

# COUNCIL BUDGET - 2021/22 REVENUE AND CAPITAL MONTH 7 BUDGET MONITORING

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<b>Cabinet Portfolio</b>	Cabinet Member for Finance
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<b>Papers with report</b>	Appendices A & B

## HEADLINES

<b>Summary</b>	<p>This report provides the Council's forecast financial position and performance against the 2021/22 revenue budget and Capital Programme.</p> <p>A net in-year underspend of £419k is reported against General Fund revenue budget normal activities as of October 2021 (Month 7). Unallocated reserves are projected to total £26,520k at 31 March 2022. This headline position is largely consistent with that reported to Cabinet for September 2021 (Month 6).</p> <p>COVID-19 pressures for the 2021/22 financial year are projected to total £18,710k at Month 7, marginally lower than previously projected. Allowing for the application of specific government funding against these pressures, the Council retains £9,292k of the £10,126k originally set aside from local resources to meet future costs arising from the pandemic.</p> <p>The latest positions on other funds and the Capital Programme are detailed within the body of this report.</p>
<b>Putting our Residents First</b>	<p>This report supports the following Council objective of: <i>Strong financial management.</i></p> <p>Achieving Value for Money is an important element of the Council's Medium Term Financial Plan.</p>
<b>Financial Cost</b>	N/A
<b>Relevant Select Committee</b>	Corporate, Finance & Property
<b>Relevant Ward(s)</b>	All

## RECOMMENDATIONS

### That the Cabinet:

1. Note the budget monitoring position and treasury management update as at October 2021 (Month 7) as outlined in Part A of this report.
2. Approve the financial recommendations set out in Part B of this report

### Reasons for recommendation

1. The reason for **Recommendation 1** is to ensure that the Council achieves its budgetary objectives, providing Cabinet with the update on performance at Month 7 against budgets approved by Council on 25 February 2021 contained within **Part A** of this report. An update on the Council's Treasury Management activities is included within this section of the report.
2. **Recommendation 2** seeks approval for the range of financial recommendations set out within **Part B** of this report, which may include approval of above establishment agency appointments, acceptance of grant funding, revisions to fees & charges and ratification of decisions taken under special urgency provisions.

### Alternative options considered / risk management

3. There are no other options proposed for consideration.

### Select Committee comments

4. None at this stage.

## PART A: MONTHLY BUDGET MONITORING

### SUMMARY

#### GENERAL FUND REVENUE

5. General Fund pressures totalling £18,710k are projected in relation to the impacts of the COVID-19 pandemic and the Council's response in 2021/22. With total forecast pressures of £52,085k since the pandemic began in early March 2020, including the forecast pressure for the current financial year alongside £1,883k in 2019/20 and £31,492k in 2020/21. There has been a marginal £17k reduction in projected COVID-19 pressures from the position reported at Month 6.
6. Prior year COVID-19 pressures were fully funded from external funding, with a further £20,327k of such grants confirmed for the 2021/22 financial year available to supplement £10,126k of the Council's own reserves set aside for management of the pandemic. This gives scope to fund reported pressures of £18,710k for the 2021/22 financial year alongside the £3,876k COVID-19 pressures on Business Rates and Council Tax factored into the Medium Term Financial Forecast, while leaving headroom of £8,570k to meet emerging or ongoing pressures.
7. On the assumption that this funding strategy for COVID-19 pressures can be maintained, an underspend of £419k is projected across General Fund budgets at Month 7, with this position being driven by underspends against Capital Financing of £275k and Development and Risk Contingency of £763k, primarily related to a reduced call on the waste and homelessness contingencies, offset by a pressure reported against Service Operating Budgets of £619k, driven by reported pressures on Property & Estates, Education, Children's & Young People's Service and Fleet management costs.
8. While movements are reported against individual portfolios and contingency items from the position at Month 6, these have not materially affected the headline monitoring position. Taking account of the budgeted £2,421k drawdown from General Balances, this will result in unallocated General Balances totalling £26,520k at 31 March 2022.
9. Within this position, £8,156k of the £10,416k savings planned for 2021/22 are banked or on track for delivery in full by 31 March 2022, with £1,274k tracked as being at an earlier stage of implementation and £986k at risk as a result of the COVID-19 pandemic. Since Month 6, £1,000k of savings have been promoted from the early stages of implementation. The at risk savings relate to leisure management fee income and reflects the acute impact of the pandemic on this sector, although it is expected that in the long run this level of income will be achievable. Where slippage in savings delivery is expected this has been factored into the reported monitoring position, and where appropriate financed from COVID-19 funding.
10. Within the Collection Fund, a pressure of £184k is reported at Month 7 as a result of slower than budgeted growth in Council Tax, compounded by an adverse position reported against Council Tax Support as demand falls at a slower rate than originally forecast based on the rate of recovery across the economy from the pandemic. This represents an adverse movement of £57k from the position reported at Month 6 following the regular review of

provisions held against ongoing business rates appeals and historic credit balances. Variances against the Collection Fund do not directly impact upon the 2021/22 monitoring position, but instead will be factored into the Council's budget proposals for the forthcoming year.

## **GENERAL FUND CAPITAL**

11. An underspend of £8,502k is reported on the Council's £299,599k 2021/22 to 2025/26 General Fund Capital Programme, with £5,582k of this underspend driven by the budget established for the St Andrew's Park museum and £1,878k reflecting reduced expenditure in light of significant reductions in Transport for London funding, alongside a number of smaller variances detailed within this report. Uncommitted contingency budgets of £5,473k have been included in this latest forecast, providing a mechanism to support further investment should this be required.
12. Taking account of the grant funded element of the Capital Programme underspend and the latest projections in respect of capital receipts and developer contributions, prudential borrowing for the 2021/22 to 2025/26 period is projected to be £4,706k lower than budgeted and total £126,312k. This reduced borrowing requirement will translate into savings against the future costs of debt servicing and repayment, which will be factored into future iterations of the MTFF as appropriate.

## **SCHOOLS BUDGET**

13. As at Month 7, an in-year pressure of £5,329k is reported on the Schools Budget which combined with the £7,328k shortfall in funding for the year represents a £12,657k deficit for the year. When the £25,386k deficit brought forward from prior years is accounted for, the cumulative deficit being carried forward into 2022/23 is £38,043k. This deficit continues to be driven by ongoing pressures in relation to High Needs placements.
14. As previously reported, the Council is involved in 'Safety valve' discussions with the DfE which are aimed at resolving issues in relation to the ongoing pressures on the Schools Budget. Significant work associated with these meetings is taking place and the outputs from this will be fed into future monitoring forecasts and the MTFF process.

