

COUNCIL BUDGET - 2021/22 REVENUE AND CAPITAL OUTTURN

Cabinet Member	Councillor Martin Goddard
Cabinet Portfolio	Cabinet Member for Finance
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Papers with report	Appendices A & B

HEADLINES

Summary	<p>This report provides the Council's financial position and performance against the 2021/22 revenue budget and Capital Programme.</p> <p>A net in-year underspend of £618k is reported against General Fund revenue budget normal activities as of March 2022 (Month 12). As a result, unallocated reserves total £26,719k at 31 March 2022. This headline position is largely consistent with that reported to Cabinet for March 2022 (Month 11), with a net improvement of £97k.</p> <p>COVID-19 pressures for the 2021/22 financial year total £19,675k at Month 12, £542k 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>
Putting our Residents First	<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>
Financial Cost	N/A
Relevant Select Committee	Finance & Corporate Services
Relevant Ward(s)	All

RECOMMENDATIONS

That the Cabinet:

1. Note the budget position and treasury management update as at March 2022 (Month 12) 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 12 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 £19,675k are being declared at outturn in relation to the impacts of the COVID-19 pandemic and the Council's response in 2021/22. With total pressures of £53,157k since the pandemic began in early March 2020, including the outturn position for the current financial year alongside £1,883k in 2019/20 and £31,492k in 2020/21. There has been a £542k increase in projected COVID-19 pressures from the position reported at Month 11.
6. Prior year COVID-19 pressures were fully funded from external funding, with a further £20,853k 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 £19,675k for the 2021/22 financial year. Taking account of carried forward grants and previously approved releases, this leaves a balance of £11,170k at year end.
7. Beyond the ongoing impact of the pandemic, the outturn position is an underspend of £618k across General Fund budgets, with this position being driven by underspends against Capital Financing of £307k and Development and Risk Contingency of £550k, primarily related to a reduced call on the waste and homelessness contingencies, offset by a pressure reported against Service Operating Budgets of £239k.
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 growing demand for the Children's & Young People's Service and vehicle hire costs and fuel inflation within Fleet management. These items are either temporary in nature or where mitigating action is not possible, reflected in the Council's budget for 2022/23.
9. While movements are reported against individual portfolios and contingency items from the position at Month 11, these have not materially affected the headline monitoring position. Taking account of the budgeted £2,421k drawdown from General Balances, this outturn position results in unallocated General Balances totalling £26,719k at 31 March 2022.
10. Within this position, £7,717k of the £10,416k savings planned for 2021/22 are banked in full by 31 March 2022, with £1,713k tracked as being at an earlier stage of implementation and £986k at risk as a result of the COVID-19 pandemic. The at risk saving 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 delayed, these values will be carried over into the new financial year.

11. Within the Collection Fund, a pressure of £893k is being declared at outturn as a result of slower than budgeted growth in Council Tax, compounded by an adverse position 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 £366k from the Month 11 position following the final outturn position declared against taxbase growth and Council Tax Support demand. Variances against the Collection Fund do not directly impact upon the 2021/22 outturn position, but instead variances up to Month 9 will be factored into the Council's budget proposals for the forthcoming year, with the final movement from Month 10 to outturn not impacting until 2023/24.

GENERAL FUND CAPITAL

12. An underspend of £37,045k is reported across the £77,228k 2021/22 Capital Programme, consisting of a combination of net cost underspends and re-phrasings for projects and programmes continuing into future years. Proposals in respect of capital budget re-phrasings will be submitted to Cabinet in July 2022 for approval. The element of the General Fund Capital Programme financed by council resources totalled £28,929k. This is funded by £1,338k of capital receipts, £1,795k of CIL receipts and £25,796k of prudential borrowing.

SCHOOLS BUDGET

13. At outturn, an underspend of £9,386k is declared on the Schools Budget which combined with the £7,328k shortfall in funding for the year represents a £2,058k surplus for the year, representing a £14,714k improvement from the Month 11 position. When the £25,386k deficit brought forward from prior years is accounted for, the cumulative deficit being carried forward into 2022/23 is £23,328k. This deficit continues to be driven by ongoing pressures in relation to High Needs placements.
14. The Council has now signed the Safety Valve agreement with the DfE, which was ratified by Cabinet on 24 March 2022, which sets out a programme of activity around early intervention and delivery of additional SEND school places intended to return the Schools Budget to balance over the medium term.

