 0 | Sub-total Expenditure | 234,284 | 230,534 | (3,750) | (3,616) | (134) |
| (227,950) | | Corporate Funding | (227,950) | (227,954) | (4) | (4) | 0 |
| 6,334 | 0 | Total Normal Activities | 6,334 | 2,580 | (3,754) | (3,620) | (134) |
| | | <u>Exceptional COVID-19 items</u> | | | | | |
| 0 | 0 | Pressures | 0 | 33,073 | 33,073 | 32,506 | 566 |
| 0 | 0 | COVID-19 Funding | 0 | (33,073) | (33,073) | (32,506) | (566) |
| 6,334 | 0 | Total Net Expenditure | 6,334 | 2,580 | (3,754) | (3,620) | (134) |
| (34,239) | 0 | Balances b/fwd | (34,239) | (34,239) | | | |
| (27,905) | 0 | Balances c/fwd 31 March 2021 | (27,905) | (31,659) | | | |

23. General Fund Balances are expected to total £31,659k at 31 March 2021 as a result of the forecast position detailed above, representing a £322k improvement on the £31,337k projection for closing General Balances factored into the Council's budget strategy as approved by Cabinet and Council in February 2021.

Directorate Operating Budgets

24. Directorate Operating Budgets represent the majority of the Council's investment in day-to-day services for residents, with more volatile or demand-led areas of activity tracked separately through the Development and Risk Contingency. 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 11 | | Variance (As at Month 11) £'000 | Variance (As at Month 10) £'000 | Movement from Month 10 £'000 | |
|--------------------------|-------------------------|--|-------------------------|---------------------------|---------------------------------------|---------------------------------------|---------------------------------|-------------|
| | | | Revised Budget £'000 | Forecast Outturn £'000 | | | | |
| 19,095 (3,359) | (403) 57 | Finance | Expenditure | 18,692 | 18,458 | (234) | (236) | 2 |
| | | | Income | (3,302) | (3,244) | 58 | 61 | (3) |
| 15,736 | (346) | | Sub-Total | 15,390 | 15,214 | (176) | (175) | (1) |
| 166,088 (38,158) | (995) 190 | Social Care | Expenditure | 165,093 | 167,111 | 2,018 | (355) | 373 |
| | | | Income | (37,968) | (40,087) | (2,119) | 258 | (377) |
| 127,930 | (805) | | Sub-Total | 127,125 | 127,024 | (101) | (97) | (4) |
| 43,922 (27,112) | 2,794 (3,414) | Environment, Education & Community Services | Expenditure | 46,716 | 45,464 | (1,252) | (1,167) | (85) |
| | | | Income | (30,526) | (30,348) | 178 | 191 | (13) |
| 16,810 | (620) | | Sub-Total | 16,190 | 15,116 | (1,074) | (976) | (98) |
| 54,709 (20,180) | 980 (174) | Infrastructure, Building Services & Transport | Expenditure | 55,689 | 54,489 | (1,200) | (1,239) | 39 |
| | | | Income | (20,354) | (20,142) | 212 | 229 | (17) |
| 34,529 | 806 | | Sub-Total | 35,335 | 34,347 | (988) | (1,010) | 22 |
| 20,537 (1,588) | 81 (1) | Corporate Resources & Services | Expenditure | 20,618 | 20,029 | (589) | (583) | (6) |
| | | | Income | (1,589) | (1,602) | (13) | (9) | (4) |
| 18,949 | 80 | | Sub-Total | 19,029 | 18,427 | (602) | (592) | (10) |
| 213,954 | (885) | Total Directorate Operating Budgets | | 213,069 | 210,128 | (2,941) | (2,850) | (91) |

25. An underspend of £176k is reported on Finance budgets at Month 11, an improvement of £1k on Month 10. There are compensating variances reported in Exchequer and Business Assurance Services and Procurement, which partly relate to the implementation of BID reviews. The underspends primarily relate to extended notice periods and staffing vacancies. These offset reduced bank charges as a result of a reduction in transaction volumes relating to COVID-19 and a decrease in Client Financial Affairs receivership income.

26. There is a net underspend of £101k reported across Social Care before COVID-19 pressures, an improvement on Month 10 of £4k, due to minor favourable movements in Children's social work linked to deferred recruitment, offset by other minor movements in the service, mostly in SEND staffing budgets due to agency cover. Within the £101k variance there are compensating movements being driven largely by staffing variances in Children's Services and Adult Social Work 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.

27. Environment, Education & Community Services is reporting a net underspend of £1,074k, with underspends in Green Spaces, Housing and Community Safety within this position being offset by overspends on Education and Trading Standards. The underspend in Green Spaces is linked to a number of services not being operational due to the pandemic, alongside vacancies across the service. There is a £98k movement from Month 10 resulting from improvement mainly in Green Spaces due to further reductions in sessional salaries and associated operating costs as a result of the pandemic.
28. A net £988k underspend is reported across Infrastructure, Building Services & Transport, an adverse movement from Month 10 of £22k reflecting a £94k favourable movement in Repairs relating to service contracts moving to Property and Estates, which is £89k adverse in Month 11. The main movement in Month 11 is £39k adverse in ICT linked to contract and upgrade pressures, which are in the most part offset by staffing underspends and other minor movements across the service. The headline position is driven by £469k slippage in Highways expenditure alongside £292k in Property Services linked to additional lease income, the movement of service contracts in Month 11 from Repairs and Engineering with a £144k underspend and a £169k underspend on Waste services being offset by a number of minor pressures across the directorate.
29. The Corporate Resources & Services directorate is forecasting an underspend of £602k, a £10k favourable movement from Month 10, which is being driven by reduced canvassing activity due to lockdown, vacant posts and updated recruitment forecasts in the Business & Technical Support service.
30. The Council is permitted to finance the costs associated with service transformation from Capital Receipts, with both one-off implementation costs and the support for service transformation, including the BID team, being funded from this resource. Current projections include an estimate of £787k for such costs, which will remain under review throughout outturn and have been excluded from the reported monitoring positions. It is anticipated that these costs will be financed from a combination of Capital Receipts and Earmarked Reserves.

Progress on Savings

31. The savings requirement for 2020/21 is £6,136k. In addition, there are savings of £250k brought forward from 2019/20, which gives an overall total of £6,386k reported below. There has been no movement for Month 11, with savings of £4,024k which are either banked or on track for delivery. With the remaining £2,362k being reported as having a serious problem with delivery.
32. The relatively high number of savings being reported as having a serious problem with delivery (£2,362k) are directly attributable 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 | EE&CS | IBS&T | Corporate Services | Cross-Cutting | Total 2020/21 Savings | |
|---|--------------|----------------|----------------|--------------|--------------------|----------------|-----------------------|---------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | % |
| B Banked | (228) | (2,495) | (80) | (600) | (31) | (590) | (4,024) | 63.0% |
| G On track for delivery | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0% |
| A Potential significant savings shortfall or a significant or risky project which is at an early stage; | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0% |
| 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 (£769k underspend, £3k favourable movement)

33. Corporately managed expenditure includes revenue costs of the Council's Capital Programme, the net impact of Housing Benefit Subsidy arrangements on the Council, externally set levies and income arising from the provision of support services to other funds and ring-fenced budgets.
34. A favourable 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 £16k, mainly driven by a lower Concessionary Fares levy as the final levy figure was not available until after the budget was set. Housing Benefit remains on budget with no variance being reported. No material variances are reported across the remainder of Corporate Budgets, resulting in a headline underspend of £769k.

Table 4: Corporate Operating Budgets

| Original Budget £'000 | Budget Changes £'000 | Service | Month 11 | | Variance (As at Month 11) £'000 | Variance (As at Month 10) £'000 | Movement from Month 10 £'000 |
|--------------------------|-------------------------|--|-------------------------|---------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| | | | Revised Budget £'000 | Forecast Outturn £'000 | | | |
| 0 | 0 | Interest and Investment Income | Salaries | 0 | 0 | 0 | 0 |
| 8,459 | 111 | | Non-Sal Exp | 8,570 | 7,869 | (620) | (592) |
| (487) | (166) | | Income | (653) | (786) | (133) | 28 |
| 7,972 | (55) | | Sub-Total | 7,917 | 7,083 | (753) | (753) |
| 499 | 0 | Levies and Other Corporate Budgets | Salaries | 499 | 511 | 12 | 15 |
| 12,376 | 0 | | Non-Sal Exp | 12,376 | 12,348 | (28) | (28) |
| (12,289) | 0 | | Income | (12,289) | (12,289) | 0 | 0 |
| 586 | 0 | | Sub-Total | 586 | 570 | (16) | (13) |
| 0 | 0 | Housing Benefit Subsidy | Salaries | 0 | 0 | 0 | 0 |
| 147,893 | 0 | | Non-Sal Exp | 147,893 | 147,893 | 0 | 0 |
| (149,358) | 0 | | Income | (149,358) | (149,358) | 0 | 0 |
| (1,465) | 0 | | Sub-Total | (1,465) | (1,465) | 0 | 0 |
| 7,093 | (55) | Total Corporate Operating Budgets | | 7,038 | 6,269 | (769) | (766) |

Development & Risk Contingency

35. For 2020/21 £16,127k was set aside to manage uncertain elements of budgets within the Development & Risk Contingency, which included £15,627k in relation to specific risk items and £500k as General Contingency to manage unforeseen issues, since this date, £2,470k has been released into directorates' base budgets, leaving £13,657k to finance expenditure in these areas. As in prior years specific and emerging variances are contained within the overall budget, although as noted above, exceptional COVID-19 related pressures are being funded through specific grant funding.

Table 5: Development & Risk Contingency

| Original Budget £'000 | Budget Changes £'000 | Service | Month 11 | | Variance (As at Month 11) £'000 | Variance (As at Month 10) £'000 | Movement from Month 10 £'000 | |
|--------------------------|-------------------------|---|---|---------------------------|------------------------------------|------------------------------------|---------------------------------|-------------|
| | | | Revised Budget £'000 | Forecast Outturn £'000 | | | | |
| 1,063 | 0 | Social Care | Asylum Service | 1,063 | 644 | (419) | (394) | (25) |
| 3,211 | 0 | | Demographic Growth - Looked After Children | 3,211 | 3,886 | 675 | 772 | (97) |
| 895 | 0 | | Demographic Growth - Children with Disabilities | 895 | 230 | (665) | (699) | 34 |
| 2,873 | (150) | | SEN transport | 2,723 | 2,248 | (475) | (475) | 0 |
| 3,842 | (1,049) | | Demographic Growth - Adult Social Care | 2,793 | 3,998 | 1,205 | 1,164 | 41 |
| 1,736 | (914) | Environment, Education & Community Services | Impact of Welfare Reform on Homelessness | 822 | 826 | 4 | (3) | 7 |
| 0 | 0 | | Planning Enforcement | 0 | 0 | 0 | 0 | 0 |
| 2,407 | (357) | Infrastructure, Building Services & Transport | 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 | 13,617 | (40) | 0 | (40) |

36. Within Social Care Contingency there are compensating movements in Month 11, with demand-led budgets for care packages having been refreshed to reflect latest client numbers and unit costs. Adult Social Care is seeing increased placements within Learning Disability services. Contingency budgets within Children's Services reflect care packages suspended due to COVID-19 the allocation of additional one-to-one support being funded through COVID-19 exceptional items.
37. There is an increase in the call on homelessness contingency of £7k, however, management actions to reduce numbers through increased non-cost prevention and move-on activity are ongoing. This is now £4k above the contingency budget. There is no change in Waste Services, which is £365k below the contingency budget following confirmation of the pay as you throw tonnages from the West London Waste Authority.
38. It is expected that any further non-COVID-19 related pressures can be managed within the budget set aside for General Contingency. There are currently no identified calls on this £500k

provision, leaving the full budget available for such any such emerging issues, albeit at this late stage in the year, this is looking increasingly unlikely. All contingency items will continue to be closely monitored throughout the outturn process.

Exceptional Items – COVID-19 Pressures

39. The majority of the COVID-19 pressure is relating to Social Care, and Environment, Education & Community Services, these two areas represent £21,176k of the £33,073k in-year pressure. In addition, £1,883k pressures were identified in the 2019/20 financial year to give a total direct cost of £34,956k.
- a. Within Social Care, the Council is forecasting a pressure of just over £11.7m, driven by support offered to providers, additional demand for services and Personal Protective Equipment (PPE) to enable to Council to ensure that some of the more vulnerable residents are supported and receive the care they need during the pandemic.
 - b. In addition, approximately £0.8m of support has been provided to support homeless residents of the borough and ensure their safety during COVID-19, with a further £3.3m being used to fund environmental services including the mortuary and crematorium services, alongside waste management.
 - c. Included within this pressure is a forecast decline in Fees and Charges income of approximately £11.2m, 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 £4.2m of this value.
40. Included within this position is a forecast assumption that the overall pressure caused by COVID-19 will be funded by Central Government and other funding strategies. The Council has confirmed funding of £37,010k (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.
41. 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. In addition, the Council will also be carrying forward into the new financial year, any uncommitted grants related to the pandemic, where grant conditions allow.

HIP Initiatives

42. There is £677k of HIP Initiative balances brought forward at the start of the year. To date £28k has been allocated leaving, £649k available for future releases.