## **HOUSING REVENUE ACCOUNT**

15. An underspend of £109k is reported on the Housing Revenue Account at Month 7, representing a marginal £15k improvement on the previously reported position, with balances projected to total £15,292k at 31 March 2022 in line with business plan assumptions. An underspend of £2,528k is projected against the £234,631k capital programme for the period 2021/22 to 2025/26.

## FURTHER INFORMATION

### General Fund Revenue Budget

16. As noted above and presented in the table below, a £419k underspend is projected across the General Fund at Month 7, with the following section of this report providing further information on an exception basis. General Fund Balances are expected to total £26,520k at 31 March 2022 as a result of the forecast position detailed above, which remains broadly consistent with the forecast reported at Month 6. The Balances and Reserves Policy approved by Cabinet and Council in February 2021 outlined a recommended range of £15,000k to £35,000k for uncommitted General Balances.

**Table 1: General Fund Overview**

Service	Month 7		Variance (As at Month 7) £'000	Variance (As at Month 6) £'000	Movement from Month 6 £'000
	Approved Budget	Forecast Outturn			
	£'000	£'000			
Service Operating Budgets	223,902	224,521	619	333	286
Corporate Operating Budgets	8,034	7,759	(275)	(239)	(36)
Development & Risk Contingency	4,145	3,382	(763)	(474)	(289)
Unallocated Budget Items	2,164	2,164	0	0	0
<b>Sub-total Expenditure</b>	<b>238,245</b>	<b>237,826</b>	<b>(419)</b>	<b>(380)</b>	<b>(39)</b>
Corporate Funding	(235,824)	(235,824)	0	0	0
<b>Total Normal Activities</b>	<b>2,421</b>	<b>2,002</b>	<b>(419)</b>	<b>(380)</b>	<b>(39)</b>
<u>Exceptional Items</u>					
COVID-19 Pressures	0	18,710	18,710	18,727	(17)
COVID-19 Funding	0	(18,710)	(18,710)	(18,727)	17
<b>Total Net Expenditure</b>	<b>2,421</b>	<b>2,002</b>	<b>(419)</b>	<b>(380)</b>	<b>(39)</b>
Balances b/fwd	(28,522)	(28,522)			
<b>Balances c/fwd 31 March 2022</b>	<b>(26,101)</b>	<b>(26,520)</b>			

### Service Operating Budgets

17. Service 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 for the Service Operating Budgets. The salient risks and variances within this position summarised in the following paragraphs.

**Table 2: Service Operating Budgets**

Cabinet Member Portfolio		Approved Budget	Forecast Outturn	Variance (As at Month 7)	Variance (As at Month 6)	Movement from Month 6
		£'000	£'000	£'000	£'000	£'000
Property & Infrastructure	Expenditure	11,774	12,358	584	216	368
	Income	(5,296)	(5,566)	(270)	(227)	(43)
	<b>Sub-Total</b>	<b>6,478</b>	<b>6,792</b>	<b>314</b>	<b>(11)</b>	<b>325</b>
Finance	Expenditure	20,114	20,533	419	421	(2)
	Income	(3,369)	(3,558)	(189)	(188)	(1)
	<b>Sub-Total</b>	<b>16,745</b>	<b>16,975</b>	<b>230</b>	<b>233</b>	<b>(3)</b>
Public Safety and Transport	Expenditure	18,168	18,547	379	347	32
	Income	(16,241)	(16,666)	(425)	(427)	2
	<b>Sub-Total</b>	<b>1,927</b>	<b>1,881</b>	<b>(46)</b>	<b>(80)</b>	<b>34</b>
Corporate Services and Transformation	Expenditure	26,909	26,963	54	60	(6)
	Income	(1,604)	(1,662)	(58)	(58)	0
	<b>Sub-Total</b>	<b>25,305</b>	<b>25,301</b>	<b>(4)</b>	<b>2</b>	<b>(6)</b>
Environment, Housing & Regeneration	Expenditure	51,014	51,337	323	244	79
	Income	(20,786)	(21,137)	(351)	(342)	(9)
	<b>Sub-Total</b>	<b>30,228</b>	<b>30,200</b>	<b>(28)</b>	<b>(98)</b>	<b>70</b>
Families, Education and Wellbeing	Expenditure	26,039	26,193	154	454	(300)
	Income	(11,598)	(11,748)	(150)	(221)	71
	<b>Sub-Total</b>	<b>14,441</b>	<b>14,445</b>	<b>4</b>	<b>233</b>	<b>(229)</b>
Health and Social Care	Expenditure	165,064	165,306	242	137	105
	Income	(36,286)	(36,379)	(93)	(83)	(10)
	<b>Sub-Total</b>	<b>128,778</b>	<b>128,927</b>	<b>149</b>	<b>54</b>	<b>95</b>
<b>Total Service Operating Budgets</b>		<b>223,902</b>	<b>224,521</b>	<b>619</b>	<b>333</b>	<b>286</b>

18. Within the Council budget there is a Managed Vacancy Factor across the board of 4%, or £3,950k to reflect natural levels of turnover and resulting structural underspend in the workforce budgets. Current projections indicate that this will be delivered in full during 2021/22, with post-level establishment controls providing a key mechanism for managing workforce costs at the organisational level, although unanticipated turnover is expected to further improve this position over the coming months.
19. As noted in the previous monitoring report, and contrary to the Government policy of freezing the majority of public sector pay in 2021/22, an inflationary pay award of 1.5% was presented to unions for consideration and the Council earmarked £1,300k to meet this potential cost. This was rejected and subsequently increased to 1.75% by the employers' association, which if accepted would increase the cost by £700k. It is expected that the in-year impact of the increased pay award can be funded through the expected improvement in the

workforce budget position or Earmarked Reserves, with the full cost being factored into future iterations of the MTFE as appropriate.

