

# COUNCIL BUDGET - 2021/22 REVENUE AND CAPITAL MONTH 9 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 £478k is reported against General Fund revenue budget normal activities as of December 2021 (Month 9). Unallocated reserves are projected to total £26,579k at 31 March 2022. This headline position is largely consistent with that reported to Cabinet for October 2021 (Month 7), with a net improvement of £59k.</p> <p>COVID-19 pressures for the 2021/22 financial year are projected to total £19,008k at Month 9, £298k higher than previously projected. COVID-19 pressures have been funded through Government grants with capacity remaining to fund an element of further pressures.</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 December 2021 (Month 9) 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 9 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 £19,008k 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 £52,383k 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 £298k increase in projected COVID-19 pressures from the position reported at Month 7.
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 £19,008k for the 2021/22 financial year, while leaving headroom of £11,313k to meet emerging or ongoing pressures.
7. Beyond the ongoing impact of the pandemic, an underspend of £478k is projected across General Fund budgets at Month 9, with this position being driven by underspends against Capital Financing of £291k and Development and Risk Contingency of £767k, primarily related to a reduced call on the waste and homelessness contingencies, offset by a pressure reported against Service Operating Budgets of £580k.
8. The main areas impacting on the pressure within Service Operating Budgets are reported pressures on Property & Estates from a backdated Business Rates assessment, additional demands in respect of school place planning for both mainstream and special provision impacting on the Education service, additional costs as a result of levels of demand for Education, Health and Care Plans affecting the Children's & Young People's Service and vehicle hire costs and fuel inflation within Fleet management.
9. While movements are reported against individual portfolios and contingency items from the position at Month 7, 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 £26,579k at 31 March 2022.
10. Within this position, £8,406k of the £10,416k savings planned for 2021/22 are banked or on track for delivery in full by 31 March 2022, with £1,024k tracked as being at an earlier stage of implementation and £986k at risk as a result of the COVID-19 pandemic. Since Month 7, £250k 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.

11. Within the Collection Fund, a pressure of £533k is reported at Month 9 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 £406k from the position previously reported following the regular review of taxbase growth and Council Tax Support demand. 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**

12. An underspend of £8,360k is reported on the Council's £299,841k 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 £2,474k 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.
13. 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 £4,189k lower than budgeted and total £131,018k. This reduced borrowing requirement will translate into savings against the future costs of debt servicing and repayment and factored in to the revised MTFF position being presented to Cabinet alongside this report.

## **SCHOOLS BUDGET**

14. As at Month 9, 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, with no change forecast from the Month 7 position. 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.
15. 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**

16. An underspend of £133k is reported on the Housing Revenue Account at Month 9, representing a £42k improvement on the previously reported position, with balances projected to total £15,334k at 31 March 2022 in line with business plan assumptions. An underspend of £2,424k is projected against the £232,207k capital programme for the period 2021/22 to 2025/26.

## FURTHER INFORMATION

### General Fund Revenue Budget

17. As noted above and presented in the table below, a £478k underspend is projected across the General Fund at Month 9, with the following section of this report providing further information on an exception basis. General Fund Balances are expected to total £26,579k at 31 March 2022 as a result of the forecast position detailed above, which remains broadly consistent with the forecast reported at Month 7. 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 9		Variance (As at Month 9) £'000	Variance (As at Month 7) £'000	Movement from Month 7 £'000
	Approved Budget	Forecast Outturn			
	£'000	£'000			
Service Operating Budgets	224,308	224,888	580	619	(39)
Corporate Operating Budgets	7,914	7,623	(291)	(275)	(16)
Development & Risk Contingency	4,145	3,378	(767)	(763)	(4)
Unallocated Budget Items	1,878	1,878	0	0	0
<b>Sub-total Expenditure</b>	<b>238,245</b>	<b>237,767</b>	<b>(478)</b>	<b>(419)</b>	<b>(59)</b>
Corporate Funding	(235,824)	(235,824)	0	0	0
<b>Total Normal Activities</b>	<b>2,421</b>	<b>1,943</b>	<b>(478)</b>	<b>(419)</b>	<b>(59)</b>
<u>Exceptional Items</u>					
COVID-19 Pressures	0	19,008	19,008	18,710	(298)
COVID-19 Funding	0	(19,008)	(19,008)	(18,710)	298
<b>Total Net Expenditure</b>	<b>2,421</b>	<b>1,943</b>	<b>(478)</b>	<b>(419)</b>	<b>(59)</b>
Balances b/fwd	(28,522)	(28,522)			
<b>Balances c/fwd 31 March 2022</b>	<b>(26,101)</b>	<b>(26,579)</b>			