Schools Budget

43. At Month 11 the Dedicated Schools Grant position is reporting an in-year overspend of £3,054k. This represents a net £383k adverse movement from Month 10, within the High Needs Block there is an adverse £387k movement with a compensating £44k favourable

movement in the Schools Block, £57k adverse movement in the Early Years Block and £17k favourable movement in the Central Schools Services Block.

44. There are continuing pressures in the cost of High Needs. 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. When the £15,002k deficit brought forward from 2019/20 is considered, the deficit to carry forward to 2021/22 is forecast at £25,231k. This pressure will ultimately be funded from future grant awards and will therefore not directly impact upon the Council's own resources.

Collection Fund

45. A deficit of £4,749k 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.
46. Additional support within Council Tax is driving approximately 40% of the pressure across Collection Fund activity as households face financial difficulty. The majority of the movement from Month 10 relates to a reduction in the pressure within Council Tax Support as a result of firming up demand in this area as the financial year draws to a close.
47. 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 forecast in-year deficit at Month 9 (£1,958k) 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 and accounting adjustments within Council Tax outside of the scope of the deficit spreading powers (£326k credit). This translates to an increase in the Council's budget gap of £928k in 2021/22, followed by £1,958k in 2022/23 and 2024/25. Any further movements after Month 9 impact on the Council's budget position wholly in 2022/23.
48. 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 £1,958k will be funded through this mechanism in the budget strategy, meaning only £489k will impact on the Council's balances. Any movement from the Month 9 position to Outturn impact on the Council in 2021/22 in their entirety, therefore, the improvement reported in this position will wholly impact in the next financial year.

Housing Revenue Account

49. The Housing Revenue Account is currently forecasting a £155k favourable variance, resulting in a net drawdown of reserves of £1,902k. This results in a projected 2020/21 closing HRA General Balance of £15,173k. This excludes the potential cost pressures of COVID-19, which are estimated at £214k. These pressures have not been included in the Month 11 forecast position for HRA revenue or capital as they are at a level that is fundable in-year within the overall HRA position.
50. On 18 March 2021, MHCLG published the outcome of an outstanding consultation on the future utilisation of Right to Buy Receipts to support 1-4-1 replacement of HRA housing stock. The consultation increases the time period receipts can be held from three to five years, avoiding the need to return monies that would otherwise have been due to MHCLG, and increasing the cap from 30% to 40% of new build costs which can be funded from receipts.

While both developments support the Council to make use of these receipts, a cap of the share of receipts able to finance acquisitions rather than new build units will require a review of the Council's current strategy for use of receipts following its implementation from 2022/23.

Future Revenue Implications of Capital Programme

51. Appendix D to this report outlines the forecast outturn on the 2020/21 to 2024/25 Capital Programme, with a balanced position over the five-year programme. Alongside marginal variances on Government Grant income and Capital Receipts, Prudential Borrowing is projected to be £4,904k lower than budgeted, a reduction of £2,150k from Month 10. This is due to cost underspends of £7,716k, offset by a combined shortfall of £933k on other Council resources (capital receipts and CIL), and £1,879k grants and contributions – with the majority of this reduction factored into the medium term outlook set out in the budget reports approved by Cabinet and Council in February 2021.

Appendix A – Detailed Group Forecasts (General Fund)

FINANCE

52. A forecast underspend of £176k is reported for the Finance Directorate as at Month 11 against normal activities, with £1.65m being reported against the COVID-19 pressure within Exceptional Items.
53. The overall position is a minor improvement compared to the underspend of £175k reported at Month 10. The operational variables within the Group, namely the reduced running costs for the Fleet Service, have shown little movement in month and continue to explain the underlying position overall.

Table 6: Finance Operating Budgets

| Original Budget £'000 | Budget Changes £'000 | Service | Month 11 | | Variance (As at Month 11) £'000 | Variance (As at Month 10) £'000 | Movement from Month 10 £'000 | |
|--------------------------|-------------------------|---|-------------------------|---------------------------|---------------------------------------|---------------------------------------|---------------------------------------|------------|
| | | | Revised Budget £'000 | Forecast Outturn £'000 | | | | |
| 4,224 | 0 | Corporate Finance | Salaries | 4,224 | 4,268 | 44 | 44 | 0 |
| 636 | 0 | | Non-Sal Exp | 636 | 674 | 38 | 38 | 0 |
| (445) | 0 | | Income | (445) | (548) | (103) | (104) | 1 |
| 4,415 | 0 | | Sub-Total | 4,415 | 4,394 | (21) | (22) | 1 |
| 5,844 | (63) | Exchequer and Business Assurance Services | Salaries | 5,781 | 5,782 | 1 | 0 | 1 |
| 3,283 | 133 | | Non-Sal Exp | 3,416 | 3,302 | (114) | (115) | 1 |
| (2,796) | (54) | | Income | (2,850) | (2,692) | 158 | 162 | (4) |
| 6,331 | 16 | | Sub-Total | 6,347 | 6,392 | 45 | 47 | (2) |
| 1,790 | (470) | Procurement | Salaries | 1,320 | 1,185 | (135) | (135) | 0 |
| 3,318 | (3) | | Non-Sal Exp | 3,315 | 3,247 | (68) | (68) | 0 |
| (118) | 111 | | Income | (7) | (4) | 3 | 3 | 0 |
| 4,990 | (362) | | Sub-Total | 4,628 | 4,428 | (200) | (200) | 0 |
| 11,858 | (533) | Finance Directorate | Salaries | 11,325 | 11,235 | (90) | (91) | 1 |
| 7,237 | 130 | | Non-Sal Exp | 7,367 | 7,223 | (144) | (145) | 1 |
| (3,359) | 57 | | Income | (3,302) | (3,244) | 58 | 61 | (3) |
| 15,736 | (346) | | Total | 15,390 | 15,214 | (176) | (175) | (1) |

Exceptional Items – COVID-19 Pressures

Finance Development & Risk Contingency

| Original Budget £'000 | Budget Changes £'000 | Development & Risk Contingency | Month 11 | | Variance (As at Month 11) £'000 | Variance (As at Month 10) £'000 | Movement from Month 10 £'000 |
|--------------------------|-------------------------|--------------------------------|-------------------------|---------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| | | | Revised Budget £'000 | Forecast Outturn £'000 | | | |
| 0 | 0 | COVID-19 | 0 | 1,650 | 1,650 | 1,619 | 31 |
| 0 | 0 | Total Exceptional Items | 0 | 1,650 | 1,650 | 1,619 | 31 |

54. At Month 11 a gross COVID-19 pressure of £1.65m is reported, an adverse movement of £31k from £1.619m reported for Month 10.
55. The position is due to the ongoing expenditure pressures of £585k relating predominantly to additional operational resource required to deliver Government driven grant streams. As reported for previous months, the income pressure of £1.308m relates mainly to council tax

court fee income. These pressures are partly offset by COVID-19 related grant income of £243k leaving £1.650m to be funded from the contingency.

FINANCE OPERATING BUDGETS (£176k underspend, £1k favourable movement)

Corporate Finance (£21k underspend, £1k adverse movement)

56. The position remains in line with that reported for Month 10 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-19 pandemic. The movement overall relates to a minor decrease of client financial affairs receivership income.

Exchequer & Business Assurance Services (£45k overspend, £2k favourable movement)

57. Staff resource assumptions are consistent with those reported for Month 10. The Service have delivered the in-year MTFF savings target following the BID review of the Business Assurance function being fully implemented.

Procurement (£200k underspend, nil movement)

58. The position at Month 11 is in line with that reported for Month 10. The comparative stability of oil prices up to this point of the year and reductions to contracted repairs and maintenance costs within the Fleet Service continue to be the key driver for the underlying position. The BID review of the Procurement function has now been fully implemented as reported for Month 10.

SOCIAL CARE

59. An underspend of £101k is reported for Social Care at Month 11, representing an improvement of £4k on the base budget.

Table 7: Social Care Operating Budgets

| Original Budget £'000 | Budget Changes £'000 | Service | Month 11 | | Variance (As at Month 11) £'000 | Variance (As at Month 10) £'000 | Movement from Month 10 £'000 | |
|--------------------------|-------------------------|--|-------------------------|---------------------------|------------------------------------|------------------------------------|---------------------------------|-------------|
| | | | Revised Budget £'000 | Forecast Outturn £'000 | | | | |
| 21,123 | (344) | Provider and Commissioned Care | Salaries | 20,779 | 19,524 | (1,255) | (1,266) | 11 |
| 9,849 | 793 | | Non-Sal Exp | 10,642 | 11,186 | 544 | 469 | 75 |
| (4,876) | 0 | | Income | (4,876) | (4,918) | (42) | 44 | (86) |
| 26,096 | 449 | | Sub-Total | 26,545 | 25,792 | (753) | (753) | 0 |
| 7,350 | 732 | Adult Social Work | Salaries | 8,082 | 8,221 | 139 | 7 | 132 |
| 77,244 | (1,858) | | Non-Sal Exp | 75,386 | 75,428 | 42 | 53 | (11) |
| (23,405) | 308 | | Income | (23,097) | (23,186) | (89) | 33 | (122) |
| 61,189 | (818) | | Sub-Total | 60,371 | 60,463 | 92 | 93 | (1) |
| 17,296 | (307) | Children's Services | Salaries | 16,989 | 16,974 | (15) | (131) | 116 |
| 21,287 | 39 | | Non-Sal Exp | 21,326 | 21,662 | 336 | 336 | 0 |
| (9,600) | (164) | | Income | (9,764) | (9,680) | 84 | 231 | (147) |
| 28,983 | (432) | | Sub-Total | 28,551 | 28,956 | 405 | 436 | (31) |
| 1,714 | (1) | SEND | Salaries | 1,713 | 1,857 | 144 | 167 | (23) |
| 178 | (2) | | Non-Sal Exp | 176 | 300 | 124 | 53 | 71 |
| (125) | 0 | | Income | (125) | (242) | (117) | (96) | (21) |
| 1,767 | (3) | | Sub-Total | 1,764 | 1,915 | 151 | 124 | 27 |
| 351 | 0 | Public Health | Salaries | 351 | 384 | 33 | 33 | 0 |
| 6,822 | 0 | | Non-Sal Exp | 6,822 | 6,789 | (33) | (33) | 0 |
| (45) | 0 | | Income | (45) | (45) | 0 | 0 | 0 |
| 7,128 | 0 | | Sub-Total | 7,128 | 7,128 | 0 | 0 | 0 |
| 456 | 0 | Health Integration & Voluntary Sector Partnerships | Salaries | 456 | 427 | (29) | (31) | 2 |
| 2,417 | (46) | | Non-Sal Exp | 2,371 | 2,359 | (12) | (12) | 0 |
| (107) | 46 | | Income | (61) | (16) | 45 | 46 | (1) |
| 2,766 | 0 | | Sub-Total | 2,766 | 2,770 | 4 | 3 | 1 |
| 48,290 | 80 | Social Care Directorate Total | Salaries | 48,370 | 47,387 | (983) | (1,221) | 238 |
| 117,797 | (1,074) | | Non-Sal Exp | 116,723 | 119,724 | 3,001 | 866 | 135 |
| (38,158) | 190 | | Income | (37,968) | (40,087) | (2,119) | 258 | (377) |
| 127,929 | (804) | | Total | 127,125 | 127,024 | (101) | (97) | (4) |

SOCIAL CARE DEVELOPMENT AND RISK CONTINGENCY (£321k overspend, £47k favourable movement)

60. 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 11 projected position for the Development and Risk Contingency, which is forecast to overspend against contingency by £321k, representing a £47k favourable movement on the Month 10 position.
61. Adults placements contingency is forecast to overspend against contingency by £1,205k, representing an adverse movement of £41k on the Month 10 position mainly due to increased placements within Learning Disability services.
62. SEN Transport continues to report an underspend of £475k against contingency as in Month 10. This underspend has stemmed from the third lockdown in December which has significantly reduced the number of routes and vehicles running. Transport expenditure will continue to be closely monitored to year end, particularly in light of the reopening of schools from 8 March, as social distancing measures continue to be in place to protect vulnerable children using the service.
63. The Looked After Children contingency is forecast to overspend against contingency by £675k due to the pressure on placement costs. This reflects an increase in the number of high cost residential and semi-independent living placements. However, this underlying increase is partly attributed to the impact of COVID-19, which has reduced the overall forecast and call on contingency by £1,334k through this financial year. This is offset by a reduction on the call from the CWD contingency which is underspending by £675k. This favourable movement is a reflection on the number of packages of care which were suspended for several children during the COVID-19 lockdown and the allocation of additional one-to-one support being funded through COVID-19 exceptional items.

Table 8: Social Care Development & Risk Contingency

| Original Budget | Budget Changes | Development & Risk Contingency | Month 11 | | Variance (As at Month 11) | Variance (As at Month 10) | Movement from Month 10 |
|-----------------|----------------|---|----------------|------------------|---------------------------|---------------------------|------------------------|
| | | | Revised Budget | Forecast Outturn | | | |
| £'000 | £'000 | | £'000 | £'000 | £'000 | £'000 | £'000 |
| 1,063 | 0 | Asylum Service | 1,063 | 644 | (419) | (394) | (25) |
| 3,211 | 0 | Demographic Growth - Looked After Children | 3,211 | 3,886 | 675 | 772 | (97) |
| 895 | 0 | Demographic Growth - Children with Disabilities | 895 | 230 | (665) | (699) | 34 |
| 2,873 | (150) | SEN Transport | 2,723 | 2,248 | (475) | (475) | 0 |
| 3,842 | (1,049) | Demographic Growth - Adult Social Care | 2,793 | 3,998 | 1,205 | 1,164 | 41 |
| 11,884 | (1,199) | Current Commitments | 10,685 | 11,006 | 321 | 368 | (47) |
| 0 | 0 | COVID-19 | 0 | 11,718 | 11,718 | 11,247 | 471 |
| 0 | 0 | Total Exceptional Items | 0 | 11,718 | 11,718 | 11,247 | 471 |

Exceptional Items – COVID-19 Pressures

64. Within Social Care, COVID-19 pressures of £11,718k are being reported, which is an increase on the requirement of £471k on the Month 10 position.