HOUSING REVENUE ACCOUNT

15. An underspend of £150k is declared at outturn for the Housing Revenue Account, representing a £3k improvement on the Month 11 position, with balances projected to total £15,351k at 31 March 2022 in line with business plan assumptions. An underspend of £36,807k is projected against the £71,853k capital programme for 2021/22.

FURTHER INFORMATION

General Fund Revenue Budget

16. As noted above and presented in the table below, a £618k underspend is reported at outturn within the General Fund, with the following section of this report providing further information on an exception basis. General Fund Balances total £26,719k at 31 March 2022 as a result of the final outturn position detailed above, which represents an improvement of £97k from Month 11. This position keeps balances within both the recommended range for 2021/22 and the revised range for 2022/23 of £20,000k to £39,000k as approved by Cabinet and Council in February 2022.

Table 1: General Fund Overview

Service	Month 12		Variance (As at Month 12) £'000	Variance (As at Month 11) £'000	Movement from Month 11 £'000
	Approved Budget	Outturn			
	£'000	£'000			
Service Operating Budgets	226,218	226,457	239	497	(258)
Corporate Operating Budgets	7,843	7,536	(307)	(307)	0
Development & Risk Contingency	4,145	3,595	(550)	(711)	161
Unallocated Budget Items	39	39	0	0	0
Sub-total Expenditure	238,245	237,627	(618)	(521)	(97)
Corporate Funding	(235,824)	(235,824)	0	0	0
Total Normal Activities	2,421	1,803	(618)	(521)	(97)
<u>Exceptional Items</u>					
COVID-19 Pressures	0	19,675	19,675	19,133	542
COVID-19 Funding	0	(19,675)	(19,675)	(19,133)	(542)
Total Net Expenditure	2,421	1,803	(618)	(521)	(97)
Balances b/fwd	(28,522)	(28,522)			
Balances c/fwd 31 March 2022	(26,101)	(26,719)			

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 the final outturn position are summarised in the following paragraphs.

Table 2: Service Operating Budgets

Cabinet Member Portfolio		Approved Budget	Outturn	Variance (As at Month 12)	Variance (As at Month 11)	Movement from Month 11
		£'000	£'000	£'000	£'000	£'000
Property & Infrastructure	Expenditure	11,829	11,805	(24)	68	(92)
	Income	(5,396)	(4,959)	437	320	117
	Sub-Total	6,433	6,846	413	388	25
Finance	Expenditure	20,373	20,808	435	414	21
	Income	(3,350)	(3,510)	(160)	(169)	9
	Sub-Total	17,023	17,298	275	245	30
Public Safety and Transport	Expenditure	18,625	18,894	269	336	(67)
	Income	(16,558)	(17,038)	(480)	(489)	9
	Sub-Total	2,067	1,856	(211)	(153)	(58)
Corporate Services and Transformation	Expenditure	27,644	27,932	288	206	82
	Income	(2,145)	(2,244)	(99)	(41)	(58)
	Sub-Total	25,499	25,688	189	165	24
Environment, Housing & Regeneration	Expenditure	52,287	52,469	182	188	(6)
	Income	(21,621)	(21,875)	(254)	(244)	(10)
	Sub-Total	30,666	30,594	(72)	(56)	(16)
Families, Education and Wellbeing	Expenditure	26,240	26,373	133	73	60
	Income	(11,598)	(11,840)	(242)	(339)	97
	Sub-Total	14,642	14,533	(109)	(266)	157
Health and Social Care	Expenditure	166,755	166,746	(9)	329	(338)
	Income	(36,867)	(37,104)	(237)	(155)	(82)
	Sub-Total	129,888	129,642	(246)	174	(420)
Total Service Operating Budgets		226,218	226,457	239	497	(258)

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. The outturn position has confirmed that has been delivered in full during 2021/22, with post-level establishment controls having proven to be a key mechanism for managing workforce costs at the organisational level.
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 was accepted and paid in March 2022, increasing the cost by £700k. The in-year impact of the 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.