### Service Operating Budgets

18. 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 9)	Variance (As at Month 7)	Movement from Month 7
		£'000	£'000	£'000	£'000	£'000
Property & Infrastructure	Expenditure	11,774	11,981	207	584	(377)
	Income	(5,296)	(5,139)	157	(270)	427
	<b>Sub-Total</b>	<b>6,478</b>	<b>6,842</b>	<b>364</b>	<b>314</b>	<b>50</b>
Finance	Expenditure	20,114	20,508	394	419	(25)
	Income	(3,369)	(3,533)	(164)	(189)	25
	<b>Sub-Total</b>	<b>16,745</b>	<b>16,975</b>	<b>230</b>	<b>230</b>	<b>0</b>
Public Safety and Transport	Expenditure	18,168	18,510	342	379	(37)
	Income	(16,241)	(16,682)	(441)	(425)	(16)
	<b>Sub-Total</b>	<b>1,927</b>	<b>1,828</b>	<b>(99)</b>	<b>(46)</b>	<b>(53)</b>
Corporate Services and Transformation	Expenditure	26,909	26,979	70	54	16
	Income	(1,604)	(1,681)	(77)	(58)	(19)
	<b>Sub-Total</b>	<b>25,305</b>	<b>25,298</b>	<b>(7)</b>	<b>(4)</b>	<b>(3)</b>
Environment, Housing & Regeneration	Expenditure	51,652	52,185	533	323	210
	Income	(21,304)	(21,735)	(431)	(351)	(80)
	<b>Sub-Total</b>	<b>30,348</b>	<b>30,450</b>	<b>102</b>	<b>(28)</b>	<b>130</b>
Families, Education and Wellbeing	Expenditure	26,039	26,025	(14)	154	(168)
	Income	(11,598)	(11,812)	(214)	(150)	(64)
	<b>Sub-Total</b>	<b>14,441</b>	<b>14,213</b>	<b>(228)</b>	<b>4</b>	<b>(232)</b>
Health and Social Care	Expenditure	165,760	166,144	384	242	142
	Income	(36,696)	(36,862)	(166)	(93)	(73)
	<b>Sub-Total</b>	<b>129,064</b>	<b>129,282</b>	<b>218</b>	<b>149</b>	<b>69</b>
<b>Total Service Operating Budgets</b>		<b>224,308</b>	<b>224,888</b>	<b>580</b>	<b>619</b>	<b>(39)</b>

19. 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.
20. 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. The in-year impact of the expected pay award will be funded through the Earmarked Reserve created during outturn 2020/21,

alongside an over achievement of the Council's budgeted Managed Vacancy Factor, with the full cost being factored the 2022/23 budget.

21. As can be seen from the table above, the net £580k 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 £364k, representing a £50k adverse movement on Month 7, driven by clarification of the backdated Business Rates liability raised in Month 7 due to an update applied by the Valuation Office Agency. 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, with no movement from on the Month 7 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 £99k and a £53k favourable movement from Month 7 are reported, with the headline £441k overachievement of income and corresponding increase in expenditure reflecting grant and Brexit-related activities.
  - d. **Corporate Services and Transformation** – a net underspend of £7k, representing a £3k improvement from Month 7, with the underlying position reflecting increased recharge income within the ICT service and corresponding uplifts in expenditure.
  - e. **Environment, Housing and Regeneration** – an overspend of £102k, representing an adverse movement of £130k, the rationale for the overspend and the movement is largely driven by activities within Green Spaces where forecast increases in equipment hire and tree maintenance are driving the adverse movement. This is offset by a favourable movement within Housing, predominantly driven by increased grant funding for homelessness and rough sleeping.
  - f. **Families, Education and Wellbeing** – an underspend of £228k and a favourable movement of £232k is reported for this portfolio. The favourable movement is driven by staffing underspends as recruitment assumptions are reviewed as part of a wider review of services within the remit of this portfolio. This position is compounded by improved income within the Music Service as a result of a combination of fee income and grants received. These underspends are being netted down 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.

- g. **Health and Social Care** – A net pressure of £218k is reported, with an adverse movement of £69k from the position at Month 7. 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, with the adverse movement in this area being linked to these services.

## Transformation

22. 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 £3,499k for such costs and represents an increase of £435k from the Month 7 position, 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

23. 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	(1,266)	(820)	(260)	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>(3,758)</b> <b>36%</b>	<b>(4,648)</b> <b>45%</b>	<b>(1,024)</b> <b>10%</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>(135)</b> <b>1%</b>	<b>(115)</b> <b>1%</b>	<b>250</b> <b>-2%</b>	<b>0</b> <b>0%</b>	<b>0</b> <b>0%</b>	<b>0</b>



24. As of Month 9, there are £3,758k savings already banked, with a further £5,672k 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 Green Spaces Review and Review of Children's Services, alongside other lower value savings. Since Month 7, £250k have been promoted from the early stages of delivery as implementation progresses.
25. 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.
26. 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 MTF.

### **Corporate Operating Budgets**

27. Corporate Operating budgets are reporting a £291k underspend on capital financing and funding, representing a favourable movement of £16k from Month 7. 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, with the majority of funding being in line with the approved budget in February 2021, with an increase in the Public Health Grant being redirected to fund an increase in Public Health spend.

### **Development & Risk Contingency**

28. 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 including the £823k of General Contingency. Exceptional COVID-19 related pressures are being funded through specific grant funding and commented on later in this report.
29. At Month 9, a net underspend of £767k is reported on Development and Risk Contingency, representing a reduction of £4k on the previously reported position. A £770k underspend on waste disposal costs, representing £180k of the improvement from Month 7, 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 £225k, 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, £600k is forecast to be carried forward through Earmarked Reserves, retaining £223k to manage any emerging risks in the final quarter of 2021/22.