65. The Provider and Commissioned Care pressure includes £733k of additional staffing pressures, an increase of £9k this month. £633k of the staffing pressure relates to staffing expenditure in care and residential homes as a direct result of COVID-19. A £77k staffing pressure is being reported as a result of the delay to the implementation of the new Occupational Therapy service delivery model due to the pandemic, which is a decrease of £33k as this was realigned to reflect revised staffing forecasts. The implementation of the new OT model is currently underway.
66. Of non-staffing pressures, there is £136k in additional costs for cleaning and for flats in the Extra Care centres that were vacant and were unable to be re-let to the usual pre-COVID-19 timescales between March and September; £25k in additional vehicle cleaning costs for SEN Transport; £13k for cleaning in residential and care homes and £7.6k in additional banking administration charges for the Brokerage service due to the issue of extra payment cards as part of the service's COVID-19 response. £455k is being reported in loss of income due to the pandemic, of which £419k relates to parental fees and DSG income from Early Years Centres and the remaining £36k due to loss of rental income and sales of meals in day centres.
67. 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 £2,188k is forecast to provide PPE within the wider Adult Social Care service delivery model. A further £3,049k is being forecast for additional demand within the service as a result of the pandemic. The remaining balance relates to workforce pressures within the service that are directly attributable to the pandemic.
68. The pressure associated with Children's Services (LAC) relates to increased 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. There has been an increase in cost due to the use of additional staffing within Children's Services during the pandemic, which is now forecast to be £333k.
69. The £102k COVID-19 pressure in SEND relates to temporary agency cover required over the current SEND Service staffing establishment to assist with the response to COVID-19. The DfE have confirmed that statutory SEN work should continue as usual, and therefore additional agency staff are required to help support with extra statutory work during the continued COVID-19 response.

SOCIAL CARE OPERATING BUDGETS (£101k underspend, £4k favourable movement)

Provider and Commissioned Care (£753k underspend - nil movement)

70. At Month 11, Provider and Commissioned Care are reporting a £753k underspend. This is due to a large staffing underspend of £1,255k 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 during the first and most recent lockdowns 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 (£92k overspend, £1k favourable movement)

71. The position reported at Month 11 on the base budget is an overspend of £92k across Adult Social Work, a £1k movement on Month 10.
72. There is an ongoing extensive review of the pooled budget arrangements with the CCG and the use of the Hospital Discharge NHS COVID-19 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. The LBH contribution has now been agreed for the current year, with full assessments nearing completion on the ongoing impact of COVID-19 on care needs and the changes to the type of care required.
73. 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, which will continue to be reviewed into 2021/22.

Children's Services (£405k overspend - £31k favourable movement)

74. The position reported at Month 11 on the base budget is an overspend of £405k across Children's Services, which is a favourable movement of £31k. The slight improvement has arisen from further reductions in the cost of agency staff and the delayed recruitment to the Early Help restructure.
75. 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, agency staffing arrangements with Sanctuary Personnel, will deliver temporary staff at a lower cost and support further reduction in spend.

SEND (£151k overspend, £27k adverse movement)

76. 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 contribute to reducing this pressure. Additional pressures on SEN legal costs and mediation fees along with agency staff covering vacant posts are driving the overspend position and adverse movement at Month 11.

Public Health (Breakeven, nil movement)

77. 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. The main exception to this has been the delivery of the Health Check programme within GP settings with provision limited initially by lockdown restrictions and subsequently by the roll out of the vaccination programme. The Month 11 forecast reflects the reduced activity levels with the corresponding underspend being transferred to the PH EMR. It is currently forecast that Public Health services will be delivered within budget.

Health integration and Voluntary Sector Partnerships (£4k overspend – 1k adverse movement)

78. A minor pressure of £4k is reported for the Service overall at Month 11. The underlying position reflects a salary underspend arising from the allocation of staff time to the COVID-19 Contingency where community engagement work has focused on supporting Residents during the pandemic. Work has been diverted away from Brexit focussed engagement activities reflected by the off-setting reduction of contributions from the Brexit EMRs.

ENVIRONMENT, EDUCATION & COMMUNITY SERVICES

79. The Environment, Education and Community Services directorate is showing a projected outturn underspend of £1,074k at Month 11 on normal activities, a favourable movement of £98k from Month 10. A further £9,458k is being reported under the COVID-19 exceptional items disclosure. The overall variance on normal activities is a result of overspends in Education and Trading Standards offset by underspends in Planning, Greenspaces, Housing, & Community Safety.

Table 9: Environment, Education & Community Services Operating Budgets

| Original Budget £'000 | Budget Changes £'000 | Service | Month 11 | | Variance (As at Month 11) £'000 | Variance as at Month 10 £'000 | Movement from Month 10 £'000 | |
|--------------------------|-------------------------|---|-------------------------|---------------------------|---------------------------------------|-------------------------------------|------------------------------------|-------------|
| | | | Revised Budget £'000 | Forecast Outturn £'000 | | | | |
| 3,588 | 27 | Planning, & Regeneration | Salaries | 3,615 | 3,418 | (197) | (192) | (5) |
| 1,336 | 306 | | Non-Sal Exp | 1,642 | 1,720 | 78 | 54 | 24 |
| (4,834) | (294) | | Income | (5,128) | (5,141) | (13) | (4) | (9) |
| 90 | 39 | | Sub-Total | 129 | (3) | (132) | (142) | 10 |
| 13,164 | 69 | Green Spaces, Sports & Culture | Salaries | 13,233 | 12,561 | (672) | (623) | (49) |
| 5,994 | 0 | | Non-Sal Exp | 5,994 | 5,782 | (212) | (223) | 11 |
| (10,767) | (52) | | Income | (10,819) | (10,860) | (41) | (2) | (39) |
| 8,391 | 17 | | Sub-Total | 8,408 | 7,483 | (925) | (848) | (77) |
| 2,778 | 446 | Housing | Salaries | 3,224 | 3,134 | (90) | (65) | (25) |
| 3,917 | 3,121 | | Non-Sal Exp | 7,038 | 6,640 | (398) | (353) | (45) |
| (3,159) | (3,259) | | Income | (6,418) | (5,974) | 444 | 396 | 48 |
| 3,536 | 308 | | Sub-Total | 3,844 | 3,800 | (44) | (22) | (22) |
| 973 | 0 | Education | Salaries | 973 | 1,133 | 160 | 155 | 5 |
| 4,230 | 0 | | Non-Sal Exp | 4,230 | 4,314 | 84 | 84 | 0 |
| (4,313) | 0 | | Income | (4,313) | (4,388) | (75) | (75) | 0 |
| 890 | 0 | | Sub-Total | 890 | 1,059 | 169 | 164 | 5 |
| 2,419 | 36 | Trading Standards, Environment & Health & Licensing | Salaries | 2,455 | 2,334 | (121) | (105) | (16) |
| 559 | 0 | | Non-Sal Exp | 559 | 878 | 319 | 286 | 33 |
| (3,134) | 0 | | Income | (3,134) | (3,205) | (71) | (58) | (13) |
| (156) | 36 | | Sub-Total | (120) | 7 | 127 | 123 | 4 |
| 2,251 | (186) | Community Safety, Cohesion & Resilience | Salaries | 2,065 | 1,653 | (412) | (408) | (4) |
| 2,713 | (1,025) | | Non-Sal Exp | 1,688 | 1,897 | 209 | 223 | (14) |
| (905) | 191 | | Income | (714) | (780) | (66) | (66) | 0 |
| 4,059 | (1,020) | | Sub-Total | 3,039 | 2,770 | (269) | (251) | (18) |
| 25,173 | 392 | Environment, Education & Community Services Directorate | Salaries | 25,565 | 24,233 | (1,332) | (1,238) | (94) |
| 18,749 | 2,402 | | Non-Sal Exp | 21,151 | 21,231 | 80 | 71 | 9 |
| (27,112) | (3,414) | | Income | (30,526) | (30,348) | 178 | 191 | (13) |
| 16,810 | (620) | | Total | 16,190 | 15,116 | (1,074) | (976) | (98) |

80. 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 11, projected calls on contingency are forecast to be £4k above the budgeted provision.

Table 10: Development and Risk Contingency

| Original Budget £'000 | Budget Changes £'000 | Contingency Item | Month 11 | | Variance as at Month 11 £'000 | Variance as at Month10 £'000 | Movement from Month 10 £'000 |
|--------------------------|-------------------------|--|-------------------------|---------------------------|----------------------------------|---------------------------------|---------------------------------|
| | | | Revised Budget £'000 | Forecast Outturn £'000 | | | |
| 822 | 0 | Impact of Welfare Reform on Homelessness | 822 | 826 | 4 | (3) | 7 |
| 822 | 0 | Total | 822 | 826 | 4 | (3) | 7 |
| | | COVID-19 | 0 | 9,458 | 9,458 | 9,513 | 55 |
| 0 | 0 | Total Exceptional Items | 0 | 9,458 | 9,458 | 9,513 | 55 |

81. The data in the table below shows the use of Temporary Accommodation. At Month 11, the number of households in Bed and Breakfast accommodation is 38 units above the budgeted assumptions made in modelling Supply and Demand for the 2020/21 MTFF.

Table 11: Housing Needs performance data

| | December 2020 | January 2021 | February 2021 |
|--|---------------|--------------|---------------|
| All Approaches | 211 | 298 | 278 |
| Full Assessment Required | 153 | 181 | 199 |
| New into Temporary Accommodation (Homeless and Relief) | 27 | 43 | 28 |
| Households in Temporary Accommodation | 426 | 424 | 430 |
| Households in B&B | 162 | 164 | 168 |

82. 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 £826k, (£4k) above the budgeted provision.
83. 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.
84. The adverse movement of £7k at Month 11 results from a minor increase in forecast expenditure on Private Sector Placements.
85. The Council will continue to closely monitor this risk, as following the introduction of the Homeless Reduction Act in April 2018, there has been increased demand for Housing assistance. Specific funding is retained within an Earmarked Reserve to manage this risk.

Exceptional Items – COVID-19 Pressures

86. Environment, Education and Community Services are currently forecasting £9,458k of pressures against the COVID-19 exceptional items disclosure, with approximately £4,167k of this amount related to losses of income during the pandemic, with the balance being related to cost pressures. There has been an overall movement of £55k from the Month 10 reported position.
87. Green Spaces, Sports & Culture has reported an increase in the pandemic impact from £6,819k last month to £6,841k, an increase of £22k. Lost income accounts for £3,262k which is unchanged from the month 10 position. Salary costs incurred due to the pandemic have

increased from £283k to £331k with the increased pressure related to staff costs in the Library Services. Non-salary costs have marginally reduced from £3,274k to £3,246k as additional costs in Green Spaces are lower than previously anticipated.

88. £869k of lost income relates to Trading Standards, Food & Safety and Licencing, predominantly driven by Imported Food fees & charges.
89. The Planning and Regeneration service are reporting a pressure of £858k from reduced income, of which; £513k relates to Development Control, £70k for Local Land Charge fees, £75k against retained CIL admin fees and the remaining £200k relates to Building Control Fees.
90. A number of smaller pressures reported across the directorate make up the remaining balance, with the largest of these being circa £329k within the Anti-Social Behaviour Team and £238k reduced income in the Private Sector Housing Team.

ENVIRONMENT, EDUCATION AND COMMUNITY SERVICES OPERATING BUDGETS (£1,074k underspend, £98k favourable movement)

Planning, Transportation and Regeneration (£132k underspend, £10k adverse movement)

91. Planning Services is currently reporting a £132k underspend, largely driven by unbudgeted S106 funding for Air Quality, recruitment delays to permanent posts and the significant reduction of agency staff across Development Management. Building Control is forecasting an underspend of £40k largely due to posts being held vacant until next financial year. The £10k adverse movement from Month 10 relates to £15k increase in costs for professional services within the Appeals function, partly netted down by £5k revised recruitment delays.

Green Spaces, Sports and Culture (£925k underspend, £77k favourable movement)

92. Green Spaces, Sports and Culture is currently reporting a £925k underspend. The forecast has moved to a more favourable position by £77k since last month. Grounds Maintenance have reported an improved position (£75k) after identifying contract prepayments relating to 2021/22. Green Spaces (£47k) and Golf Services (£32k) have identified lower costs than previously forecast. and Library Services (£13k) have reduced their forecast due to lower staff costs. These offset a pressure on Crematorium income (£90k) due to lower permanent memorial leases.

Housing (£44k underspend, £22k favourable movement)

93. Housing is reporting an underspend of (£44k) at Month 11. There are favourable variances within the First Time Buyers service of (£147k) due to reduced levels of activity following a slowdown in the Housing Market and (£47k) at the Colne Park site due to reduced utility bills, a favourable movement from Month 10. These are being offset by an overspend position of £161k being reported by the Private Sector Housing service, an adverse movement of £29k. The overspend is made up of income pressures on HMO licencing of £40k, the residual pressure on enforcement income of £92k after allocations against COVID-19 contingency and £30k expenditure for the Setting the Standard scheme.