20. As can be seen from the table above, the net £619k pressure across Service Operating Budgets represents the cumulative effect of a number of variances which are briefly outlined below by Cabinet Portfolio:
- a. **Property & Infrastructure** – A net overspend of £314k, representing a £325k adverse movement on Month 6, driven by a £399k adverse movement within the Property & Estates service as a result of an update by the Valuation Office Agency applied to a Council property leading to a backdated Business Rates liability. The remaining variances within the portfolio are coming from a £240k overachievement of income within the Repairs & Engineering Service, with a largely offsetting expenditure variance due to the activity undertaken to generate the income for this service.
  - b. **Finance** – A net pressure of £230k, a favourable movement of £3k on the Month 6 position, with the variance being affected by delayed delivery of new vehicles necessitating higher leasing and maintenance costs in the current year. In line with previous months, the favourable outlook for income across this area relates to increased activity in support of non-General Fund functions, such as the HRA regeneration projects.
  - c. **Public Safety and Transport** – a net underspend of £46k and a £34k adverse movement from Month 6 are reported, with the headline £425k overachievement of income and corresponding increase in expenditure reflecting grant and Brexit-related activities.
  - d. **Corporate Services and Transformation** – a net underspend of £4k, representing a £6k improvement from Month 6, with the underlying position reflecting increased recharge income within the ICT service and corresponding uplifts in expenditure.
  - e. **Environment, Housing and Regeneration** – an underspend of £28k, representing an adverse movement of £70k where a favourable outlook on planning and crematorium income is mitigating the costs being incurred from insourcing an element of the planning service. The adverse movement at Month 7 relates to emergency works required to repair a footpath above the planned level of activity for the year.
  - f. **Families, Education and Wellbeing** – an overspend of £4k and a favourable movement of £229k is reported for this portfolio. The variance is being driven by a pressure as a result of additional demands on the service in respect of school place planning for both mainstream and special provision, alongside additional costs falling on the General Fund as a result of levels of demand for Education, Health and Care Plans. These pressures are being offset by an improved position in Month 7 within cultural and leisure services, with additional grant funding being awarded to the music service alongside delays in recruitment in the cultural and leisure services.

- g. **Health and Social Care** – A net pressure of £149k is reported, with an adverse movement of £95k from the position at Month 6. The headline variance relates to increased demand on social care, predominantly within Children’s & Young Peoples services, with the adverse movement stemming from increased spend on preventative services within Youth Offending services alongside previously reported pressures on Section 17 preventative services within Children’s Services.



## Transformation

21. 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 £3,065k for such costs, which will remain under review throughout the year and have been excluded from the reported monitoring positions. It is anticipated that these costs will be financed from a combination of Capital Receipts and Earmarked Reserves. This position will be reviewed if capacity becomes available within the revenue position to fund such costs.

## Progress on Savings

22. The savings requirement for 2021/22 is £8,054k. In addition, there are savings of £2,362k brought forward from 2020/21, which gives an overall total of £10,416k reported below. The savings being reported as undelivered in 2020/21 (£2,362k) were directly attributable to the COVID-19 pandemic as the Council needed to redirect resources to manage the pandemic. The savings were linked to Leisure, Licencing, Digital Strategy and Fees and Charges. This value has been added to the budgeted savings agreed as part of the 2021/22 budget.

**Table 3: Savings Tracker**

Cabinet Member Portfolio	Blue Banked £'000	Green Delivery in progress £'000	Amber I Early stages of delivery £'000	Amber II Potential problems in delivery £'000	Red Serious problems in delivery £'000	Total £'000
Property & Infrastructure	(160)	0	(150)	0	0	(310)
Finance	(560)	(300)	0	0	0	(860)
Public Safety and Transport	(385)	(1,656)	(100)	0	0	(2,141)
Corporate Services and Transformation	(887)	(513)	0	0	0	(1,400)
Environment, Housing & Regeneration	(1,131)	(705)	(510)	0	0	(2,346)
Families, Education and Wellbeing	(250)	(109)	(364)	(986)	0	(1,709)
Health and Social Care	(250)	(1,250)	(150)	0	0	(1,650)
<b>Total 2021/22 Savings Programme</b>	<b>(3,623)</b> <b>35%</b>	<b>(4,533)</b> <b>44%</b>	<b>(1,274)</b> <b>12%</b>	<b>(986)</b> <b>9%</b>	<b>0</b> <b>0%</b>	<b>(10,416)</b> <b>100%</b>
<b>Month on Month Movement</b>	<b>(350)</b> <b>-4%</b>	<b>(650)</b> <b>-6%</b>	<b>1,000</b> <b>10%</b>	<b>0</b> <b>0%</b>	<b>0</b> <b>0%</b>	<b>0</b>

23. As of Month 7, there are £3,623k savings already banked, with a further £5,807k either delivery in progress or in the early stages of delivery which are expected to progress throughout the year and ultimately be delivered in full. The savings in the early stages of delivery (Amber I) include the Licencing and Digital Strategy from the prior year, as well as current year savings including the Review of Temporary Accommodation and the Green Spaces Review, alongside other lower value savings. Since Month 6, £1,000k have been promoted from the early stages of delivery as implementation progresses.

24. Currently there are £986k (9%) of savings which are reporting potential problems in delivery (Amber II), which relates exclusively to the leisure management fee and reflects the particular impact of the COVID-19 pandemic on this sector, although in the medium term use of these services and associated income is expected to return to pre-pandemic levels and deliver this saving.
25. Where savings are at risk of not being delivered in full during 2021/22, the associated pressures have been factored into the monitoring position discussed above and offset through compensatory underspends or where appropriate use of COVID-19 grant funding. At this time, it is expected that all £10,416k will ultimately be delivered in full and therefore not impact upon future iterations of the Council's MTFF.

### **Corporate Operating Budgets**

26. Corporate Operating budgets are reporting a £275k underspend on capital financing and funding, representing a favourable movement of £36k from Month 6. The underspend is driven by reduced capital financing costs arising from the favourable capital outturn position for 2020/21 and a minor improvement from a review of the Council's corporate subscriptions. The improvement in this area relates to a delay in the Council's borrowing requirement leading to a lower forecast spend on interest to year end. No variance is reported on Corporate Funding, the exact level of grant funding for the year currently reflects the Cabinet and Council approved budgets in February 2021.