## Exceptional Items – COVID-19 Pressures

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

Service	Month 9		Variance (As at Month 9) £'000	Variance (As at Month 7) £'000	Movement from Month 7 £'000
	Approved Budget	Forecast Outturn			
	£'000	£'000			
Social Care	0	10,809	10,809	10,256	552
Other Expenditure	0	4,293	4,293	4,518	(225)
Income	0	3,906	3,906	3,935	(29)
<b>Total Exceptional Items</b>	<b>0</b>	<b>19,008</b>	<b>19,008</b>	<b>18,710</b>	<b>298</b>

30. There has been a minor movement in the headline COVID-19 pressure at Month 9, with total costs of £19,008k for the 2021/22 financial year representing a £298k adverse movement from the position at Month 7. Social Care continues to represent the largest single area of cost pressures at £10,809k, with income losses and other expenditure pressures accounting for the remainder of this sum.
- a. Within Health and Social Care, the Council is forecasting a pressure of £10.8m, driven by £9.9m of pressures associated with direct care provision, with £5.7m of this value falling on Adult Social Care and £4.2m falling in Children's Social Care, with the movement reported at Month 9 relating to demand for 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.
  - b. Public Safety and Transport is a forecast decline in Fees and Charges income of £1.9m, all of which relates to parking charges.
  - c. Within Environment, Housing and Regeneration pressures totalling £1.8m have been identified. £1.1m relating to lost income, with the single largest area affected being Planning & Development. With a further £0.3m being required to support the impact on the Council's Waste Service.
  - d. Pressures across the Families, Education and Welfare portfolio total £1.8m and primarily relate to the financial impact of lower usage of the Council's leisure facilities.
  - e. Residual pressures of £2.7m are reported across the remaining portfolio areas.
31. 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 £19,008k pressures outlined above, and the £3,876k of planned releases from this funding to manage COVID-19 driven Collection Fund deficits, the Council has £11,313k uncommitted funds available to meet emerging or continuing COVID-19 pressures beyond this financial year. An update on the ongoing impact of COVID-19 going into 2022/23 and beyond is included in the budget report on this agenda.

### **Collection Fund**

32. A deficit of £533k is reported within the Collection Fund relating to an adverse position reported within Council Tax of £1,413k, offset by a favourable position within Business Rates of £880k. 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 £406k from the position previously reported 7 following the regular review of taxbase growth and Council Tax Support, with these two elements having an in-year impact but expected to recover over the medium term.
33. Any deficits within the Collection Fund impact on the Council's future year budgets, this position would therefore add £533k to the Council's gross saving requirement above the level set in the Council's budget strategy agreed at February 2021 Cabinet and is included in the Council's Medium Term Financial Forecast report presented on the same agenda.

## General Fund Capital Programme

34. As at Month 9 an underspend of £21,150k is reported on the 2021/22 General Fund Capital Programme of £76,294k, 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 underspend of £8,360k. General Fund Capital Receipts of £29k are forecast for 2021/22, and are £1,730k below the budgeted income 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 £4,189k. A full breakdown of the Capital Programme is included in Part A, Appendix A1 and A2.

### Capital Programme Overview

35. 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.

**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	3,852	-	31	7,238	7,238	-	-
Public Safety and Transport	16,871	12,904	(2,474)	(1,493)	56,432	53,958	(2,474)	(596)
Corporate Services & Transformation	1,584	1,300	-	(284)	5,384	5,384	-	-
Environment, Housing & Regeneration	4,196	3,401	(46)	(749)	10,664	10,618	(46)	(7)
Families, Education and Wellbeing	11,142	10,291	-	(851)	21,008	21,008	-	-
Health and Social Care	2,359	2,198	(161)	-	11,795	11,634	(161)	(45)
Property and Infrastructure	34,904	19,781	(1,372)	(13,751)	181,847	176,168	(5,679)	790
General Contingency	1,417	1,417	-	-	5,473	5,473	-	-
<b>Total Capital Programme</b>	<b>76,294</b>	<b>55,144</b>	<b>(4,053)</b>	<b>(17,097)</b>	<b>299,841</b>	<b>291,481</b>	<b>(8,360)</b>	<b>142</b>
Major Projects	31,396	23,284	(744)	(7,368)	161,461	156,410	(5,051)	41
Programme of Works	43,481	30,443	(3,309)	(9,729)	132,907	129,598	(3,309)	101
General Contingency	1,417	1,417	-	-	5,473	5,473	-	-
<b>Total Capital Programme</b>	<b>76,294</b>	<b>55,144</b>	<b>(4,053)</b>	<b>(17,097)</b>	<b>299,841</b>	<b>291,481</b>	<b>(8,360)</b>	<b>142</b>
Movement	(27,182)	(10,026)	142	17,014	242	384	142	

36. **Finance:** Forecast expenditure of £3,852k in 2021/22 relates to the replacement of fleet vehicles for which a number of orders have been placed and are expected to be received prior to the end of the financial year.
37. **Public Safety and Transport:** An under recovery of £2,474k is forecast on Transport for London (TFL) grant funding, as the 2021/22 LIP funding award for the year is significantly lower than bid for and original budget assumptions. This is a movement of £596k as there will no further funding for the period from December-March 2022. TFL funding remains significantly affected by reduced travel due to the pandemic with increased home working.