Education (£169k overspend, £5k adverse movement)

94. The Month 11 position for Education shows an overspend of £169k against budget. The pressure on the base budget is related to a historical underlying pressure that has been addressed in a BID review of the Education service.

Trading Standards, Environment Health & Licensing (£127k overspend, £4k adverse movement)

95. The service is reporting a £127k pressure at Month 11. There is a £121k staffing underspend forecast, largely attributable to delays in recruiting to vacant posts, not all of which are covered by agency resource. The favourable movement reflects an expectation that several Environmental Health agency assignments will not now be filled pre year end. The £319k non-staffing pressure reflects ongoing costs associated with the Project Pompeii animal welfare case (£66k) and overspends within the Imported Food Office. The £71k favourable income position is largely attributable to the award of a Brexit preparedness support grant from Defra, funding agency and veterinary services spend. The adverse movement compared with Month 10 broadly reflects increased use of the grant prior to the yearend (relating to additional veterinary support costs).

Community Safety, Cohesion & Resilience (£269k underspend, £18k favourable movement)

96. The service is reporting a £269k underspend, the most significant element comprising staffing underspends within Community Safety and ASBET, resulting from recruitment delays and staff turnover. Community Safety's favourable staff costs position is partly offset by additional support to the Met Police with additional non-staffing costs and reduced grant on LCPF. The £18k favourable movement in Month 10 largely results from a reduction in non-staffing costs within ASBET based on latest spend forecasts.

INFRASTRUCTURE, BUILDING SERVICES & TRANSPORT

97. Infrastructure, Building Services and Transport directorate is showing a projected outturn underspend of £988k at Month 11 on normal activities, an adverse movement of £22k from Month 10. A pressure of £8,178k is being reported against the COVID-19 pressures under exceptional items, a movement of £222k from Month 10. The overall variance is a result of underspends within Highways, Waste Services and Property & Estates.

Table 12: Infrastructure Building Services & Transport

| Original Budget £'000 | Budget Changes £'000 | Service | Month 11 | | Variance (As at Month 11) £'000 | Variance (as at Month 10) £'000 | Movement from Month 10 £'000 | |
|--------------------------|-------------------------|---|-------------------------|---------------------------|---------------------------------------|---------------------------------------|---------------------------------------|-------------|
| | | | Revised Budget £'000 | Forecast Outturn £'000 | | | | |
| 449 | 10 | Property & Estates | Salaries | 459 | 432 | (27) | (27) | 0 |
| 3,596 | 0 | | Non-Sal Exp | 3,596 | 3,633 | 37 | (76) | 113 |
| (2,869) | (10) | | Income | (2,879) | (3,181) | (302) | (278) | (24) |
| 1,176 | 0 | | Sub-Total | 1,176 | 884 | (292) | (381) | 89 |
| 1,581 | 0 | Capital Programme | Salaries | 1,581 | 1,175 | (406) | (400) | (6) |
| 254 | 0 | | Non-Sal Exp | 254 | 161 | (93) | (106) | 13 |
| (1,526) | 0 | | Income | (1,526) | (952) | 574 | 581 | (7) |
| 309 | 0 | | Sub-Total | 309 | 384 | 75 | 75 | 0 |
| 1,286 | (105) | Repairs & Engineering | Salaries | 1,181 | 1,238 | 57 | 61 | (4) |
| 4,339 | 974 | | Non-Sal Exp | 5,313 | 5,138 | (175) | (78) | (97) |
| (545) | (163) | | Income | (708) | (734) | (26) | (33) | 7 |
| 5,080 | 706 | | Sub-Total | 5,786 | 5,642 | (144) | (50) | (94) |
| 2,114 | 0 | Highways | Salaries | 2,114 | 2,146 | 32 | 22 | 10 |
| 3,741 | 0 | | Non-Sal Exp | 3,741 | 3,176 | (565) | (538) | (27) |
| (3,015) | 0 | | Income | (3,015) | (2,951) | 64 | 44 | 20 |
| 2,840 | 0 | | Sub-Total | 2,840 | 2,371 | (469) | (472) | 3 |
| 9,399 | 96 | Waste Services | Salaries | 9,495 | 9,548 | 53 | 23 | 30 |
| 14,589 | 0 | | Non-Sal Exp | 14,589 | 14,528 | (61) | (57) | (4) |
| (3,236) | 0 | | Income | (3,236) | (3,397) | (161) | (124) | (37) |
| 20,752 | 96 | | Sub-Total | 20,848 | 20,679 | (169) | (158) | (11) |
| 3,087 | 0 | ICT | Salaries | 3,087 | 2,707 | (380) | (358) | (22) |
| 4,444 | 3 | | Non-Sal Exp | 4,447 | 4,938 | 491 | 446 | 45 |
| (200) | 0 | | Income | (200) | (218) | (18) | (34) | 16 |
| 7,331 | 3 | | Sub-Total | 7,334 | 7,427 | 93 | 54 | 39 |
| 959 | 0 | Parking Services | Salaries | 959 | 856 | (103) | (99) | (4) |
| 2,958 | 0 | | Non-Sal Exp | 2,958 | 3,001 | 43 | 38 | 5 |
| (8,429) | 0 | | Income | (8,429) | (8,432) | (3) | 0 | (3) |
| (4,512) | 0 | | Sub-Total | (4,512) | (4,575) | (63) | (61) | (2) |
| 1,676 | 0 | Transport, Aviation & Town Centre Initiatives | Salaries | 1,676 | 1,573 | (103) | (90) | (13) |
| 239 | 0 | | Non-Sal Exp | 239 | 239 | 0 | 0 | 0 |
| (361) | 0 | | Income | (361) | (277) | 84 | 73 | 11 |
| 1,554 | 0 | | Total | 1,554 | 1,535 | (19) | (17) | (2) |
| 20,551 | 1 | Infrastructure, Building Services & Transport Directorate | Salaries | 20,552 | 19,675 | (877) | (868) | (9) |
| 34,160 | 977 | | Non-Sal Exp | 35,137 | 34,814 | (323) | (371) | 48 |
| (20,181) | (173) | | Income | (20,354) | (20,142) | 212 | 229 | (17) |
| 34,530 | 805 | | Total | 35,335 | 34,347 | (988) | (1,010) | 22 |

98. 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 11, projected calls on contingency are £365k below budget.

Table 13: Development and Risk Contingency

| Original Budget £'000 | Budget Changes £'000 | Development & Risk Contingency | Month 11 | | Variance (As at Month 11) £'000 | Variance (as at Month 10) £'000 | Movement from Month 10 £'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 | 8,178 | 8,178 | 8,400 | (222) |
| 0 | 0 | Total Exceptional Items | 0 | 8,178 | 8,178 | 8,400 | (222) |

99. 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 received from WLWA and realigned forecasts for other waste disposal contracts based on actual costs incurred this year to date.
100. 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 14% above the level in the equivalent period last year (being impacted by the pandemic and lockdown), aggregate PAYT costs are below expectations, partly reflecting the more favourable disposal rates on these waste streams.
101. 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.

Exceptional Items – COVID-19 Pressures

102. Infrastructure, Building Services and Transport Services are currently forecasting COVID-19 pressures of £8,178k, which relates to £2,400k of expenditure pressures alongside £5,778k of income shortfalls all directly attributable to the COVID-19 pandemic. Total reported pressures have reduced by £222k from Month 10.
103. The largest single pressure within the service area relates to a 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. Charges were reinstated in June, but the 2020/21 fees and charges uplifts were deferred until early September. Further lockdown periods since have impacted further on parking revenues, increasing pressures, though the service's review of the latest available activity data has led to an improvement in the Month 11 income forecasts of £66k.
104. 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 and additional crews and drivers required to support increased kerbside collection activity and staff absences. There are also non-staffing pressures arising from higher kerbside collections, predominantly for garden waste (in the first half of the year) and mixed dry recycling, slower

progress regarding recycling initiatives given delays in the recruitment to three new recycling officer posts, marshalling and traffic management services at New Year's Green Lane and recycling bag spend. Further non-staffing pressures relate to the use of contract hire of vehicles and drivers to transport waste crews during the current lockdown period (fewer Council-owned vehicles being available given more schools are open).

105. Within the income shortfall reported against COVID-19, £615k relates to the Waste Service, attributable to reduced income at the New Years Green Lane site whilst it was closed for several weeks at the start of the pandemic (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. The service's latest activity data, for both tipping fees at the CA site and Trade Waste collections have resulted in an increase in income forecasts totalling £141k in Month 11, reducing pressures and the related drawdown on the contingency.
106. 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.
107. Expenditure of £334k is reported within the Facilities Management service, a reduction of (£5k) from Month 10. This forecast provides for the introduction of safety measures across Corporate Buildings and the setup costs of COVID-19 testing and vaccination centres. The £334k is the net pressure remaining after £143k of reduced contract expenditure following site closures.
108. The Transport, Aviation and Town Centre Initiatives Service is reporting a £150k pressure against revenue budgets, of which £120k is due to the suspension of the Transport for London (TfL) Grant. £14k of this pressure relates to COVID-19 specific staffing costs, £13k comprises anticipated spend associated with post-lockdown High Street related promotions and the remaining £3k is a result of lost income for Christmas lights community partner contributions.
109. Finally, £468k 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 (£988k underspend, £22k adverse movement)

Property and Estates (£292k underspend, £89k adverse movement)

110. There is a reported underspend of £292k at Month 11, predominantly due to additional rental income receivable from two new leases effective from April 2020. The adverse movement from Months 10 to 11 reflects the re-allocation of contract expenditure from Repairs and Engineering.

Capital Programme (£75k overspend, £nil movement)

111. The Capital and planned works service is showing a projected pressure of £75k 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 (£144k underspend, £94k favourable movement)

112. The Facilities Management Service is showing an underspend of £144k against budget, attributable to reduced expenditure on service contracts. The favourable movement from Month 10 reflects the re-allocation of contract expenditure to Property and Estates.

Highways (£469k underspend, £3k adverse movement)

113. The service is reporting a £469k underspend at Month 11, largely reflecting a favourable position in relation to non-staffing budgets, partly netted own by smaller staffing and income pressures. 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.

Waste Services (£169k underspend, £11k favourable movement)

114. There is a reported £169k underspend across Waste Services. Staffing costs show a £53k overspend, relating to agency and overtime pressures. The £61k non-staffing underspend is attributable to the temporary cessation of Waste Weekend events and the permanent closure of the Hatton Cross public convenience partly offset by increased spend on trade waste bin maintenance. There is a favourable income variance of £161k, 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 (£93k overspend, £39k adverse movement)

115. ICT is reporting a £93k overspend at Month 11. Whilst there is a favourable staff costs variance of £380k, 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 £491k with annual renewal uplifts and system upgrades impacting on contract costs.

Parking Services (£63k underspend, £2k favourable movement)

116. The service's reported underspend at Month 11 is largely attributable to the staffing forecast, with recruitment to several vacant posts, particularly within the Parking Admin Team, subject to delay whilst a BID review is progressed. The £43k non-staffing pressure partly reflects costs associated with the enforcement contract and with CCTV cameras – both new kit and the repair and maintenance of existing equipment.

Transport, Aviation & Town Centre Initiatives (£19k underspend, £2k favourable movement)

117. A £103k staffing underspend at Month 11 relates to the recruitment of a 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), maternity leave adjustments, and delays in recruiting a Highways Engineer post within the Transport Team. This is partly offset by a £84k income shortfall, reflecting the aforementioned capital recharge and an income shortfall relating to the TfL grant suspension.

CORPORATE RESOURCES & SERVICES OPERATING BUDGET

118. An underspend of £602k is reported for the Corporate Resources and Services Directorate at Month 11, representing an improvement of £10k on the Month 10 position.

119. The underlying position shown in the table below continues to be caused predominantly by salaries underspends across the group. The key salary underspends are largely within Legal Services and Business & Technical Support with a combined total of £1,223k, offset by a range of factors across the group, the most material being a contribution to MTFE savings.