### **Development & Risk Contingency**

27. For 2021/22 £17,436k was set aside to manage uncertain elements of budgets within the Development & Risk Contingency, which included £16,613k in relation to specific risk items and £823k as General Contingency to manage unforeseen issues. Following Cabinet on 2 September, £13,291k of this funding was released into the Council's Service Operating Budgets on the basis that these values were no longer contingent, leaving £4,145k being held for specific risk items alongside the £823k of General Contingency. Exceptional COVID-19 related pressures are being funded through specific grant funding and commented on later in this report.
28. At Month 7, a net underspend of £763k is reported on Development and Risk Contingency, representing a reduction of £290k on the previously reported position. A £590k underspend on waste disposal costs, representing a £248k of the improvement from Month 6, as provision for market volatility is unwound over the course of the year, is further increased by a favourable variance within Homelessness Support of £222k, with Social Care forecasting a net pressure of £49k, predominantly driven by a pressure within Asylum, offset by a favourable position within Children with Disabilities and a minor pressure from additional support for Adults. There are currently no calls on the £823k General Contingency, providing a mechanism to manage emerging non-COVID-19-related risks over the remainder of the financial year.

## Exceptional Items – COVID-19 Pressures

**Table 4: COVID-19 Pressure Breakdown**

Service	Month 7		Variance (As at Month 7) £'000	Variance (As at Month 6) £'000	Movement from Month 6 £'000
	Approved Budget	Forecast Outturn			
	£'000	£'000			
Social Care	0	10,256	10,256	10,438	(182)
Other Expenditure	0	4,518	4,518	4,382	135
Income	0	3,935	3,935	3,905	29
<b>Total Exceptional Items</b>	<b>0</b>	<b>18,710</b>	<b>18,710</b>	<b>18,727</b>	<b>(17)</b>

29. There has been limited movement in the headline COVID-19 pressure at Month 7, with total costs of £18,710k for the 2021/22 financial year representing a £17k favourable movement from the position at Month 6. Social Care continues to represent the largest single area of cost pressures at £10,256k, with income losses and other expenditure pressures accounting for the remainder of this sum.
- Within Health and Social Care, the Council is forecasting a pressure of £10.3m, driven by £9.4m of pressures associated with direct care provision, with £5.8m of this value falling on Adult Social Care and £3.6m falling in Children's Social Care. In addition, home to school transport pressures total £0.6m, alongside workforce pressures associated with the additional demand across all services and the Council's COVID-19 response, account for the remaining pressure in this area.
  - Public Safety and Transport is a forecast decline in Fees and Charges income of £1.9m, all of which relates to parking charges.
  - Within Environment, Housing and Regeneration pressures totalling £2.2m have been identified. £1.1m relating to lost income, with the single largest area affected being Planning & Development. £0.4m forecast to support the homeless during the pandemic, with a further £0.3m being required to support the impact on the Council's Waste Service.
  - Pressures across the Families, Education and Welfare portfolio total £1.7m and primarily relate to the financial impact of lower usage of the Council's leisure facilities.
  - Residual pressures of £2.6m are reported across the remaining portfolio areas.
30. Included within this position is a forecast assumption that the overall pressure caused by COVID-19 will be funded through a combination of grant funding and locally set aside reserves. The Council has confirmed external funding of £23,327k, with an additional £10,216k of the Council's own balances having been earmarked to supplement these funds. Taking account of the £18,710k pressures outlined above, and the £3,876k of planned releases from this funding to manage COVID-19 driven Collection Fund deficits, the Council has £8,570k uncommitted funds available to meet emerging or continuing COVID-19 pressures.

## Collection Fund

31. A deficit of £184k is reported within the Collection Fund relating to an adverse position reported within Council Tax of £1,080k, offset by a favourable position within Business Rates of £896k. The pressure in Council Tax is predominantly driven by a reduction in the forecast growth of the taxbase, compounded by an adverse position within Council Tax Support as the economy recovers from the pandemic at a slower rate than originally budgeted for in February 2021. This represents an adverse movement of £57k from the position reported at Month 6 following the regular review of provisions held against ongoing business rates appeals and historic credit balances.
32. Any deficits within the Collection Fund impact on the Council's future year budgets, this position would therefore add £184k to the Council's gross saving requirement above the level set in the Council's budget strategy agreed at February 2021 Cabinet.

## General Fund Capital Programme

33. As at Month 7 an under spend of £38,306k is reported on the 2021/22 General Fund Capital Programme of £103,476k, due mainly to re-phasing of project expenditure into future years. The forecast outturn variance over the life of the 2021/22 to 2025/26 programme is an under spend of £8,502k. General Fund Capital Receipts of £6,918k are forecast for 2021/22, and £30k below the budgeted target of £57,977k over five years to 2025/26. Overall, Prudential Borrowing required to support the 2021/22 to 2025/26 capital programmes is forecast to be below budget by £4,706k.

### Capital Programme Overview

34. Table 5 below sets out the latest forecast outturn on General Fund capital projects. Forecasts for future years include capital projects and programmes of work approved by Cabinet and Council in February 2021. The table below presents a Major Projects rephasing value of £27,424k, with recommendation 2c in this report seeking approval to rephase this value into future years.

**Table 5: General Fund Capital Programme Summary**

	Approved Budget 2021/22	Forecast 2021/22	Cost Variance 2021/22	Project Re- phasing 2021/22	Total Project Budget 2021-2026	Total Project Forecast 2021-2026	Total Project Variance 2021-2026	Move- ment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cabinet Member Portfolio</b>								
Finance	3,821	3,991	-	170	7,238	7,238	-	-
Public Safety and Transport	16,871	13,734	(1,878)	(1,259)	56,432	54,554	(1,878)	-
Corporate Services & Transformation	1,458	1,323	-	(135)	5,258	5,258	-	-
Environment, Housing & Regeneration	4,763	3,868	(39)	(856)	10,548	10,509	(39)	-
Families, Education and Wellbeing	8,433	10,429	-	1,996	21,008	21,008	-	-
Health and Social Care	2,359	2,243	(116)	-	11,795	11,679	(116)	(116)
Property and Infrastructure	64,354	28,165	(2,162)	(34,027)	181,847	175,378	(6,469)	(190)
General Contingency	1,417	1,417	-	-	5,473	5,473	-	-
<b>Total Capital Programme</b>	<b>103,476</b>	<b>65,170</b>	<b>(4,195)</b>	<b>(34,111)</b>	<b>299,599</b>	<b>291,097</b>	<b>(8,502)</b>	<b>(306)</b>
Major Projects	58,820	30,611	(785)	(27,424)	161,461	156,369	(5,092)	50
Programme of Works	43,239	33,142	(3,410)	(6,687)	132,665	129,255	(3,410)	(356)
General Contingency	1,417	1,417	-	-	5,473	5,473	-	-
<b>Total Capital Programme</b>	<b>103,476</b>	<b>65,170</b>	<b>(4,195)</b>	<b>(34,111)</b>	<b>299,599</b>	<b>291,097</b>	<b>(8,502)</b>	<b>(306)</b>
Movement	539	(1,474)	(306)	(1,707)	539	233	(306)	