38. **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 £19k is also reported on green spaces Section 106 projects.
39. **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 which has been paid. The installation of modular classrooms at Hedgewood school to increase special provision were completed in November 2021.
40. **Health and Social Care:** An under spend of £161k is forecast on the capitalisation of social care equipment budget of £2,359k, a movement of £45k. This budget is financed by disabled facilities grant.
41. **Property and Infrastructure:** A forecast over spend 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.
42. There is a forecast over spend of £41k on the Yiewsley/West Drayton community centre project based on the draft final account which remains under negotiation with the contractor.
43. Disabled Facilities Grants are forecast to under spend by £414k based on expected demand, a movement of £823k reflecting the recent release of funding for further identified works.
44. 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 under spend.
45. Under spends on completed schemes amounting to £125k are forecast within the corporate buildings programmes (Property Works and Civic Centre Works), an adverse net movement of £26k due partly to additional work requirements for the Mezzanine project.
46. 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	7,400	29	(2,182)	(5,189)	57,977	56,247	(1,730)	(1,700)
CIL	3,500	6,500		3,000	17,500	17,500	-	-
Prudential Borrowing	40,935	31,291	1,370	(11,014)	131,018	126,829	(4,189)	517
<b>Total Council Resources</b>	<b>51,835</b>	<b>37,820</b>	<b>(812)</b>	<b>(13,203)</b>	<b>206,495</b>	<b>200,576</b>	<b>(5,919)</b>	<b>(1,183)</b>
Grants & Contributions	24,459	17,324	(3,241)	(3,894)	93,346	90,905	(2,441)	1,325
<b>Capital Programme</b>	<b>76,294</b>	<b>55,144</b>	<b>(4,053)</b>	<b>(17,097)</b>	<b>299,841</b>	<b>291,481</b>	<b>(8,360)</b>	<b>142</b>
Movement	(27,182)	(10,026)	142	17,014	242	384	142	

47. Capital receipts before transformation financing in 2021/22 include £1,359k in sales already achieved with two more sites planned to be sold via auction by the end of the financial year. The reduction of £1,730k over the life of the programme is driven accounting for an element of expected income through Section 106 contributions, rather than receipts and is reflected in the increase in grants of contributions of £1,325k. Transformation financing costs have increased by £435k.
48. As at the end of December 2021, a total of £5,943k Community Infrastructure Levy receipts have been achieved. 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.
49. Forecast grants and contributions are £2,441k 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.
50. Prudential Borrowing is forecasting to be within budget by £4,189k over the life of the five-year programme due mainly to net cost under spends including the New Museum project.

## Schools Budget

51. The Dedicated Schools Grant (DSG) monitoring position is an in-year overspend of £12,657k at month 9, 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 9: DSG Income and Expenditure 2021/22**

Funding Block	Month 9		Variance		
	Revised Budget	Forecast Outturn	Variance (As at Month 9)	Variance (As at Month 7)	Change from Month 7
	£'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)**

52. 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.
53. There has been 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 September 2021.

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

54. 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.
55. 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.
56. 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.
57. 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.
58. 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)**

59. Two-year-old funding will be adjusted to reflect the number of children accessing the entitlement based on each termly census.
60. 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 each termly census. The local authority is awaiting confirmation of these adjustments to Early Years funding for the Spring, Summer and Autumn terms 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)**

61. 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)**

62. There continues to be significant pressure in the High Needs Block in 2021/22, with an overspend of £5,176k being projected at month 9. 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. There is an expectation that this will become the only route that the Council will be able to take until more provision is created locally. 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.
63. 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 and when further annual reviews are completed.
64. 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.
65. 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 expected that the DfE will contribute additional revenue funding to clear the cumulative DSG deficit.

## Housing Revenue Account

66. The Housing Revenue Account (HRA) is currently forecasting a favourable variance of £133k compared to the budget and a favourable movement of £42k on Month 7. This excludes the potential cost pressures of COVID-19, which are estimated at £100k. The 2021/22 closing HRA General Balance is forecast to be £15,334k. 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 9		Variance (+ adv / - fav)		
	Revised Budget	Forecast Outturn	Variance (As at Month 9)	Variance (As at Month 7)	Movement from Month 7
	£'000	£'000	£'000	£'000	£'000
Rent Income	(58,944)	(58,730)	214	259	(45)
Other Income	(5,528)	(5,424)	104	61	43
<b>Net Income</b>	<b>(64,472)</b>	<b>(64,154)</b>	<b>318</b>	<b>320</b>	<b>(2)</b>
Housing Management	15,185	15,636	451	206	245
Tenant Services	3,953	3,839	(114)	(90)	(24)
Repairs	5,654	6,559	905	528	377
Planned Maintenance	4,014	2,739	(1,275)	(1,055)	(220)
Capital Programme Funding	19,021	18,421	(600)	0	(600)
Interest & Investment Income	15,385	15,385	0	0	0
Development & Risk	1,260	1,442	182	0	182
Contingency					
<b>Operating Costs</b>	<b>64,472</b>	<b>64,021</b>	<b>(451)</b>	<b>(411)</b>	<b>(40)</b>
<b>(Surplus) / Deficit</b>	<b>0</b>	<b>(133)</b>	<b>(133)</b>	<b>(91)</b>	<b>(42)</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>(15,334)</b>	<b>(133)</b>	<b>(91)</b>	<b>(42)</b>

67. As at Month 9, the rental income is forecast to under-recover by £214k which is a favourable movement of £45k on Month 7. The other income is forecast to under-recover by £104k which is an adverse movement of £43k on Month 7. Both forecasts have been updated based on stock movements and actuals for the first three quarters of the year.

68. The number of RTB applications received in the first nine months of 2021/22 was 125 compared to 128 for the same period in 2020/21. There has been 34 RTB completions in the first nine months of 2021/22 compared to 21 for the same period in 2020/21. The RTB applications, offers made to tenants, cases with legal and sales are being kept under review, and as at Month 9, the 2021/22 RTB sales forecast is 50, which is the same as the budget.

69. The housing management service is forecast to overspend by £451k as at Month 9, which is a net adverse movement of £245k on Month 7. This includes a provision of £136k for the staffing pay award for 2021/22 which is yet to be agreed. Other adverse movements on Month 7 include Council Tax on Void properties £126k, legal £31k and running costs of

£24k. Furthermore, there is a net favourable movement on staffing of £72k due to delays in recruitment.