Table 14: Corporate Resources & Services Directorate Operating Budgets

| Original Budget £'000 | Budget Changes £'000 | Service | Month 11 | | Variance (As at Month 11) £'000 | Variance (As at Month 10) £'000 | Movement from Month 10 | |
|--------------------------|-------------------------|--|-------------------------|---------------------------|---------------------------------------|---------------------------------------|------------------------|-------------|
| | | | Revised Budget £'000 | Forecast Outturn £'000 | | | | |
| 1,496 | 0 | Democratic Services | Salaries | 1,496 | 1,481 | (15) | (15) | 0 |
| 1,750 | 0 | | Non-Sal Exp | 1,750 | 1,783 | 33 | 33 | 0 |
| (702) | 0 | | Income | (702) | (693) | 9 | 9 | 0 |
| 2,544 | 0 | | Sub-Total | 2,544 | 2,571 | 27 | 27 | 0 |
| 1,791 | 0 | Human Resources | Salaries | 1,791 | 1,730 | (61) | (60) | (1) |
| 978 | 0 | | Non-Sal Exp | 978 | 1,014 | 36 | 37 | (1) |
| (232) | 0 | | Income | (232) | (245) | (13) | (12) | (1) |
| 2,537 | 0 | | Sub-Total | 2,537 | 2,499 | (38) | (35) | (3) |
| 2,303 | 200 | Legal Services | Salaries | 2,503 | 2,311 | (192) | (195) | 3 |
| 58 | 1 | | Non-Sal Exp | 59 | 83 | 24 | 29 | (5) |
| (284) | 0 | | Income | (284) | (283) | 1 | 0 | 1 |
| 2,077 | 201 | | Sub-Total | 2,278 | 2,111 | (167) | (166) | (1) |
| 614 | 0 | Corporate Communications | Salaries | 614 | 592 | (22) | (22) | 0 |
| 152 | 0 | | Non-Sal Exp | 152 | 136 | (16) | (13) | (3) |
| (26) | 0 | | Income | (26) | (26) | 0 | 0 | 0 |
| 740 | 0 | | Sub-Total | 740 | 702 | (38) | (35) | (3) |
| 679 | 40 | Business Performance | Salaries | 719 | 713 | (6) | (7) | 1 |
| 83 | (39) | | Non-Sal Exp | 44 | 45 | 1 | 1 | 0 |
| 0 | 0 | | Income | 0 | 0 | 0 | 0 | 0 |
| 762 | 1 | | Sub-Total | 763 | 758 | (5) | (6) | 1 |
| 10,635 | (100) | Business & Technical Support | Salaries | 10,535 | 9,504 | (1,031) | (764) | (267) |
| (3) | (20) | | Non-Sal Exp | (23) | 637 | 660 | 393 | 267 |
| (345) | 0 | | Income | (345) | (355) | (10) | (6) | (4) |
| 10,287 | (120) | | Sub-Total | 10,167 | 9,786 | (381) | (377) | (4) |
| 17,518 | 140 | Corporate Resources & Services Directorate | Salaries | 17,658 | 16,331 | (1,327) | (1,063) | (264) |
| 3,018 | (58) | | Non-Sal Exp | 2,960 | 3,698 | 738 | 480 | 258 |
| (1,589) | 0 | | Income | (1,589) | (1,602) | (13) | (9) | (4) |
| 18,947 | 82 | | Total | 19,029 | 18,427 | (602) | (592) | (10) |

Exceptional Items – COVID-19 Pressures

120. A pressure of £1,126k is reported under Exceptional Items for Month 11 in line with the position reported at Month 10. A reduction of £21k due to improved income received within Legal Services has been offset by additional resource within the Communications Team to support the local roll out of the COVID-19 vaccination programme and continued testing and extra printing and postage for residents shielding in the run up to the forthcoming local elections.

Table: 15 Corporate Resources & Services Development & Risk Contingency

| Original Budget | Budget Changes | Development & Risk Contingency | Month 11 | | Variance (As at Month 11) | Variance (As at Month 10) | Movement from Month 10 |
|-----------------|----------------|--------------------------------|----------------|------------------|---------------------------|---------------------------|------------------------|
| | | | Revised Budget | Forecast Outturn | | | |
| £'000 | £'000 | | £'000 | £'000 | £'000 | £'000 | £'000 |
| 0 | 0 | COVID-19 | 0 | 1,126 | 1,126 | 1,125 | 1 |
| 0 | 0 | Total Exceptional Items | 0 | 1,126 | 1,126 | 1,125 | 1 |

CORPORATE RESOURCES & SERVICES OPERATING BUDGET (£602k underspend, £10k favourable movement)

Democratic Services (£27k pressure, no movement)

121. A pressure of £27k is reported for Month 11, broadly in line with the position reported for Month 10 overall. Underspends on casual workers due to reductions in wedding ceremonies but particularly canvassing activity due to lockdown restrictions have caused a salaries underspend. A reduction in printing and postage costs also due to limited canvassing activity has been offset by a proposed contribution to the Election EMR to manage such costs in the future.

Human Resources (£38k underspend, £3k favourable movement)

122. The Month 11 position continues to reflect the impact of the reorganisation of the Senior Management tier, in line with the ongoing BID review and proposals agreed by the Leader. As for previous months, underspends in Learning and Development budgets continue to be reported as a result of a reduction in training spend during lockdown. Further underspends reflecting the reduction in recruitment activity also due to the pandemic are offset by proposed contributions to EMRs to fund the anticipate recommencement of activity in the new year with the easing of lockdown restrictions.

Legal Services (£167k underspend, £1k favourable movement)

123. Posts held vacant within Legal Services during the COVID-19 pandemic have resulted in a net underspend across the Service. The Month 11 position reflects additional agency cover for maternity leave offset by the reduction of training activities in year.

Corporate Communications (£38k underspend, £3k favourable movement)

124. The service is reporting an underspend of £38k at Month 11, a slight favourable movement from the position reported for Month 10.

Business Performance (£5k underspend, £1k adverse movement)

125. The Business Performance position continues to remain steady at Month 11 and reflects that reported at Month 10.

Business & Technical Support (£381k underspend, £4k favourable movement)

126. The service is reporting an underspend of £381k a favourable movement of £4k from month 10. This is 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.

Appendix B – Other Funds

SCHOOLS BUDGET

Dedicated Schools Grant (£10,229k overspend, £383k adverse)

127. The Dedicated Schools Grant (DSG) monitoring position is an in-year overspend of £10,229k at Month 11, this is an increase of £3,054k on the budgeted deficit of £7,175k and a £383k adverse movement from the position reported at month 10. 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 pupils with an EHCP being placed in Independent special school placements along with an increase in the spend on specialist SEN tuition for pupils with an EHCP. When the £15,002k deficit brought forward from 2019/20 is taken into account, the cumulative deficit carry forward to 2021/22 is £25,231k.

Table 16: DSG Income and Expenditure 2020/21

| Original Budget | Budget Changes | Funding Block | Month 11 | | Variance | | |
|-----------------|----------------|--|----------------|------------------|---------------------------|---------------------------|----------------------|
| | | | Revised Budget | Forecast Outturn | Variance (As at Month 11) | Variance (As at Month 10) | Change from Month 10 |
| £'000 | £'000 | | £'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 | 230,920 | (452) | (408) | (44) |
| 25,401 | 43 | Early Years Block | 25,444 | 25,458 | 14 | (43) | 57 |
| 3,270 | (43) | Central Schools Services Block | 3,227 | 3,260 | 33 | 50 | (17) |
| 44,030 | (123) | High Needs Block | 43,907 | 47,366 | 3,459 | 3,072 | 387 |
| 7,175 | 0 | Total Funding Blocks | 7,175 | 10,229 | 3,054 | 2,671 | 383 |
| | | Balance Brought Forward 1 April 2020 | 15,002 | 15,002 | | | |
| | | Balance Carried Forward 31 March 2021 | 22,177 | 25,231 | | | |

Dedicated Schools Grant Income (nil variance, no change)

128. The Early Years block will now be adjusted further to reflect actual numbers accessing the free entitlement in the Spring term. If attendance rises after the January census, the DfE has confirmed that funding will be increased, up to 85% of the January 2020 census level, where a local authority can provide evidence of increased attendance during the Spring term. Adjustments will be calculated by using an average of the January 2021 census and the May 2021 count. That is, January 2021 count will be used to represent attendance for the first half of Spring term, and the May 2021 count to represent the latter half and recognise any increase in attendance to determine the final spring term top up.

129. It is not expected that there will be any further adjustments to the Dedicated Schools Grant funding for 2020/21

Schools Block (£452k underspend, £44k favourable)

130. 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.

131. 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 being lower than budgeted resulting in the underspend on the Schools Block.
132. 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 (£14k overspend, £57k adverse)

133. The adverse Early Years movement at Month 11 relates to a revised projection of funding passed to providers for children accessing the free entitlement. COVID-19 has made it increasingly difficult to accurately project the numbers of two-year olds and three- and four-year olds accessing the free entitlement, given the levels uncertainty among both providers and families. It had been considered that expenditure would be within budget, but a review of the Spring numbers indicates that there will be a budget pressure on the funding for the free entitlement.

Central School Services Block (£33k overspend, £17k favourable)

134. 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 a deficit DSG budget being set for 2020/21.
135. At Month 11 the Central School Services block is projecting a £33k overspend predominantly due the additional cost of maternity cover in the School Placement and Admissions. The favourable movement follows agreement that MOPAC grant funding will be used to fund part of a post in the School Placement and Admissions team.

High Needs Block (£3,459k overspend, £387k adverse)

136. There continues to be significant pressure in the High Needs Block in 2020/21, with an overspend of £3,459k being projected at Month 11. 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.
137. The adverse movement being reported at Month 11 predominantly relates to funding for pupils in special schools where it has been agreed that original funding levels allocated were not sufficient to meet the pupil needs. Some of these agreements have been backdated several months which is the reason for the significant adverse movement in the High Needs overspend.

138. 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.
139. 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 a further increase in the number of children that commenced new placements in Independent special schools in the current academic year.
140. There are still a number of SEN pupils awaiting a school placement and the local authority is required to provide specialist tuition whilst an appropriate placement is sought. The total cost on this tuition has increased significantly over the last twelve months with the current projection that there will be a £425k overspend in this area which accounts for some of the Month 11 adverse movement. Due to the lack of capacity in in-borough special schools some of these pupils have now been placed in Independent special schools increasing the projected expenditure in this area and further contributing to the adverse movement being reported at Month 11.
141. There was a further increase in the cohort of post-16 SEN placements during 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.
142. 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 will reduce total costs in the long-term it is not currently impacting on forecast spend.

COVID-19 - Financial Impact on Schools

143. Some schools have indicated budget pressures because of additional premises related costs in relation to COVID-19. Whilst most schools have now received additional funding to cover some of these exceptional costs in many instances the funding has not covered the full costs with the expectation that some of these costs should be met from existing school resources.
144. Additionally, there will be an opportunity for schools with high staff absence rates because of COVID-19 to apply for additional 'COVID-19 workforce funding', which will be backdated to the beginning of November.
145. 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 of premises and COVID-19 has resulted in an on-going 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 further pressures on school budgets.
146. 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 on how to use this funding, but it should be used for specific activities to support pupils to catch up for lost teaching over the previous months. In addition, schools can 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

147. A deficit of £4,749k 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.
148. Any deficit realised at outturn will impact on the General Fund budget in future years, with the Government confirming that local authorities 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 forecast in-year deficit at Month 9 (£1,958k) would hit the Council's budget position for 2021/22 to 2023/24, effectively increasing the budget gap by this value. This position is netted down in 2021/22 by prior year surpluses being released from the 2019/20 outturn position.
149. 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 £1,958k will be funded through this mechanism in the budget strategy, meaning only £489k will impact on the Council's balances.
150. Any movement from the Month 9 position to Outturn impacts on the Council in 2021/22 as the Council's budget is set based on the Month 9 forecast, therefore, the improvement reported in this position will wholly impact in the next financial year.
151. The Council is participating in the 50% Business Rates Retention Pool for London, which provides scope for retaining additional growth while guaranteeing the level of income the Council would have received under the existing 50% Retention system. Business Rates projections below reflect this guaranteed position, with any additional funds available from the pool to be captured separately in budget setting reports as appropriate.

Table 17: Collection Fund

| Original Budget £'000 | Budget Changes £'000 | Service | Month 11 | | Variance (As at Month 11) £'000 | Variance (As at Month 10) £'000 | Movement from Month 10 £'000 | |
|--------------------------|-------------------------|------------------------------|-------------------------|---------------------------|---------------------------------------|---------------------------------------|------------------------------------|-------------|
| | | | Revised Budget £'000 | Forecast Outturn £'000 | | | | |
| (131,835) | 0 | Council Tax | Gross Income | (131,835) | (130,978) | 857 | 800 | 57 |
| 11,049 | 0 | | Council Tax Support | 11,049 | 13,068 | 2,019 | 2,114 | (95) |
| 39 | 0 | | B/fwd Deficit | 39 | 303 | 264 | 264 | 0 |
| (120,747) | 0 | | Sub-Total | (120,747) | (117,607) | 3,140 | 3,178 | (38) |
| (112,314) | 0 | Business Rates | Gross Income | (112,314) | (79,894) | 32,420 | 32,455 | (35) |
| (6,141) | 0 | | Section 31 Grants | (6,141) | (33,017) | (26,876) | (26,888) | 12 |
| 53,666 | 0 | | Less: Tariff | 53,666 | 53,666 | 0 | 0 | 0 |
| 8,784 | 0 | | Less: Levy | 8,784 | 5,815 | (2,969) | (2,990) | 21 |
| (498) | 0 | | B/fwd Surplus | (498) | (1,464) | (966) | (966) | 0 |
| (56,503) | 0 | Sub-Total | (56,503) | (54,894) | 1,609 | 1,611 | (2) | |
| (177,250) | 0 | Total Collection Fund | (177,250) | (172,501) | 4,749 | 4,789 | (40) | |

152. At Month 11 a deficit of £3,140k is projected against Council Tax, the position includes an adverse variance reported against Gross Income of £857k, 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 10 is mainly driven by a marginal movement in the taxbase forecast, alongside movements within Council Tax Support as we approach year end and demand levels become more certain. The majority of the pressure in Council Tax is driven by a £2,019k 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.

153. A £1,609k deficit is reported across Business Rates at Month 11, the position includes an adverse variance against in-year activity of £2,575k with this variance being driven by an adverse position within Gross Rates of £32,420k. 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 £26,876k. The £32,420k 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.