35. **Finance:** Forecast expenditure of £3,991k in 2021/22 relates to the replacement of fleet vehicles for which a number of orders have been placed and also includes the purchase of five new food waste collection vehicles which have been received.
36. **Public Safety and Transport:** An under recovery of £1,878k is forecast on Transport for London (TFL) grant funding, as the 2021/22 LIP funding award for the remainder of the year

will be significantly lower than bid for and original budget assumptions. TFL funding remains significantly affected by reduced travel due to the pandemic with increased home working.

37. **Environment, Housing and Regeneration:** An under spend of £27k is forecast on private sector renewal grants based on expected demand for the year. An under spend of £12k is also reported on green spaces Section 106 projects.
38. **Families, Education and Wellbeing:** Forecast expenditure for the year includes the budgeted £6m payment to the Department for Education as contribution to the rebuild and expansion of Harlington School. The installation of modular classrooms at Hedgewood school to increase special provision were completed in November 2021.
39. **Health and Social Care:** An under spend of £116k is forecast on the capitalisation of social care equipment budget of £2,359k, which is financed by disabled facilities grant.
40. **Property and Infrastructure:** A forecast overspend of £490k is reported on the works to extend the Uxbridge mortuary, as additional cost items have been uncovered on site including deeper works required on the foundations. This is an increase of £50k from the previous forecast. Disabled Facilities Grants are forecast to under spend by £1,137k based on expected demand, with higher activity this year on adaptations in the HRA sector. As Cabinet have previously agreed to no longer proceed with the land transfer of the former cinema building site at St Andrew's Park, the 2021-26 New Museum construction budget of £5,582k is reported as an under spend. Under spends on completed schemes amounting to £151k are forecast within the corporate buildings programmes (Property Works and Civic Centre Works). The Schools pollution screening programme is forecast to be under spent by £89k with future commitments able to be funded from future year budget allocations.

## Capital Financing - General Fund

**Table 6: Capital Financing**

	Approved Budget 2021/22 £'000	Forecast 2021/22 £'000	Cost Variance £'000	Phasing Variance £'000	Total Financing Budget 2021-2026 £'000	Total Financing Forecast 2021-2026 £'000	Total Variance £'000	Move-ment
<b>Source of Finance</b>								
Capital Receipts	16,749	6,918	(82)	(9,749)	57,977	57,947	(30)	(30)
CIL	3,500	6,500		3,000	17,500	17,500	-	-
Prudential Borrowing	55,481	33,555	(347)	(21,579)	131,018	126,312	(4,706)	(138)
<b>Total Council Resources</b>	<b>75,730</b>	<b>46,973</b>	<b>(429)</b>	<b>(28,328)</b>	<b>206,495</b>	<b>201,759</b>	<b>(4,736)</b>	<b>(168)</b>
Grants & Contributions	27,746	18,197	(3,766)	(5,783)	93,104	89,338	(3,766)	(138)
<b>Capital Programme</b>	<b>103,476</b>	<b>65,170</b>	<b>(4,195)</b>	<b>(34,111)</b>	<b>299,599</b>	<b>291,097</b>	<b>(8,502)</b>	<b>(306)</b>
Movement	539	(1,474)	(306)	(1,707)	539	233	(306)	

41. Capital receipts before transformation financing in 2021/22 include £1,339k in sales already achieved with several more sites planned to be sold via auction by the end of the financial year. The phasing variance of £9,749k is largely due to major disposal sites that are not expected to be completed this financial year.
42. As at the end of October 2021, a total of £5,928k Community Infrastructure Levy receipts have been invoiced. Forecast receipts for this financial year are a favourable variance of £3,000k as developer activity is increasing as the pandemic recedes, and several sizable developments have commenced in 2021/22. The longer-term forecast for this income stream will remain under review as the economy recovers from the pandemic.
43. Forecast grants and contributions are £3,766k lower than the revised budget, due partly to the forecast under recovery of the 2021/22 TFL LIP grant compared to the original budget, which was based on pre-pandemic funding levels, and the under spend on private sector disabled facilities grants.
44. Prudential Borrowing is forecasting to be within budget by £21,926k in 2021/22 due mainly to forecast re-phasing of project expenditure into future years. The medium-term forecast is a favourable variance of £4,706k due mainly to the under spend on the cancellation of the new museum project.

## Schools Budget

45. The Dedicated Schools Grant (DSG) monitoring position is an in-year overspend of £12,657k at month 7, this is an increase of £5,329k on the budgeted deficit of £7,328k. This overspend is due to ongoing pressures in the cost of High Needs placements, where due to a lack of capacity in borough, the number of independent placements has increased since the budget was set. In addition, the local authority is increasingly seeing an uplift in the funding allocated to SEN placements due to a change in the level of need. The budget for High Needs was increased for 2021/22 to take account of projected growth, but it is projected that the budget will be significantly exceeded. When the £25,386k deficit brought forward from 2020/21 is taken into account, the cumulative deficit carry forward to 2022/23 is £38,043k.

**Table 7: DSG Income and Expenditure 2021/22**

Funding Block	Month 7		Variance		
	Revised Budget	Forecast Outturn	Variance (As at Month 7)	Variance (As at Month 6)	Change from Month 6
	£'000	£'000	£'000	£'000	£'000
<b>Dedicated Schools Grant Income</b>	(317,131)	(317,131)	0	0	0
<b>Schools Block</b>	247,506	247,659	153	153	0
<b>Early Years Block</b>	25,997	25,997	0	0	0
<b>Central Schools Services Block</b>	3,296	3,296	0	0	0
<b>High Needs Block</b>	47,660	52,836	5,176	5,176	0
<b>Total Funding Blocks</b>	<b>7,328</b>	<b>12,657</b>	<b>5,329</b>	<b>5,329</b>	<b>0</b>
Balance Brought Forward 1 April 2021	25,386	25,386			
<b>Balance Carried Forward 31 March 2022</b>	<b>32,714</b>	<b>38,043</b>			

### **Dedicated Schools Grant Income (nil variance, no change)**

46. The Early Years block will be adjusted further to reflect actual numbers that were accessing the free entitlement in the Spring term and the local authority is still awaiting confirmation of this adjustment to funding. 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.
47. There will be an adjustment to the Schools Block to reflect the amount recouped by the Education Skills Funding Agency (ESFA) to fund academy schools directly. This follows the academy conversion of two schools in Hillingdon on 1<sup>st</sup> September 2021.