70. Tenant services is forecast to underspend by £114k, a favourable movement of £24k on Month 7 relating to staffing.
71. The repairs and planned maintenance budget totals £9,668k and as at Month 9 it is forecast to underspend by £370k, a net adverse movement of £157k on Month 7. There is an adverse movement of £232k on void repairs and £137k on day-to-day repairs including materials. Also, there are favourable movements in planned maintenance contracts and associated remedials of £40k, painting programme of £115k, asbestos surveys of £52k and staffing £5k.
72. The repairs and planned maintenance budgets continue to be monitored especially due to the pressures on demand, volume of repairs, inflation in the marketplace, disrepair and contractor labour shortages.
73. As at Month 9 the capital programme funding is forecasting a favourable variance and movement on Month 7 of £600k which relates to the underspends and re-phasing forecast in the HRA capital programme.
74. The interest and investment income is forecast to break even.
75. The development and risk contingency budgets are forecast to overspend by a net £182k. The forecast takes into account underspends on the housing regeneration revenue costs of £573k after costs have been capitalised. The forecast also includes one-off expenditure totalling £755k for the revenue costs associated with the Packet Boat House development.

#### **COVID-19 cost pressures on the HRA**

76. 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 9 forecast position for HRA revenue and total £100k. The pressures relate to £100k for bad debt provision, the 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.

#### **HRA Capital Expenditure**

77. The HRA capital programme is set out in the table below. The 2021/22 revised budget is £71,853k and forecast expenditure is £47,427k with a net variance of £24,426k of which £22,002k is due to re-phasing and £2,424k due to cost underspends. A summary position is included in Table 9 below. A full breakdown of the HRA Capital Programme is included in Appendix A3.

**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	71,853	47,427	(2,424)	(22,002)	234,631	232,207	(2,424)	104
<b>Total HRA Capital Programme</b>	<b>71,853</b>	<b>47,427</b>	<b>(2,424)</b>	<b>(22,002)</b>	<b>234,631</b>	<b>232,207</b>	<b>(2,424)</b>	<b>104</b>

78. The 2021/22 revised budget has reduced by £22,596k due to the re-phasing of expenditure budgets for major projects continuing into future years, approved by Cabinet in December.
79. There is an adverse movement of £104k in cost variances reported within HRA Major Projects mainly due to cost increases of £100k at the Nelson Road development. A replacement contractor is on site, with works expected to be completed in second half of 2022.
80. An overspend of £137k is forecast on the 5x3 bedroom shared ownership development at Moorfield Road, Cowley due to additional work requirements arising including utilities and the diversion of a sewer pipe. This is an adverse movement of £37k following the result of land contamination surveys that have been undertaken.
81. Overall Major Projects remain £751k under spent with favourable variances reported on final accounts for completed schemes at Acol Crescent, Willow Tree and Parkview developments.
82. A pilot scheme for extending existing housing stock from 3 to 4 bed properties for six properties will commence shortly following recent approval of contractors. The 2021/22 Loft Extensions forecast has been reduced by £225k as the pilot will not be completed this financial year.
83. The Rough Sleepers Accommodation Programme aims to acquire properties to provide move on accommodation for rough sleepers and several properties have been identified for acquisition. An amount of £2,850k is forecast as re-phasing to complete this programme next financial year.
84. A planning application for the Hayes Regeneration development was submitted in December 2021, and a decision is expected at the end of January 2022, with the appointment of a developer partner planned in March following tender evaluation.
85. Negotiations are taking place with registered providers for the bulk purchase of properties under the Hayes Estate regeneration programme. The 2021/22 forecast has reduced by £2,700k as the buyback programme will continue into next financial year.

86. The forecast for general buy backs of ex-Right to Buy properties and flats at Packet Boat House has also been reduced in total by £3,500k in 2021/22 as a number of identified acquisitions are likely to fall into next year.
87. 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 across the housing estate under numerous workstreams.
88. Reoccupation has commenced at Packet Boat House following remedial works. The final account has been received from the contractor and is yet to be agreed, although there is some risk that costs will be higher than the budgeted contract sum. Legal proceedings with the original vendor of Packet Boat House will be pursued to recover costs.
89. Phase 1 of the Green Homes Grant Local Authority Delivery scheme to provide energy efficiency upgrades to low-income homes is 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 31 December 2021

**Table 10: Outstanding Deposits**

Period	Actual (£m)	Actual (%)	Benchmark (%)
Call Accounts and MMF's*	55.6	67.07	70.00
Up to 1 Month Fixed-Term Deposits	12.3	14.84	
<b>Total</b>	<b>67.9</b>	<b>81.91</b>	<b>70.00</b>
Strategic Pooled Funds	15.0	18.09	30.00
<b>Total</b>	<b>82.9</b>	<b>100.00</b>	<b>100.00</b>

\*Money Market Funds

90. 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.
91. 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 0.52%
92. 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 December, 82% 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.
93. Liquidity was maintained throughout December by placing surplus funds in instant access accounts. 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: 3.12%**  
**Average Interest Rate on Temporary Borrowing: 0.42%**

	Actual (£m)	Actual (%)
<b>General Fund</b>		
PWLB	62.77	18.79
Long-Term Market	15.00	4.49
Temporary	90.00	26.94
<b>HRA</b>		
PWLB	133.32	39.90
Long-Term Market	33.00	9.88
<b>Total</b>	<b>334.09</b>	<b>100.00</b>

94. There was a scheduled EIP debt repayment during December of £0.33m. In addition, a further £10m of new PWLB EIP borrowing was taken as funds will be required at the beginning of 2022, and it was taken as a way of hedging before the base rate rise in December's Monetary Policy Committee meeting. Also, £25m of forward dated temporary borrowing reached settlement and funds were received by the Council, this included a £5m rollover of existing debt.
95. Gilt yields were fairly stable during the first half of the month, but shortly after the base rate hike they began to rise. With the Council's long-term borrowing need and with restrictive premiums, early repayment of debt remains unfeasible.
96. There were no breaches of the Prudential Indicators or non-compliance with the Treasury Management Policy and Practices.
97. To maintain liquidity for day-to-day business operations, borrowing will continue to be secured as required from PWLB and other local authorities, and cash balances will be placed in instant access accounts and short-term deposits.