154. The in-year position includes a favourable position being reported against the Levy of £2,969k, 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

155. The Housing Revenue Account (HRA) is currently forecasting a drawdown of reserves of £1,902k, which is £40k favourable compared to the Month 10 position. This excludes the potential cost pressures of COVID-19, which are estimated at £214k. The 2020/21 closing HRA General Balance is forecast to be £15,173k. 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 11 | | Variance (+ adv / - fav) | | |
|-----------------------------------|-----------------|------------------|---------------------------|---------------------------|------------------------|
| | Revised Budget | Forecast Outturn | Variance (As at Month 11) | Variance (As at Month 10) | Movement from Month 10 |
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Rent Income | (57,872) | (57,754) | 118 | 118 | 0 |
| Other Income | (5,414) | (5,402) | 12 | 12 | 0 |
| Net Income | (63,286) | (63,156) | 130 | 130 | 0 |
| Housing Management | 14,741 | 14,710 | (31) | (98) | 67 |
| Tenant Services | 3,759 | 3,818 | 59 | 59 | 0 |
| Repairs | 5,368 | 6,060 | 692 | 644 | 48 |
| Planned Maintenance | 4,040 | 3,020 | (1,020) | (850) | (170) |
| Capital Programme Funding | 20,790 | 20,430 | (360) | (646) | 286 |
| Interest & Investment Income | 15,385 | 15,385 | 0 | 286 | (286) |
| Development & Risk Contingency | 1,260 | 1,635 | 375 | 360 | 15 |
| Operating Costs | 65,343 | 65,058 | (285) | (245) | 40 |
| | | | | | |
| (Surplus) / Deficit | 2,057 | 1,902 | (155) | (115) | (40) |
| General Balance 01/04/2020 | (17,075) | (17,075) | 0 | 0 | 0 |
| General Balance 31/03/2021 | (15,018) | (15,173) | (155) | (115) | (40) |

Income

156. As at Month 11 the rental income is forecast to under-recover by £118k and other income is forecast to under-recover by £12k, nil movement on Month 10.

157. The number of Right to Buy (RTB) applications received in the first eleven months of 2020/21 was 163, compared to 159 for the same period in 2019/20. There has been 25 RTB completions in the first eleven months of 2020/21 compared to 48 for the same period in 2019/20; a reduction of 48%. As at Month 11 the 2020/21 forecast RTB sales are 25: nil movement from month 10.

Expenditure

158. The Housing management service is forecast to underspend by £31k, an adverse movement of £67k on Month 10 due to increased forecast spend on running costs

159. Tenant services is forecast to overspend by £59k, nil movement on Month 10.

160. The repairs and planned maintenance budget totals £9,408k. The forecast is a net underspend of £328k, a favourable net movement of £122k on Month 10. There is an adverse

movement in the repairs forecast of £48k due to increased spend forecast on day-to-day repairs and associated materials. There is a favourable movement of £170k on planned maintenance relating to servicing and remedial contracts.

161. As at Month 11 the interest and investment income is forecast to breakeven, a favourable movement of £286k on Month 11, due to the recently announced MHCLG rules on Right to Buy 1-4-1 capital receipts deadline for expenditure being extended from 3 years to 5 years from the year of receipt. Given that there is no interest penalty pressure now in Month 11, There is a corresponding increase in the capital programme funding as there is no longer a requirement to fund the interest penalty.
162. The development and risk contingency budget is forecasting an overspend of £375k relating to the revenue costs of the Packet Boat House project. This is an adverse movement of £15k on Month 10.

COVID-19 cost pressures on the HRA

163. The table below summarises the 2020/21 HRA COVID-19 cost pressures that are not included in the 2020/21 HRA forecast position. The COVID-19 cost pressures total £214k at Month 11 and will be kept under review during closing and into 2021/22.
164. The movement from Month 10 of £8k reflects a reduction in staffing estimates relating to domestic violence and anti-social behaviour.
165. The bad debt provision totalling £214k due to increasing arrears and the age of the arrears remains on the pressures list and will be finalised as part of the year end calculations which are dependent on the arrears position as at 31st March 2021.

Table 19: HRA COVID-19 pressures

| HRA COVID-19 pressures | 2020/21 Month 11 | 2020/21 Month 10 | Movement from Month 10 |
|---|---------------------|------------------------|------------------------------|
| | £'000 | £'000 | £'000 |
| Repairs and Planned Maintenance | £'000 | £'000 | £'000 |
| Staffing | 0 | 8 | (8) |
| Development and Risk Contingency – Bad Debt Provision | 214 | 214 | 0 |
| Total HRA Revenue COVID-19 pressures | 214 | 222 | (8) |

HRA Capital Expenditure

166. The HRA capital programme is set out in the table below. The 2020/21 revised budget is £63,009k and forecast expenditure is £29,445k with a net variance of £33,564k of which £32,669k is due to re-phasing and £895k due to cost under spends.

Table 20: HRA Capital Expenditure

| Programme | 2020/21 Revised Budget | 2020/21 Forecast | 2020/21 Cost Variance Forecast V Revised Budget | 2020/21 Project Re-Phasing | Total Project Budget 2020-25 | Total Project Forecast 2020-25 | Total Project Variance 2020-25 | Movement 2020-25 |
|---|------------------------|------------------|---|----------------------------|------------------------------|--------------------------------|--------------------------------|------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Major Projects (Note 1) | | | | | | | | |
| New General Needs Housing Stock | 35,389 | 18,061 | (170) | (17,158) | 140,541 | 140,371 | (170) | - |
| New Build - Shared Ownership | 4,000 | 54 | (125) | (3,821) | 14,867 | 14,742 | (125) | - |
| New Build - Supported Housing Provision | 816 | 55 | 0 | (761) | 816 | 816 | 0 | - |
| Total Major Projects | 40,205 | 18,170 | (295) | (21,740) | 156,224 | 155,929 | (295) | - |
| HRA Programmes of Work | | | | | | | | |
| Works to Stock programme | 16,753 | 9,837 | 0 | (6,916) | 61,126 | 61,126 | 0 | - |
| Major Adaptations to Property | 2,188 | 800 | (600) | (788) | 10,129 | 9,529 | (600) | (200) |
| Green Homes | 3,863 | 638 | 0 | (3,225) | 3,863 | 3,863 | 0 | - |
| Total HRA Programmes of Work | 22,804 | 11,275 | (600) | (10,929) | 75,118 | 74,518 | (600) | (200) |
| Total HRA Capital | 63,009 | 29,445 | (895) | (32,669) | 231,342 | 230,447 | (895) | (200) |
| Movement from Month 10 | - | (4,181) | (200) | (3,981) | - | (200) | (200) | |

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

Major Projects

167. The 2020/21 Major Projects programme revised budget is £40,205k. Forecast expenditure in 2020/21 is £18,170k, with a re-phasing variance of £21,740k and a cost underspend of £295k forecast in 2020/21.

New General Needs Housing Stock

168. There is forecast re-phasing of £17,158k across the General Needs programme due to delays in the progress of several projects, partly arising from COVID-19 lockdown. The movement in month of £2,794k is partly due to the Acquisitions and Internal Development budget where some recently identified buy back purchases are now expected to complete in the new financial year.

169. 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. However, the defect liabilities' works and additional works due to vandalism will not be completed this financial year. There is a minor over spend of £5k on the acquisition of 17 new build homes over three sites.

170. The redevelopment of Maple and Poplar Day Centre was put on hold due to the COVID-19 crisis but is now expected to commence in 2021/22 once a contractor is appointed. The project

has a planned development of 34 units comprising 50% general needs social housing and the remainder being shared ownership.

171. Works are nearing completion on site for the redevelopment of the former Willow Tree depot into 10 general needs housing units and are expected to be complete in April 2021.
172. Construction works at the Nelson Road development were paused due to COVID-19 and the main contractor resumed work on site in July 2020, however due to unsatisfactory progress, the contractor was terminated recently. The remaining construction works are out to tender due back in March 2021. The construction of the 6 new homes will resume following appointment of a new contractor and is expected to be complete later in 2021.
173. In total £8,519k has been approved this financial year for 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. There are further buyback properties under consideration which will need to be reviewed given the changes to the RTB receipts retention scheme and will fall into 2021/22 if they proceed.
174. In October 2019 Cabinet Members approved the purchase of land at Newport Road and a turnkey package development of 28 units for short-term accommodation, at a total cost of £9,071k including stamp duty and fees, and a deposit of £1,297k was previously paid in 2019/20. Further staged payments of £3,460k have been made in 2020/21 as the construction works progress, which are due to complete in September 2021.
175. In September 2020 Cabinet Members approved the purchase of freehold acquisition of 253 Park Road, Uxbridge and 9 new build homes which are currently under construction at a package price of £3,736k including stamp duty and fees, with a deposit of £724k paid on exchange of contracts. A further staged payment will be released in March 2021 on completion of the construction works, with handover expected at the end of March.

New Build - Shared Ownership

176. Revised plans for the redevelopment of Woodside Day Centre have been reviewed following changes to the original plan for the ground floor. Changes to the design are being made before issuing tenders. Construction works are expected to proceed next year.
177. The construction of five new 3-bed shared ownership dwellings at land to the rear of 113-127 Moorfield Road, NFC Homes Limited is expected to commence towards end of March 2021 following the appointment of a main contractor. The scheme had been paused during the pandemic.

New Build - Supported Housing

178. Construction of the supported housing projects at Grassy Meadow and Park View are complete and sites are operational, with some minor external works at Grassy Meadow remaining to be completed in 2020/21.
179. 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. A mediation hearing is expected in the coming months, following a preliminary meeting in February. Works on defects remain outstanding with retention payment now forecast to occur in 2021/22.

HRA Programmes of Work

180. The Works to Stock 2020/21 revised budget is £16,753k with an outturn forecast of £9,837k. Works are in various stages of progress across various work streams with some schemes and planned programmes continuing into next year. Remedial works at Packet Boat House are ongoing and will continue into 2021/22.
181. The major adaptations to property budget forecast is reporting an underspend of £1,388k based on forecast delivery for the year, a movement of £200k on Month 10.
182. Works are in the early stages of delivery of the £3,863k Green Homes Grant Local Authority grant scheme to provide energy efficiency upgrades to low-income homes. Contractors have been appointed to provide loft insulation, cavity wall insulation, low energy lights and double glazing across existing Council housing. As these programme elements will continue into 2021/22 there is a forecast re-phasing of £3,225k into next financial year.

HRA Capital Receipts

183. There has been 25 Right to Buy sales of council dwellings as at the end of February 2021 for a total gross sales value of £5,002k. No further sales are forecast to occur in 2020/21.
184. During 2020/21 the MHCLG has already extended the quarterly deadlines for spending the Right to Buy 1-4-1 capital receipts generated in 2017/18 into an annual deadline to 31/3/2021.
185. On 18 March the MHCLG announced a number of significant changes to the Right to Buy 1-4-1 capital receipts rules. One of the key changes is that for new and existing receipts the timeframe local authorities have for spending Right to Buy 1-4-1 capital receipts is extended from 3 years to 5 years and measured on an annual rather than quarterly basis. Therefore the 2017/18 receipts need to be spent by 31/3/2023 instead of 31/3/2021 and consequently there will be no penalty interest to be paid in 2020/21, which is reflected in the Month 11 forecast.

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 | 29 | (682) | (300) | (382) | 711 | 411 | (300) |
| 325 | Belmore Allotments | 86 | 4,220 | 0 | (4,220) | 0 | (4,220) | 10,493 | 10,493 | 0 |
| 315 | Maple And Poplar | 34 | 627 | 5 | (622) | 0 | (622) | 6,072 | 6,072 | 0 |
| 315 | Willow Tree | 10 | 2,025 | 1,984 | (41) | 0 | (41) | 2,627 | 2,627 | 0 |
| 31 | 2 East Way | 1 | 10 | 0 | (10) | 0 | (10) | 203 | 203 | 0 |
| 25 | Bartram Close | 2 | 305 | 0 | (305) | 0 | (305) | 305 | 305 | 0 |
| 67 | 34-44 Sullivan Crescent | 6 | 41 | 5 | (36) | 0 | (36) | 949 | 949 | 0 |
| 363 | Nelson Road | 6 | 1,704 | 514 | (1,190) | 0 | (1,190) | 1,944 | 1,944 | 0 |
| 285 | Great Bentley | 2 | 236 | 0 | (236) | 0 | (236) | 471 | 471 | 0 |
| 39 | Petworth Gardens | 9 | 100 | 9 | (91) | 0 | (91) | 3,104 | 3,104 | 0 |
| 14,600 | Parkview | 60 | 786 | 25 | (761) | 0 | (761) | 786 | 786 | 0 |
| 20,556 | Grassy Meadow | 88 | 30 | 30 | 0 | 0 | 0 | 30 | 30 | 0 |
| 36 | 113-127 Moorfield Road | 5 | 612 | 10 | (602) | 0 | (602) | 1,089 | 1,089 | 0 |
| 403 | Woodside Day Centre | 27 | 500 | 24 | (476) | 0 | (476) | 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 | 0 | (28) | 0 | (28) | 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 | Internal Acquisitions and Developments | | 16,495 | 8,250 | (8,245) | 0 | (8,245) | 110,722 | 110,722 | 0 |
| 51,472 | | 425 | 40,205 | 18,170 | (22,035) | (295) | (21,740) | 156,224 | 155,929 | (295) |
| 16,228 | New General Needs Housing Stock | 161 | 35,389 | 18,061 | (17,328) | (170) | (17,158) | 140,541 | 140,371 | (170) |
| 88 | New Build - Shared Ownership | 116 | 4,000 | 54 | (3,946) | (125) | (3,821) | 14,867 | 14,742 | (125) |
| 35,156 | New Build - Supported Housing | 148 | 816 | 55 | (761) | 0 | (761) | 816 | 816 | 0 |
| 51,472 | | 425 | 40,205 | 18,170 | (22,035) | (295) | (21,740) | 156,224 | 155,929 | (295) |

Appendix D - GENERAL FUND CAPITAL PROGRAMME

186. As at Month 11 an under spend of £44,161k is reported on the 2020/21 General Fund Capital Programme of £85,723k, 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 £7,716k.
187. General Fund Capital Receipts of £3,201k are forecast for 2020/21, with a surplus of £67k in total forecast receipts to 2024/25.
188. Overall, Prudential Borrowing required to support the 2020/21 to 2024/25 capital programmes is forecast to be under budget by £4,904k. This is due to cost under spends of £7,716k, offset by a combined shortfall of £933k on other Council resources (capital receipts and CIL), and £1,879k grants and contributions.