### **Schools Block (£153k overspend, no change)**

48. 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.
49. 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.
50. Schools Forum took the decision to withhold growth contingency allocations for two schools due to insufficient projected pupil growth in September 2022 and therefore there will be an underspend relating to this allocation. Additionally, Schools Forum have agreed to backdate growth contingency to 2018/19 for one secondary school which it has been retrospectively decided met the criteria for funding. This has resulted in the overspend on the Schools block in 2021/22 which, because the Schools Block is ring-fenced, will need to be carried forward to the following financial year and included in the Growth Fund determination for 2022/23.
51. The growth contingency policy was amended prior to 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). £525k was set aside for this purpose, with the actual funding requirement considerably lower, which has off-set the overall overspend on the Schools block.
52. The growth contingency also funds diseconomies of scale funding for new basic need academy schools and a calculation method has now been determined for this for the two remaining years that the final basic need school is still growing. An amendment to the Growth Contingency Policy has been drafted to reflect this change.

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

53. Two-year-old funding will be adjusted to reflect the number of children accessing the entitlement based on the May 2021 census.
54. The 3 and 4-year-old funding for both the universal and the additional free entitlement will also be adjusted following verification of the actual numbers recorded in the May 2021 census. The local authority is still also awaiting confirmation of this adjustment to Early Years funding for the Spring term and these adjustments are likely to result in a reduction in the overall Early Years block funding allocation as the number of children accessing the additional free entitlement has decreased significantly over the past year. The projections will be revised once the full impact of the funding adjustments is known.

### **Central School Services Block (no variance, no change)**

55. The published DSG budget allocations confirmed a 20% decrease in the Central School Services Block provided for historic commitments. This resulted in a £265k reduction in funding, though this was partly offset by £51k of additional funding for pupil growth. This reduction in funding resulted in a budget shortfall for the services funded by the Central School Services block adding to the pressure which has led to an overall deficit DSG being agreed for 2021/22.

### **High Needs Block (£5,176k overspend, no change)**

56. There continues to be significant pressure in the High Needs Block in 2021/22, with an overspend of £5,176k being projected at month 7. The growth in the requirement to place pupils with an EHCP in independent placements due to a continuing lack of capacity in-borough and across other local authority provision continues to be a main driver of the pressure, given the current shortage of local provision. Much of the overspend being projected is a result of additional placements already made for September 2021, along with an anticipated further increase in the number of placements throughout the remainder of the year. Whilst an element of growth in placements has been built into the projection, there may be further pressure dependent on where future placements are made.
57. There is further pressure being added to the High Needs block because of an uplift in the funding allocated to SEN placements due to a change in the level of need. The local authority is regularly seeing an increase in the complexity of need at the point of annual review which is resulting in agreement to increase the top-up funding allocation to ensure needs are being adequately met. This is contributing to the overspend being projected and there may be additional pressure in relation to this as further annual reviews are completed.
58. There are in-borough special schools which are currently over their commissioned place number with a requirement on the local authority to allocate more funding for these additional places. The commissioned numbers were updated at the start of the financial year, however due to changes not taking place until the start of the next academic year for academy schools, along with schools agreeing to take further additional pupils there will be a requirement to fund places over commissioned numbers.
59. The Council is currently in discussions with the DfE as part of the next round of the 'Safety Valve' intervention programme. The local authority has been tasked with demonstrating to the DfE that the DSG can be brought to an in-year balanced position within the next five years, with the current financial year being year one of this. If the DfE are satisfied that the recovery plans are reasonable, it is hoped that the DfE will contribute additional revenue funding to clear the cumulative DSG deficit.

## Housing Revenue Account

60. The Housing Revenue Account (HRA) is currently forecasting a favourable variance of £91k compared to the budget and an adverse movement of £3k on Month 6. This excludes the potential cost pressures of COVID-19, which are estimated at £114k. The 2021/22 closing HRA General Balance is forecast to be £15,292k. The use of reserves is funding investment in new housing stock. The table below presents key variances by service area.

**Table 8: Housing Revenue Account**

Service	Month 7		Variance (+ adv / - fav)		
	Revised Budget	Forecast Outturn	Variance (As at Month 7)	Variance (As at Month 6)	Movement from Month 6
	£'000	£'000	£'000	£'000	£'000
Rent Income	(58,944)	(58,685)	259	259	0
Other Income	(5,528)	(5,467)	61	61	0
<b>Net Income</b>	<b>(64,472)</b>	<b>(64,152)</b>	<b>320</b>	<b>320</b>	<b>0</b>
Housing Management	15,185	15,391	206	162	44
Tenant Services	3,953	3,863	(90)	(49)	(41)
Repairs	5,654	6,182	528	528	0
Planned Maintenance	4,014	2,959	(1,055)	(1,055)	0
Capital Programme Funding	19,021	19,021	0	0	0
Interest & Investment Income	15,385	15,385	0	0	0
Development & Risk Contingency	1,260	1,260	0	0	0
<b>Operating Costs</b>	<b>64,472</b>	<b>64,061</b>	<b>(411)</b>	<b>(414)</b>	<b>3</b>
<b>(Surplus) / Deficit</b>	<b>0</b>	<b>(91)</b>	<b>(91)</b>	<b>(94)</b>	<b>3</b>
General Balance 01/04/2021	(15,201)	(15,201)	0	0	0
<b>General Balance 31/03/2022</b>	<b>(15,201)</b>	<b>(15,292)</b>	<b>(91)</b>	<b>(94)</b>	<b>3</b>

61. As at Month 7, the rental income is forecast to under recover by £259k and other income is forecast to under recover by £61k, nil movement on Month 6.
62. The number of RTB applications received in the first seven months of 2021/22 was 111 compared to 106 for the same period in 2020/21. There has been 27 RTB completions in the first seven months of 2021/22 compared to 20 for the same period in 2020/21. The RTB applications, offers made to tenants and sales are being kept under review, and as at Month 7, the 2021/22 RTB sales forecast is 50, which is the same as the budget.
63. The housing management service is forecast to overspend by £206k as at Month 7, which is an adverse movement of £44k on Month 6. This includes an increase in the forecast spend of £9k on COVID-19 related enforcement and domestic violence related costs; an increase in running costs of £6k and an increase in energy forecasts of £41k. Furthermore, there are reductions in the staffing forecast spend of £30k due to delays in recruitment and one member of staff on long-term sickness.