**PART A: APPENDIX A1**  
**CAPITAL - MAJOR PROJECTS BY CABINET MEMBER PORTFOLIO**

Prior Year Cost	Project	2021/22 Revised Budget	2021/22 Forecast	2021/22 Cost Variance	2021/22 Forecast Re-phasing	Total Project Budget 2021-2026	Total Project Forecast 2021-2026	Total Project Variance 2021-2026	Project Forecast Financed by:		
									Council Resources	Government Grants	Other Cont'ns
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	<b>Environment, Housing and Regeneration</b>										
97	Shopping Parades Initiative	547	387	0	(160)	2,815	2,815	0	2,097	433	285
8,469	Hayes Town Centre Improvements	1,155	1,155	0	0	1,155	1,155	0	299	0	856
2,028	Uxbridge Change of Heart	60	60	0	0	60	60	0	6	0	54
	<b>Families, Education and Wellbeing</b>										
20,279	Secondary Schools Expansions	6,852	6,831	0	(21)	6,852	6,852	0	6,055	797	0
0	Additional Temporary Classrooms	1,000	1,000	0	0	3,800	3,800	0	3,800	0	0
1,879	Schools SRP	1,365	1,365	0	0	5,943	5,943	0	0	5,943	0
16,388	New Primary Schools Expansions	12	12	0	0	12	12	0	0	12	0
0	Meadow School	240	240	0	0	240	240	0	240	0	0
	<b>Property and Infrastructure</b>										
1,374	New Yiewsley Leisure Centre	2,500	865	0	(1,635)	35,700	35,700	0	34,200	0	1,500
789	Hillingdon Watersports Facility	6,000	6,000	0	0	25,712	25,712	0	0	0	25,712
101	Cranford Park Heritage Lottery Project	450	100	0	(350)	2,649	2,649	0	315	1,716	618
0	New Museum	1,275	0	(1,275)	0	5,582	0	(5,582)	0	0	0
1,255	Yiewsley / West Drayton Community Centre	721	750	41	(12)	745	786	41	786	0	0
242	Uxbridge Mortuary Extension	480	700	490	(270)	1,666	2,156	490	2,156	0	0
276	Battle of Britain Underground Bunker	250	60	0	(190)	1,279	1,279	0	1,279	0	0
81	RAGC Expansion	0	0	0	0	1,332	1,332	0	1,332	0	0
16	1 & 2 Merrimans Housing Project	0	0	0	0	806	806	0	806	0	0
31	Uxbridge Cemetery Gatehouse	0	0	0	0	543	543	0	543	0	0
0	Uniter Building Refurbishment	0	0	0	0	370	370	0	370	0	0
0	Botwell Leisure Centre Football Pitch	0	0	0	0	200	200	0	200	0	0
10,142	Housing Company Financing	8,000	3,400	0	(4,600)	39,858	39,858	0	39,858	0	0
255	Yiewsley Site Development	230	230	0	0	15,966	15,966	0	15,966	0	0
0	Purchase of Uxbridge police station	0	0	0	0	5,000	5,000	0	5,000	0	0
0	Woodside Development	0	0	0	0	2,491	2,491	0	2,491	0	0
8	Refurbishment of Asha Day Centre	44	44	0	0	220	220	0	220	0	0
161	Battle of Britain Visitor Centre Enhancements	100	30	0	(70)	100	100	0	100	0	0
0	Battle of Britain Visitor Centre Car Park	0	0	0	0	150	150	0	150	0	0
2,556	Cedars & Grainges Car Park Works	115	55	0	(60)	115	115	0	115	0	0
0	Appropriation of Townfield to General Fund	0	0	0	0	100	100	0	100	0	0
<b>66,427</b>	<b>Total Major Projects</b>	<b>31,396</b>	<b>23,284</b>	<b>(744)</b>	<b>(7,368)</b>	<b>161,461</b>	<b>156,410</b>	<b>(5,051)</b>	<b>118,484</b>	<b>8,901</b>	<b>29,025</b>