Capital Programme Overview

189. Table 21 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 | 20,506 | 262 | - |
| Major Projects | 189,941 | 189,809 | (132) | (7) |
| Programme of Works | 170,061 | 162,772 | (7,289) | (818) |
| General Contingency | 6,557 | 6,000 | (557) | (557) |
| Total Capital Programme | 386,803 | 379,087 | (7,716) | (1,382) |
| Movement | 512 | (870) | (1,382) | |

190. The total capital programme budget has increased by £512k due to recent Cabinet approvals of Historic England and West London Waste Alliance grant funding added to the Property Works Programme and Purchase of Vehicles programme respectively.

Schools Programme

191. The Schools Expansions programme is reporting an overspend of £262k 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 in November 2020.
192. 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 falling in future years.

193. The additional temporary classrooms budget is not required this year based on current demand for school places.

Major Projects

194. Including prior years, the Major Projects programme includes £50,000k prudential borrowing to finance the housing company Hillingdon First with construction work complete at the residential development site in South Ruislip and flats being marketed. 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 at St Helen's Close, Cowley will commence in 2021/22.

195. 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 has been on hold during the Coronavirus pandemic and is currently under review.

196. Tenders have been issued for the construction works contract to build a new £30,000k leisure centre in West Drayton with responses due in April 2021. Works on site are planned to start towards the end of the year. The £2,000k refurbishment of Yiewsley and West Drayton Community Centre is in progress on site for completion in June 2021.

197. Works are commencing towards the end of March to extend the Uxbridge mortuary, following appointment of the main contractor.

198. 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.

199. The re-provision of Hillingdon Outdoor Activity Centre project is expected to re-commence in 2021 with options under consideration.

200. 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. The delivery of the programme for planned locations has been impacted by the pandemic, with public realm work paused until future Transport for London funding or other sources can be identified.

201. There are cost under spends amounting to £81k following settlement of retentions and minor items for completed projects such as the refurbishment of Bessingby FC clubhouse and Battle of Britain Visitor Centre.

202. Detailed design work is in progress 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 in 2021/22.

203. Enhancements works at the Battle of Britain bunker and visitors centre have been completed with a minor under spend of £5k on the budget of £172k. In January, Cabinet approved a further £100k for the "Faces of the Battle of Britain" exhibition to be implemented in 2021/22.

Programmes of Works

204. 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, TFL have confirmed an allocation of £946k in respect of the 2020/21 LIP, resulting in the expenditure and grant financing shortfall reducing to £2,725k. Numerous schemes are in progress to fully utilise the grant by the financial year end. The funding outlook for 2021/22 remains uncertain due to the ongoing pandemic.

205. 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. The Council resourced Road Safety programme reports an under spend of £84k on schemes that can be financed instead from the 2020/21 TFL LIP programme.
206. Several Chrysalis outdoor gyms and playgrounds projects were put on hold when the pandemic started but are now in the process of being implemented, although recent wet ground conditions have caused minor delays.
207. The libraries refurbishment programme continues with eight sites complete or near completion. Works at Ickenham library are in progress and West Drayton and Eastcote libraries are planned to start in the near future. As individual library site designs have been made and costings developed for each site over the course of the programme, a forecast over spend of £322k is reported on the original £3,000k budget.
208. The annual Sports Clubs Refurbishment programme is reporting an under spend of £573k based on the level of uncommitted budget in 2020/21. New schemes within this programme can be funded from future year allocations.
209. Works are underway on refurbishing the Mezzanine area at the Civic Centre to enable relocation of services. Numerous schemes within the Civic Centre and Property Works Programme are in various stages of progress with works continuing into next year, and £82k total under spends are reported on several completed projects.
210. There is an under spend of £250k on completed schemes within the School Conditions Building Programme. A number of other schemes are in various stages of progress and will continue into 2021/22.
211. An overall under spend of £355k 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. A number of cemetery schemes are in the process of being implemented.
212. New pay and display parking payment machines has been 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.
213. Disabled Facilities Grant adaptations are forecast to under spend by £1,852k based on anticipated demand for the year. Social Care equipment capitalisation reports an under spend of £347k based on year to date activity, a movement of £160k. Private sector renewal and landlord renovation grants are forecast to under spend by £68k based on demand for the year.
214. Works are in various stages of progress on a large number of carriageway and footway refurbishments within the Highways improvement programme with £13,236k of works in phases completed or commencing before the end of this financial year, with some schemes continuing into 2021/22. A cost under spend of £610k is reported on completed schemes. A small under spend of £13k is also reported on the street lighting replacement programme.

215. Under Corporate Technology and Innovation, the project to upgrade computer hardware and transition to Windows 10/Microsoft 365 is largely complete. The contract award for the Council's telephony and network infrastructure has been submitted to Cabinet in March 2021 for approval. There are under spends of £158k reported on several completed schemes. The ICT equipment budget is forecast to under spend by £70k, based on existing commitments at this stage of the financial year.
216. 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 £280k, a movement of £15k.
217. The remaining 2020/21 general contingency budget is £557k which will not be spent this financial year.

Capital Financing - General Fund

218. Table 22 below outlines the latest financing projections for the capital programme, with a favourable medium-term variance of £4,904k 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 | 11,900 | 5,026 | (6,874) | 62,160 | 62,160 | - | - |
| Invest to Save Schemes | 5,881 | 3,931 | (1,950) | 8,881 | 8,583 | (298) | (9) |
| Service Provision | 52,610 | 21,409 | (31,201) | 221,513 | 215,974 | (5,539) | (1,191) |
| Total Council Resources | 70,391 | 30,366 | (40,025) | 292,554 | 286,717 | (5,837) | (1,200) |
| Financed By | | | | | | | |
| Capital Receipts | 8,097 | 3,201 | (4,896) | 52,820 | 52,887 | 67 | 450 |
| CIL | 3,500 | 2,500 | (1,000) | 17,500 | 16,500 | (1,000) | 500 |
| Prudential Borrowing | 58,794 | 24,665 | (34,129) | 222,234 | 217,330 | (4,904) | (2,150) |
| Total Council Resources | 70,391 | 30,366 | (40,025) | 292,554 | 286,717 | (5,837) | (1,200) |
| Grants & Contributions | 15,332 | 11,196 | (4,136) | 94,249 | 92,370 | (1,879) | (182) |
| Capital Programme | 85,723 | 41,562 | (44,161) | 386,803 | 379,087 | (7,716) | (1,382) |
| Movement | 25 | (5,320) | (5,345) | 512 | (870) | (1,382) | |

219. Capital receipts before transformation financing in 2020/21 include £3,412k in sales already achieved and a further site has been sold at auction in February. The overall capital financing forecast has improved by £450k from last month partly due to a favourable offer at auction and also a further reduction in transformation financing. The overall forecast is a surplus of £67k with the shortfall of £4,896k in 2020/21 expected to be recovered through identified sites being sold in future years.

220. As at the end of February 2021, a total of £1,473k Community Infrastructure Levy receipts have been invoiced, a movement in month of £369k. Forecast receipts for this financial year are a shortfall of £1,000k as developer activity has been affected by COVID-19 with a subsequent impact on timing and certainty of CIL payments on numerous developments, although the forecast has improved by £500k as a sizable development is expected to be invoiced before financial year end. 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.
221. Forecast grants and contributions are £1,879k 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 grants and contributions financing has reduced by £182k mainly due to under spend on DFG/social care equipment capitalisation. A revenue contribution to capital of £100k from under spend within the Libraries revenue budget is included to support the Libraries refurbishment programme.
222. Prudential Borrowing has moved favourably by £2,150k due partly to further cost under spends within the overall programme and improvements in the outturn forecast for both capital receipts and CIL.

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 | 5,049 | 268 | 0 | 9,571 | 9,839 | 268 | 8,703 | 1,123 | 13 |
| 0 | Additional Temporary Classrooms | 0 | 0 | 0 | 0 | 6,650 | 6,650 | 0 | 4,400 | 2,250 | 0 |
| 458 | Schools SRP | 411 | 344 | 0 | (67) | 3,416 | 3,416 | 0 | 0 | 3,416 | 0 |
| 0 | Meadow School | 240 | 0 | 0 | (240) | 240 | 240 | 0 | 240 | 0 | 0 |
| 33,358 | Total Schools Programme | 5,799 | 5,754 | 262 | (307) | 20,244 | 20,506 | 262 | 13,704 | 6,789 | 13 |

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 2020-25 £000 | Total Project Forecast 2020-25 £000 | Total Project Variance 2020-25 £000 | Project Forecast Financed by: | | |
|-----------------|--|------------------------------|------------------------|-----------------------------|-----------------------------------|-----------------------------------|-------------------------------------|-------------------------------------|-------------------------------|------------------------|--------------------|
| | | | | | | | | | Council Resources £000 | Government Grants £000 | Other Cont'ns £000 |
| | Property and Infrastructure | | | | | | | | | | |
| 0 | New Theatre | 0 | 0 | 0 | 0 | 44,000 | 44,000 | 0 | 42,950 | 0 | 1,050 |
| 963 | New Yiewsley Leisure Centre | 365 | 450 | 0 | 85 | 29,037 | 29,037 | 0 | 29,037 | 0 | 0 |
| 69 | Yiewsley/West Drayton Comm Centre | 1,500 | 1,310 | 0 | (190) | 1,931 | 1,931 | 0 | 1,931 | 0 | 0 |
| 773 | Hillingdon Outdoor Activity Centre | 250 | 25 | 0 | (225) | 25,727 | 25,727 | 0 | 0 | 0 | 25,727 |
| 0 | New Museum | 50 | 0 | 0 | (50) | 5,632 | 5,632 | 0 | 4,882 | 0 | 750 |
| 7,294 | Hayes Town Centre Improvements | 437 | 750 | 0 | 313 | 1,933 | 1,933 | 0 | 299 | 350 | 1,284 |
| 1,597 | Uxbridge Change of Heart | 492 | 438 | 0 | (54) | 492 | 492 | 0 | 438 | 0 | 54 |
| 93 | Battle of Britain Underground Bunker | 288 | 192 | 0 | (96) | 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 | 0 | 0 | (20) | 390 | 390 | 0 | 390 | 0 | 0 |
| 0 | Botwell Leisure Centre Football Pitch | 0 | 0 | 0 | 0 | 200 | 200 | 0 | 200 | 0 | 0 |
| 6,871 | Housing Company Financing | 11,750 | 5,000 | 0 | (6,750) | 43,129 | 43,129 | 0 | 43,129 | 0 | 0 |
| 250 | Yiewsley Site Development | 150 | 26 | 0 | (124) | 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 | 39 | (69) | (3) | 111 | 42 | (69) | 42 | 0 | 0 |
| 2,552 | Cedars and Grainges Car Park | 119 | 10 | 0 | (109) | 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 | 272 | 167 | (5) | (100) | 272 | 267 | (5) | 267 | 0 | 0 |
| | Public Safety and Transport | | | | | | | | | | |
| 0 | Cranford Park Heritage Lottery Project | 308 | 98 | 0 | (210) | 2,597 | 2,597 | 0 | 215 | 1,783 | 599 |
| 0 | Shopping Parades Initiative | 503 | 100 | (46) | (357) | 2,896 | 2,850 | (46) | 2,105 | 590 | 155 |
| 28,806 | Total Major Projects | 17,765 | 8,988 | (132) | (8,645) | 189,941 | 189,809 | (132) | 154,973 | 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 | 2,035 | (250) | (2,421) | 10,906 | 10,656 | (250) | 2,124 | 7,557 | 975 |
| N/A | Sports Clubs Rebuild / Refurbishments | 750 | 177 | (573) | 0 | 3,750 | 3,177 | (573) | 3,177 | 0 | 0 |
| N/A | Bowls Clubs Refurbishments | 556 | 429 | 0 | (127) | 556 | 556 | 0 | 556 | 0 | 0 |
| N/A | Leisure Centre Refurbishment | 1,946 | 39 | 0 | (1,907) | 3,097 | 3,097 | 0 | 3,097 | 0 | 0 |
| N/A | Libraries Refurbishment Programme | 2,320 | 1,300 | 322 | (1,342) | 2,320 | 2,642 | 322 | 2,474 | 0 | 168 |
| N/A | Youth Provision | 1,620 | 30 | 0 | (1,590) | 3,620 | 3,620 | 0 | 3,620 | 0 | 0 |
| N/A | Harlington Road Depot Improvements | 586 | 20 | 0 | (566) | 586 | 586 | 0 | 586 | 0 | 0 |
| N/A | Property Works Programme | 3,252 | 1,455 | (13) | (1,784) | 9,011 | 8,998 | (13) | 8,942 | 56 | 0 |
| N/A | Civic Centre Works Programme | 5,156 | 1,085 | (69) | (4,002) | 8,177 | 8,108 | (69) | 8,108 | 0 | 0 |
| N/A | CCTV Programme | 284 | 321 | 0 | 37 | 384 | 384 | 0 | 384 | 0 | 0 |
| N/A | Highways Structural Works | 15,684 | 7,335 | (610) | (7,739) | 47,684 | 47,074 | (610) | 47,074 | 0 | 0 |
| N/A | HS2 Road Safety Fund | 645 | 106 | 0 | (539) | 645 | 645 | 0 | 0 | 0 | 645 |
| N/A | Transport for London | 4,188 | 1,302 | (2,725) | (161) | 17,590 | 14,865 | (2,725) | 0 | 14,664 | 201 |
| N/A | Emergency Active Travel | 100 | 85 | 0 | (15) | 100 | 100 | 0 | 0 | 100 | 0 |
| N/A | Street Lighting Replacement | 924 | 756 | (13) | (155) | 2,403 | 2,390 | (13) | 2,270 | 0 | 120 |
| N/A | Road Safety | 310 | 116 | (84) | (110) | 910 | 826 | (84) | 826 | 0 | 0 |
| N/A | Disabled Facilities Grant | 2,852 | 1,000 | (1,852) | 0 | 14,260 | 12,408 | (1,852) | 0 | 12,408 | 0 |
| N/A | Equipment Capitalisation - Social Care | 2,359 | 2,012 | (347) | 0 | 11,795 | 11,448 | (347) | 2,824 | 8,624 | 0 |
| N/A | PSRG/LPRG | 100 | 32 | (68) | 0 | 500 | 432 | (68) | 422 | 10 | 0 |
| N/A | Homeless Provision | 190 | 0 | 0 | (190) | 190 | 190 | 0 | 0 | 190 | 0 |
| N/A | Corporate Technology and Innovation | 3,984 | 3,068 | (228) | (688) | 7,440 | 7,212 | (228) | 6,619 | 593 | 0 |
| N/A | Environmental/Recreational Initiatives | 1,405 | 806 | (355) | (244) | 2,905 | 2,550 | (355) | 773 | 40 | 1,737 |
| N/A | Playground Replacement Programme | 170 | 130 | 0 | (40) | 420 | 420 | 0 | 420 | 0 | 0 |
| N/A | Equipment Capitalisation - General | 765 | 425 | (280) | (60) | 3,825 | 3,545 | (280) | 3,543 | 2 | 0 |
| N/A | Leader's Initiative | 356 | 30 | (4) | (322) | 1,156 | 1,152 | (4) | 1,152 | 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 | 280 | 0 | (2,680) | 7,509 | 7,509 | 0 | 7,022 | 487 | 0 |
| N/A | Chrysalis Programme | 1,135 | 465 | 0 | (670) | 5,135 | 5,135 | 0 | 5,127 | 0 | 8 |
| N/A | Section 106 Projects | 590 | 412 | 0 | (178) | 590 | 590 | 0 | 0 | 0 | 590 |
| N/A | Devolved Capital to Schools | 669 | 669 | 0 | 0 | 1,557 | 1,557 | 0 | 0 | 1,159 | 398 |
| | | | | | | | | | | | |
| | Total Programme of Works | 61,602 | 26,820 | (7,289) | (27,493) | 170,061 | 162,772 | (7,289) | 112,040 | 45,890 | 4,842 |