64. Tenant services is forecast to underspend by £90k, a favourable movement of £41k on Month 6 relating to a £3k reduction in forecast spend on staffing and a reduction in energy forecasts of £38k.
65. The repairs and planned maintenance budget totals £9,668k and as at Month 7 it is forecast to underspend by £527k, nil movement on Month 6. These budgets continue to be monitored especially due to the pressures on demand, volume of repairs, inflation in the marketplace, disrepair cases and contractor labour shortages.
66. As at Month 7 the capital programme funding, interest and investment income, and the development and risk contingency budgets are forecast to breakeven.

### COVID-19 cost pressures on the HRA

67. The table below summarises the HRA Covid-19 cost pressures identified to date and will be kept under review during the year. These pressures have not been included in the Month 7 forecast position for HRA revenue and total £114k. The pressures include £100k for bad debt provision. The bad debt provision is a year-end calculation, however the tenants' and leaseholders' arrears position and consequently the bad debt provision, are kept under review during the year. The pressures in the table below include £14k relating to accommodation costs for enforcement and domestic violence. This is a reduction on Month 6 of £42k, firstly due to revised downward calculations of £33k, and secondly due to £9k confirmed cost being declared in the HRA Month 7 forecast £109k underspend.

### HRA Capital Expenditure

68. The HRA capital programme is set out in the table below. The 2021/22 revised budget is £94,449k and forecast expenditure is £59,795k with a net variance of £34,654k of which £32,126k is due to re-phasing and £2,528k due to cost underspends. A summary position is included in Table 9 below. With this report presenting a project rephasing balance of £32,126k, Recommendation 2c seeks approval to rephase £22,569k of this value into future years, with this value representing the Major Projects rephasing value included in the table below.

**Table 9: HRA Capital Expenditure**

	Approved Budget 2021/22	Forecast 2021/22	Cost Variance 2021/22	Project Re-Phasing 2021/22	Total Project Budget 2021-26	Total Project Forecast 2021-26	Total Project Variance 2021-26	Movement 2021-26
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cabinet Member Portfolio</b>								
Property and Infrastructure	94,449	59,795	(2,528)	(32,126)	234,631	232,103	(2,528)	(925)
<b>Total HRA Capital Programme</b>	<b>94,449</b>	<b>66,192</b>	<b>(1,603)</b>	<b>(26,654)</b>	<b>234,631</b>	<b>233,028</b>	<b>(1,603)</b>	<b>(1,590)</b>

69. There is a favourable net movement of £925k in cost underspends reported within HRA Major Projects arising from completed schemes after settling final accounts with contractors. A further under spend of £229k is reported on the mixed tenure development at Acol Crescent (in addition to £300k previously declared last financial year). The final account has been agreed with the contractor for the completed Willow Tree development, resulting in an under spend of £396k.
70. Following agreement of a revised final account with the contractor for the Parkview supported housing development, a cost under spend of £430k is reported on the capital budget. This is in addition to cost reductions of £1,457k already achieved in liquidated and ascertained damages on this project.
71. An overspend of £100k is forecast on the 5x3 bedroom shared ownership development at Moorfield Road, Cowley due to additional work requirements arising to provide utilities and the diversion of a sewer pipe.
72. A pilot scheme for extending existing housing stock from 3 to 4 bed properties is planned to commence shortly. The 2021/22 forecast has been reduced by £1,400k as the pilot will not require the full £2,000k Loft Extensions budget this year.
73. Several properties have been identified for acquisition to be funded from the Rough Sleepers Accommodation Programme budget of £5,350k which is 50% grant funded. This programme aims to acquire properties to provide move on accommodation for rough sleepers. The total budget is forecast to be fully spent this financial year at this stage.
74. A planning application for the Hayes Regeneration development is expected to be submitted by the end of November 2021, and the appointment of a developer partner planned early next year.
75. Works are in progress on site to complete the six-unit general needs housing development at Nelson Road, with construction works forecast to be completed in June 2022.
76. The Works to Stock programme 2021/22 is in various stages of progress with electrical fire safety works accelerated into this year. Works are ongoing at numerous sites and future phases of works on some programmes are in the process of being tendered. Remedial works at Packet Boat House are nearing completion with re-occupancies expected to commence before the end of 2021.
77. Phase 1 of the Green Homes Grant Local Authority Delivery scheme to provide energy efficiency upgrades to low-income homes is now complete. A wide number of measures have been implemented across numerous homes within tight timescales, and the remaining unspent grant of £1,673k was returned to the Department for Business, Energy and Industrial Strategy in October 2021.

## Treasury Management Update as at 30<sup>th</sup> September 2021

**Table 10: Outstanding Deposits – Average Rate of Return 0.52%**

Period	Actual (£m)	Actual (%)	Benchmark (%)
Call Accounts and MMF's*	44.7	64.69	70.00
Up to 1 Month Fixed-Term Deposits	9.4	13.60	
<b>Total</b>	<b>54.1</b>	<b>78.29</b>	<b>70.00</b>
Strategic Pooled Funds	15.0	21.71	30.00
<b>Total</b>	<b>69.1</b>	<b>100.00</b>	<b>100.00</b>

\*Money Market Funds

78. 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, Handelsbanken plc and the DMADF. There is also an allocation to Strategic Pooled Funds.
79. The average rate of return on day-to-day operational treasury balances is 0.02%. As part of the Council's investment strategy for 21/22, 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. When including projected dividend income on these strategic pooled funds, based on averages received during 21/22, the overall rate of return increases to 0.54%
80. 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 October, 83% of the Council's day-to-day operational treasury investments had exposure to bail-in risk compared to a September benchmark average of 69% 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.
81. Liquidity was maintained throughout October 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.