**PART A: APPENDIX A2**  
**CAPITAL - PROGRAMMES OF WORKS BY CABINET MEMBER PORTFOLIO**

Prior Year Cost	Project	2021/22 Revised Budget	2021/22 Forecast	2021/22 Cost Variance	2021/22 Forecast Re-phasing	Total Project Budget 2021-2026	Total Project Forecast 2021-2026	Total Project Variance 2021-2026	Project Forecast Financed by:		
									Council Resources	Government Grants	Other Cont'ns
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
N/A	<b>Finance</b>										
N/A	Purchase of Vehicles	3,821	3,852	0	31	7,238	7,238	0	6,751	487	0
N/A	Equipment Capitalisation - General	0	0	0	0	0	0	0	0	0	0
	<b>Public Safety and Transport</b>										
N/A	Highways Structural Works	10,471	10,271	0	(200)	34,471	34,471	0	34,360	0	111
N/A	Street Lighting Replacement	720	720	0	0	1,604	1,604	0	1,604	0	0
N/A	Road Safety	228	153	0	(75)	708	708	0	708	0	0
N/A	Car Park Pay & Display Machines	35	35	0	0	35	35	0	35	0	0
N/A	CCTV Programme	568	568	0	0	1,068	1,068	0	1,068	0	0
N/A	HS2 Road Safety Fund	611	100	0	(511)	611	611	0	0	0	611
N/A	Transport for London	4,056	931	(2,474)	(651)	17,753	15,279	(2,474)	0	15,279	0
N/A	Emergency Active Travel	43	43	0	0	43	43	0	0	43	0
N/A	Highways Section 106 Projects	139	83	0	(56)	139	139	0	0	0	139
	<b>Corporate Services and Transformation</b>										
N/A	Corporate Technology and Innovation	1,384	1,243	0	(141)	4,384	4,384	0	4,258	110	16
N/A	Older People's Initiatives	200	57	0	(143)	1,000	1,000	0	1,000	0	0
	<b>Environment, Housing &amp; Regeneration</b>										
N/A	Chrysalis Programme	1,613	1,475	0	(138)	5,613	5,613	0	5,613	0	0
N/A	Environmental/Recreational Initiatives	465	220	0	(245)	465	465	0	279	156	30
N/A	Green Spaces Section 106 Projects	88	69	(19)	0	88	69	(19)	0	0	69
N/A	PSRG / LPRG	62	35	(27)	0	262	235	(27)	235	0	0
N/A	Homeless Provision	40	0	0	(40)	40	40	0	0	40	0
N/A	Playground Replacement Programme	166	0	0	(166)	166	166	0	166	0	0
	<b>Families, Education and Wellbeing</b>										
N/A	Youth Provision	900	70	0	(830)	2,500	2,500	0	2,500	0	0
N/A	Devolved Capital to Schools	773	773	0	0	1,661	1,661	0	0	888	773
	<b>Health and Social Care</b>										
N/A	Equipment Capitalisation - Social Care	2,359	2,198	(161)	0	11,795	11,634	(161)	0	11,634	0

**PART A: APPENDIX A2 Continued**

Prior Year Cost	Project	2021/22 Revised Budget	2021/22 Forecast	2021/22 Cost Variance	2021/22 Forecast Re-phasing	Total Project Budget 2021-2026	Total Project Forecast 2021-2026	Total Project Variance 2021-2026	Project Forecast Financed by:		
									Council Resources	Government Grants	Other Cont'ns
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	<b>Property and Infrastructure</b>										
N/A	Libraries Refurbishment Programme	468	461	0	(7)	468	468	0	468	0	0
N/A	Bowls Clubs Programme	125	74	0	(51)	125	125	0	125	0	0
N/A	Sports Clubs Rebuild / Refurbishments	600	0	0	(600)	3,000	3,000	0	3,000	0	0
N/A	Property Works Programme	2,634	1,505	(182)	(947)	7,242	7,060	(182)	6,942	25	93
N/A	Civic Centre Works Programme	1,928	1,275	57	(710)	4,344	4,401	57	4,401	0	0
N/A	Leisure Centre Refurbishment	2,404	1,300	0	(1,104)	3,059	3,059	0	3,059	0	0
N/A	School Building Condition Works	3,322	1,557	0	(1,765)	10,183	10,183	0	742	8,345	1,096
N/A	Harlington Road Depot Improvements	555	235	0	(320)	555	555	0	555	0	0
N/A	Disabled Facilities Grant	2,146	909	(414)	(823)	10,730	10,316	(414)	0	10,316	0
N/A	Schools Pollution Screening (ERI)	557	231	(89)	(237)	1,557	1,468	(89)	0	0	1,468
	<b>Total Programme of Works</b>	<b>43,481</b>	<b>30,443</b>	<b>(3,309)</b>	<b>(9,729)</b>	<b>132,907</b>	<b>129,598</b>	<b>(3,309)</b>	<b>77,869</b>	<b>47,323</b>	<b>4,406</b>

**PART A: APPENDIX A3****HRA Capital Expenditure – Major Projects breakdown by scheme**

Prior Years £'000	Scheme	Units	2021/22 Total Revised Budget £'000	2021/22 Forecast £'000	2021/22 Cost Variance £'000	Proposed Re-phasing £'000	Total Project Budget 2021-2026 £'000	Total Project Forecast 2021-2026 £'000	Total Project Variance 2021-2026 £'000
6,895	Acol Crescent	33	374	145	(229)	0	374	145	(229)
321	Maple and Poplar	34	1,046	31	0	(1,015)	7,167	7,167	0
2,341	Willow Tree	10	490	135	(390)	35	602	212	(390)
73	34-44 Sullivan Crescent	6	38	38	0	0	943	943	0
864	Nelson Road	6	1,076	751	100	(425)	1,971	2,071	100
48	Petworth Gardens	9	50	50	0	0	3,095	3,095	0
45	113-127 Moorfield Road	5	865	813	137	(189)	1,140	1,277	137
422	Woodside Day Centre	20	359	359	0	0	4,896	4,896	0
14,641	Parkview	60	747	317	(430)	0	747	317	(430)
2,507	Extensions/Conversions	n/a	0	22	22	0	0	22	22
4,757	Acquisition of Freehold Land at TCM House	28	3,882	3,934	52	0	4,314	4,366	52
556	Acquisition of 2 Units At 191 Harefield Road	2	28	15	(13)	0	28	15	(13)
3,550	Acquisition of New Build Flats Park Road	9	186	186	0	0	186	186	0
0	Hayes Estate Regeneration		3,743	3,180	0	(563)	3,743	3,743	0
0	Hayes Estate Leaseholder Buybacks		11,400	8,700	0	(2,700)	16,783	16,783	0
0	Packet Boat House Buybacks		2,300	1,500	0	(800)	2,300	2,300	0
0	Loft Extensions		600	375	0	(225)	2,000	2,000	0
0	Rough Sleepers Accommodation Programme		5,350	2,500	0	(2,850)	5,350	5,350	0
n/a	Acquisitions and Internal Developments		8,000	6,000	0	(2,000)	98,860	98,860	0
<b>37,020</b>		<b>222</b>	<b>40,534</b>	<b>29,051</b>	<b>(751)</b>	<b>(10,732)</b>	<b>154,499</b>	<b>153,748</b>	<b>(751)</b>