Appendix E – Treasury Management Report as at 28th February 2021

Table 23: Outstanding Deposits – Average Rate of Return 0.09%

| Period | Actual (£m) | Actual (%) | Benchmark (%) |
|-----------------------------------|-------------|---------------|---------------|
| Call Accounts and MMF's* | 42.4 | 58.48 | 70.00 |
| Up to 1 Month Fixed-Term Deposits | 15.1 | 20.83 | |
| Over 1 Month Fixed-Term Deposits | 0 | 0 | 0.00 |
| Total | 57.5 | 85.62 | 70.00 |
| Strategic Pooled Funds | 15.0 | 20.69 | 30.00 |
| Total | 72.5 | 100.00 | 100.00 |

*Money Market Funds

223. 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, Santander UK plc and the DMADF. There is also an allocation to Strategic Pooled Funds.
224. The average rate of return on day-to-day operational treasury balances is 0.08%. 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.
225. The Council aims to minimise its exposure to bail-in risk by utilising bail-in exempt instruments and institutions whenever possible. However, due to the significant amount held in instant access facilities, which is needed to manage daily cashflow, it is not possible to fully protect Council funds from bail-in risk. At the end of February, 74% of the Council's day-to-day operational treasury investments had exposure to bail-in risk compared to a December benchmark average of 63% 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.
226. Liquidity was maintained throughout February by placing surplus funds in instant access accounts and making short-term deposits with the DMADF. Cash-flow was managed by ensuring deposit maturities with the DMADF were matched to outflows and where required, funds were withdrawn from instant access facilities. In addition, £10m of forward dated short-term temporary borrowing reached settlement. Cash balances have remained well above minimum levels due to the balances of COVID-19 grants being held by the Council before distribution.

Table 24: Outstanding Debt - Average Interest Rate on Debt: 3.23%
Average Interest Rate on Temporary Borrowing: 0.47%

| | Actual (£m) | Actual (%) |
|---------------------|---------------|---------------|
| General Fund | | |
| PWLB | 45.10 | 14.10 |
| Long-Term Market | 15.00 | 4.69 |
| Temporary | 90.00 | 28.13 |
| HRA | | |
| PWLB | 136.82 | 42.77 |
| Long-Term Market | 33.00 | 10.31 |
| Total | 319.92 | 100.00 |

227. There were no scheduled debt repayments during February. Gilt yields moved up during the month. With the Council's long-term borrowing need and with restrictive premiums, early repayment of debt remains unfeasible.

228. There were no breaches of the Prudential Indicators or non-compliance with the Treasury Management Policy and Practices. To maintain liquidity for day-to-day business operations during March, cash balances will be placed in instant access accounts and short-term deposits. In addition, £10m of forward dated temporary borrowing will reach settlement.

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

230. The following Agency staff costing over £50k have been approved under delegated powers by the Chief Executive 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 |
|--|---------------------|---------------|-------------------|-------------------------|----------------|-------------|
| Environment, Education & Community Services | | | | | | |
| Homeless Prevention Caseworker | 20/05/2019 | 08/03/2021 | 06/06/2021 | 94 | 13 | 107 |
| Private Sector Housing Officer | 22/12/2018 | 22/03/2021 | 20/06/2021 | 149 | 16 | 165 |
| Private Sector Housing Officer | 24/06/2019 | 19/04/2021 | 18/07/2021 | 105 | 17 | 122 |
| Private Sector Housing Officers x2 | 04/02/2019 | 05/04/2021 | 04/07/2021 | 374 | 47 | 421 |
| Housing Options & Homeless Prevention Caseworker | 30/09/2019 | 05/04/2021 | 04/07/2021 | 63 | 13 | 76 |
| Homeless Prevention Operations Manager | 14/09/2020 | 15/03/2021 | 13/06/2021 | 39 | 19 | 58 |

Appendix G – Implementation of a free 30-minute parking period at the Kingsend South, Ruislip, car parks

231. A free 30-minute parking period is proposed at the Kingsend South short and long stay car parks, Ruislip, modifying the 2021/22 Fees & Charges structure previously approved by Cabinet and subsequently ratified by full Council in February 2021. The recommendations, summarised later in this Appendix, result from a recent further review of the specific nature of parking arrangements at these sites.
232. The Kingsend South short stay car park is adjacent to a Waitrose branch, with charges applicable at all times to ensure that spaces are available to the supermarket visitors.
233. Shoppers spending more than £15 may have their parking charges refunded via a till-generated discount. Though initially intended to refund shoppers that purchasing items in-store, the store manager has confirmed that the arrangement is extended to those collecting parcels (regardless of the value of the parcel being collected).
234. Unlike many other locations within the borough there is currently *no* free 30-minute parking period available at the site. The Council's existing "Stop & Shop" parking schemes, including the initial 30-minute free" of charge period, are in place to support local town centres and shopping parades. A past survey showed little evidence that the Kingsend South short stay car park is considered "convenient" for the local high street, with only 2% of visitors using it solely for this purpose. The predominant use of this car park is for visits to the adjoining supermarket and accordingly there has previously been no support for introducing a free parking scheme given the site does not perform the function of a "Stop & Shop" facility to support local town centre facilities.
235. Following a further approach from Waitrose in Summer of 2020, Parking Services were asked to review the situation again, focusing on the frequency of very short visits to the store for the collection of parcels or prescriptions. As part of this review, it has been identified that c.40,000 parcels per annum are collected from the store. Whilst it is likely that collection volumes have been higher than usual over the last 12 months as a result of the pandemic, Councillor Riley, Cabinet Member for Public Safety and Transport, in conjunction with Parking Services, is now proposing the introduction of a free 30-minute parking initiative at the Kingsend South short stay site to help support the continued viability of the Waitrose store.
236. It is further recommended that an equivalent arrangement is established at the adjacent Kingsend South long stay car park, such that visitors to the neighbouring GP surgery are not disadvantaged and to avoid "transfers" between the two sites (visitors moving from car park to car park to benefit from the no-charge period).
237. The table below summarises the charging structures across the two car parks, for 2020/21, 2021/22 (as per the approved budget) and as proposed in this Appendix:

| | 2020/21 charges | | 2021/22 approved budget charges | | 2021/22 proposed charges | |
|------------------------------------|-----------------|--------------|---------------------------------|--------------|--------------------------|--------------|
| Kingsend South - short stay | | | | | | |
| Period | Resident | Non-Resident | Resident | Non-Resident | Resident | Non-Resident |
| Up to 30 minutes | n/a | n/a | n/a | n/a | 0.00 | 0.00 |
| Up to 1 hour | 0.60 | 1.20 | 0.75 | 1.55 | 0.75 | 1.55 |
| Up to 2 hours | 1.00 | 1.70 | 1.15 | 2.05 | 1.15 | 2.05 |
| Kingsend South - long stay | | | | | | |
| Period | Resident | Non-Resident | Resident | Non-Resident | Resident | Non-Resident |
| Up to 30 minutes | n/a | n/a | n/a | n/a | 0.00 | 0.00 |
| Up to 1 hour | 0.60 | 1.20 | 0.75 | 1.55 | 0.75 | 1.55 |
| Up to 2 hours | 1.00 | 1.70 | 1.15 | 2.05 | 1.15 | 2.05 |
| Up to 3 hours | 1.20 | 3.10 | 1.35 | 3.45 | 1.35 | 3.45 |
| Up to 4 hours | 2.00 | 5.10 | 2.15 | 5.45 | 2.15 | 5.45 |
| Over 4 hours | 2.20 | 5.70 | 2.45 | 6.05 | 2.45 | 6.05 |

238. The estimated 2021/22 financial impact of the proposed implementation of a 30-minute free parking period at both the Kingsend South short and long stay car parks is a £13k loss of income. Should the recommendation be approved, actual income levels will be closely monitored and managed during the year, with any budgetary realignment addressed as part of future MTFF planning processes.

Appendix H

Presently, on-street parking around the Lido is for residents only in the marked bay and there are no on-street parking facilities for visitors. All visitors can use the Ruislip Lido Main car park, opposite the Waters Edge public house, which is open from 8am to 9pm. Visitors that are Hillingdon residents can park free within this car park with their HillingdonFirst card and also have access to the Willow Lawn car park (which is a free car park exclusively for residents who use their HillingdonFirst card).

Unfortunately, despite Ruislip Lido being well served by public transport links, many visitors use their vehicles to travel to the Lido which causes significant traffic congestion in the area, which adversely affects local residents, as well as passing traffic trying to use the local road network. The available parking facilities are also often over-subscribed which adds to the local traffic congestion.

To further encourage visitors to use public transport when visiting the Lido it is recommended to amend the standard parking charges as detailed in the table below with immediate effect, subject to amendment of the traffic management order:

| Duration | Existing Standard Charge | Revised Standard charge | EXISTING HillingdonFirst Cardholder tariff | Revised HillingdonFirst Cardholder tariff |
|---|---------------------------------|--------------------------------|---|--|
| Standard Parking charge – up to 5 hours (Peak season) | £5.00 (all day) | £5.00 | Free | No change |
| Standard Parking charge – over 5 hours (Peak season) | N/A | £10.00 | Free | No change |
| Standard Parking charge – All day (Off peak season 1st September) | £3.50 | No change | Free | No change |

These changes restate the Peak season to the period 1st April - 31st August, with Off peak being the 1st September to the 31st March. This proposal also splits the charges into 2 rates during the peak season only, to include a charge of £5 for up to 5 hours, and a charge of £10 for stays longer than 5 hours. No changes are currently proposed to the Off-Peak season and the flat rate of £3.50 will be applied.

Visitors using Hillingdon First Cards will currently continue to access the car parks at no charge.