**Table 11: Outstanding Debt - Average Interest Rate on Debt: 3.25%**  
**Average Interest Rate on Temporary Borrowing: 0.51%**

	Actual (£m)	Actual (%)
<b>General Fund</b>		
PWLB	43.43	14.25
Long-Term Market	15.00	4.92
Temporary	80.00	26.25
<b>HRA</b>		
PWLB	133.32	43.75
Long-Term Market	33.00	10.83
<b>Total</b>	<b>304.75</b>	<b>100.00</b>

82. During October there were no scheduled debt repayments. Gilt yields moved up during the first half of the month, but then ended the month lower than it began. With the Council's long-term borrowing need and with restrictive premiums, early repayment of debt remains unfeasible.
83. There were no breaches of the Prudential Indicators or non-compliance with the Treasury Management Policy and Practices.
84. To maintain liquidity for day-to-day business operations during November, cash balances will be placed in instant access accounts and short-term deposits.
85. Cash flow forecasts indicate £10m of temporary borrowing is required to ensure minimum cash levels are maintained throughout February, therefore £10m of forward dated borrowing has been secured, with funds coming into London Borough of Hillingdon on 1<sup>st</sup> February 2022.

## PART B: FINANCIAL RECOMMENDATIONS

### That the Cabinet:

- a. Note those consultancy and agency assignments over £50k approved under delegated authority between the November 2021 and December 2021 Cabinet meetings, detailed at Appendix A.
- b. Approve the acceptance of £120k of grant funding from Thames Water Surface Water Management Programme to investigate and deliver Sustainable Drainage Systems within Ruislip.
- c. Approves re-phasing of £27,424k General Fund and £22,596k HRA capital expenditure and associated financing budgets into later years of the capital programme.
- d. Accept grant funding of £78k from the Food Standards Agency for the development of a new ICT consignment tracking system to improve current functionality and deal with new requirements for imports from the EU.
- e. Accept additional grant funding of £56k from the Environment Agency towards the Hillingdon East catchment flood management project.
- f. Accept Transport for London grant funding of £13k to cover cycle training between January and March 2022.
- g. Approve acceptance of gift funding in relation to a Planning Performance Agreement in accordance with the provisions of Section 93 of the Local Government Act 2003 for;
  - a. River House - £17,500
  - b. NCP Bath Road- £17,500
  - c. Millington Road - £32,000
  - d. St Andrews Park Land East of Mons - £17,500
- h. Approve the acceptance of £41k of grant funding from the Greater London Authority to minimise flood risk at Bessingby Park.
- i. Approve acceptance of £786k grant funding from the Department for Environment, Food, and Rural Affairs (Defra) for costs associated with the delivery of new post-Brexit port health authority functions at the Heathrow Imported Food Office.
- j. Agree that a 30 minute period of free parking for residents be implemented into the Kingsend South Long Stay car park in Wood Lane, Ruislip.

### Reasons for recommendation

86. **Recommendation 2a** notes consultancy and agency assignments approved by the Chief Executive under authority granted by Council on 20 May 2021. Appendix A reports back on use of this delegated authority since the previous Cabinet meeting.
87. **Recommendation 2b** Recommendation 2b is to accept the Thames Water grant of £120k for the Surface Water Management Programme in Ruislip. This is to provide funding for schemes within this area of the borough which aim to mitigate flood and water management issues and to limit the potential impact on Residents.
88. **Recommendation 2c** In order to reflect revised expenditure profiles on various Major Projects within both the General Fund and HRA capital programmes that will be completed in future years Recommendation 2c proposes to re-phase expenditure budgets and



associated financing totalling £27,424k (General Fund) and £22,596k (HRA). Programmes of Works schemes will be reviewed at the end of the financial year to ensure only the required level of budget is carried forward.

89. **Recommendation 2d** Following a bidding process, the Council has secured £78k funding from the Food Standards Agency to help deliver imported food safety controls and related activities, with this recommendation proposing to accept this funding. This work has become increasingly important post Transition Period, now that the UK is outside EU food/feed safety systems and networks and is in full control of its own imported food/feed control system. Total project costs comprise £190k of which £110k is for systems development, £10k for training and £70k for office refurbishment. The grant is required to be spent by the end of this financial year.
90. **Recommendation 2e** Recommendation 2e proposes to accept The Environment Agency grant award of £56k in addition to a previous award of £130k for flood risk management measures in Hillingdon East. The project will reduce the risk of surface water flooding to residents, with flood prevention and amenity improvements to be implemented at Elephant Park and Hillingdon Court Park.
91. **Recommendation 2f** TFL have awarded a further £13k for quarter 4 of the Borough Cycle Training programme, with Recommendation 2f proposing to accept this funding, bringing the annual allocation to a total of £57k. This will allow Bikeability training in schools and adult and family training sessions to continue between January and March 2022.
92. Gift funding has been offered by developers which if accepted by Cabinet will be utilised to fund dedicated staff to support this pre-application and application work. **Recommendation 2g** seeks authority from Cabinet to approve the acceptance of £84,500k in relation to four major developments.
- a. River House - £17,500
  - b. NCP Bath Road- £17,500
  - c. Millington Road - £32,000
  - d. St Andrews Park Land East of Mons - £17,500
93. **Recommendation 2h** is to accept the Greater London Authority grant of £41k for flood risk works at Bessingby Park. This has been secure through the Grow Back Greener Fund 2021 and aims to help build resilience against climate change at Bessingby Park.
94. **Recommendation 2i** seeks approval to accept grant funding that has been offered by Defra which, if accepted by Cabinet, will be utilised to fund the costs of additional environmental health/veterinary resources, office space and ICT/administrative support required at the Heathrow Imported Food Office in preparation for the implementation of new port health authority functions, including documentary and physical checks on consignments of products entering the UK from the EU with effect from July 2022.
95. **Recommendation 2j** to support residents collecting prescriptions from the nearby surgery, a free period of 30 minutes parking is recommended be put in place within the Kingsend South long stay car park in Wood Lane, Ruislip.

## **Alternative options considered / risk management**

96. There are no other options proposed for consideration.

## PART B: APPENDIX A

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

97. The following Agency staff costing over £50k have been approved under delegated powers by the Chief Executive and are reported here for information.

**Table 12: Consultancy and agency assignments**

\*The size of the consultancy firm supplying the agency staff

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000	Consultancy Size*
<b>Finance</b>							
Housing Accountant	05/07/2021	04/10/2021	04/04/2022	39	78	117	Large