## PART B: FINANCIAL RECOMMENDATIONS

That the Cabinet:

- a. Ratify an Emergency Decision by the Leader of the Council taken on 4 January 2022 to grant a 6-month extension of the temporary licence to the NHS North West London Clinical Commissioning Group to use the Winston Churchill Hall in Ruislip as a COVID-19 Vaccination Centre.
- b. 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. St Andrew's TCE - £60,000
  - b. Southall Gasworks - £26,000
  - c. 14-18 Pield Heath Road - £17,500
- c. Approve acceptance of £20k grant funding from the Department for Levelling Up, Housing and Communities for set-up costs associated with the implementation of temporary pavement license provisions and the subsequent running costs not covered by fees.
- d. Approves virements of £190k and £268k from the general capital contingency budget to the Corporate Technology and Innovation and Environmental and Recreational Initiatives capital budgets respectively, for the replacement of public PCs for libraries and adult education centres (£190k) and flood mitigation measures at Elephant and Court Park (£268k).
- e. Accept a grant award of £52k from the England and Wales Cricket Board for the installation of cricket facilities at Grassy Meadow and Cowley recreation ground.
- f. Approve the increase of grant allocation to Shop Mobility from the Voluntary Sector Grants budget by £10k from £5k approved at Cabinet (Dec 2021 Item 7) to £15k for 2022/23.
- g. Approve the receipt of additional New Burdens Grant funding of £127,300 from the Department for Business, Energy & Industrial Strategy to the Revenues Service in respect of work completed on Restart and Additional Restrictions Grants.

### Reasons for recommendation

98. **Recommendation 2a** on 7 December 2020, the Leader's Emergency Power was invoked to grant a one-year licence for the NHS North West London Clinical Commissioning Group to use the Winston Churchill Hall in Ruislip as a COVID-19 Vaccination Centre. The licence fee included running costs.
99. On 4 January 2022, the Leader's Emergency Power was similarly invoked to extend this arrangement for a further 6-month period to assist the NHS in continuing to deliver the COVID-19 vaccination rollout. As per the Council's Constitution, such Emergency Decisions are required to be reported to Cabinet for ratification.
100. **Recommendation 2b** 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 2b** seeks authority from Cabinet to approve the acceptance of £103,500k in relation to four major developments.

- a. St Andrew's TCE - £60,000
- b. Southall Gasworks - £26,000
- c. 14-18 Pield Heath Road - £17,500

101. **Recommendation 2c** Grant funding has been offered by the Department for Levelling Up, Housing and Communities which, if accepted by Cabinet, will be utilised to fund the costs incurred by the Council in implementing and operating the temporary pavement licences regime (which was introduced in July 2020 to support the hospitality sector during the COVID-19 pandemic). This new burdens payment will address both one-off set-up costs and spend associated with running the regime, including processing, monitoring and enforcement not covered by the fees chargeable. It is expected that a second instalment will be offered in 2022/23.
102. **Recommendation 2d** The Libraries and Adult Education services need to replace public PC equipment at a cost of £190k to ensure these services can be maintained for residents, due to the age of existing equipment and in order to update Windows operating systems. Drainage improvements works are required at Elephant and Court Parks to reduce risk of flooding that has previously been experienced by residents. The cost of works are £384k in total of which £116k will be funded from Environment Agency grant towards this scheme, with £268k required from general contingency.
103. **Recommendation 2e** The England and Wales Cricket Board have awarded a grant of £52k towards the provision of practice facilities comprising new non-turf nets and pitches at Cowley Hall recreation ground and Grassy Meadow. The total project cost is £77k including £25k Council match funding from Section 106 balances (£20k) and revenue contributions (£5k).
104. **Recommendation 2f** is to increase the grant allocation to Shop Mobility from the Voluntary Sector Grants budget from £5k approved at Cabinet (Dec 2021 Item 7) to £15k for 2022/23. The proposed award of £15k (£5k less than the £20k grant sought initially by Shop Mobility) will increase the previously approved total grant allocation which includes core grants totalling £2,077k, grants for the provision of transport £18k, and the London Borough Grant Scheme £229k from £2,324 to £2,334k. The £10k increase on the core grant allocation will be met from the 2022/23 Voluntary Sector Grant budget.
105. **Recommendation 2g** is proposed to approve the receipt of New Burdens funding totalling £127,300 from the Department for Business, Energy & Industrial Strategy by the Revenues Service to support the additional workstreams to deliver the Restart and Additional Restriction Grants schemes aimed at supporting local businesses.

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

106. There are no other options proposed for consideration.