20. As can be seen from the table above, the net £239k 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 £413k, representing a £25k adverse movement on Month 11, with the movement predominantly being driven by favourable movements from late updates to the Council's Business Rates liability offset by revenue expenditure within the capital team that which cannot be recharged to the Council's capital programme. The overspend is due to a one-off backdated Business Rates liability as a result of a change applied by the Valuation Office Agency. The remaining variances within the portfolio are coming from a £190k overachievement of income within the Repairs & Engineering Service, with an offsetting expenditure variance due to the activity undertaken to generate the income for this service.
- b. **Finance** – A net pressure of £275k is being declared at outturn, with a £30k adverse movement on the Month 11 position, the movement is being driven by higher fuel prices impacting on the running of the Council's fleet alongside higher energy costs. The overall pressure is due to a combination of higher fuel prices and the 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** – at outturn, a net underspend of £211k and a £58k favourable movement from Month 11 are being reported, the movement from Month 11 is made up of several small movements, with no material changes from Month 11. The headline £480k overachievement of income and corresponding increase in expenditure largely reflects grant and Brexit-related activities.
- d. **Corporate Services and Transformation** – a net overspend of £189k, representing a £24k adverse movement from Month 11, with the outturn position reflecting increased costs within Human Resources due to a strategic decision to fund transformation work from revenue budgets as opposed to using Transformation Capitalisation powers. This has been offset by an improvement within grant income within Business & Technical Support to support pandemic related expenditure. The overspend within the portfolio is largely driven by the ICT service area, which has an outturn overspend of £184k, driven by increased contract expenditure, which are being suppressed by underspends within staffing budgets alongside additional recharge income for a digital connectivity project that impacts on the Housing Revenue Account (HRA), with income in this service area set to overachieve by £73k.
- e. **Environment, Housing and Regeneration** – an underspend of £72k is being declared at outturn within this portfolio, an improvement of £16k from the Month 11 position. The movement relates to several small movements across the service areas within the remit of this portfolio, with none of these movements being material.

Within the overall position, overspends in Green Spaces of £373k are being driven by increases in equipment hire and tree maintenance with a further pressure within the Planning Service all largely being offset by underspends within Housing as a result of increased grant funding, and the Waste service as a result of staffing vacancies and increased income levels from work carried out across HRA sites related to site clearances.

- f. **Families, Education and Wellbeing** – an underspend of £109k and an adverse movement of £157k is reported for this portfolio. The adverse movement is being driven by an adverse movement within the Special Education Needs and Disabilities (SEND) due to an increase in staffing expenditure in this area as a result of the strategic decision to reduce Transformation Capitalisation and fund transformation work from revenue budgets. The underlying variances reported at outturn are driven by increased income relating to a temporary change of use in one of the Council's theatres which was used as a pandemic testing facility, alongside workforce underspends across various services within the portfolio. These underspends have been sufficient to manage additional pressures from increased demand 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 underspend of £246k is being declared at outturn for the Health and Social Care portfolio representing a £420k improvement on the month 11 position. The headline variance relates to increased demand on social care, predominantly within Children's & Young Peoples services being offset by a favourable position reported across Adult Social work services, with the favourable movement being driven by additional income received from the NHS towards Mental Health support and a number of improvements within staffing expenditure spread across several care settings directly provided by the Council alongside a number of minor improvements within contracted expenditure that have equated to a total improvement of £338k.

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. The final outturn position includes capitalising £3,208k for such costs. A full breakdown of this value against the Council's saving programme is included in Appendix A1 of this report.

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	Green	Amber I	Amber II	Red	Total
	Banked	Delivery in progress	Early stages of delivery	Potential problems in delivery	Serious problems in delivery	
	£'000	£'000	£'000	£'000	£'000	£'000
Property & Infrastructure	(160)	0	(150)	0	0	(310)
Finance	(860)	0	0	0	0	(860)
Public Safety and Transport	(2,041)	0	(100)	0	0	(2,141)
Corporate Services and Transformation	(887)	(513)	0	0	0	(1,400)
Environment, Housing & Regeneration	(1,819)	(287)	(240)	0	0	(2,346)
Families, Education and Wellbeing	(450)	0	(273)	(986)	0	(1,709)
Health and Social Care	(1,500)	0	(150)	0	0	(1,650)
Total 2021/22 Savings Programme	(7,717) 74%	(800) 8%	(913) 9%	(986) 9%	0 0%	(10,416) 100%
Month on Month Movement	(3,824) 37%	3,733 -36%	91 -1%	0 0%	0 0%	0

23. At outturn, many of that saving that were previously reported as being in progress have successfully been banked, increasing the total value to £7,717k by year-end, an improvement of £3,824k on Month 11. A further £1,713k is being declared as either delivery in progress or in the early stages of delivery which are expected to progress throughout the 2022/23 financial year and ultimately be delivered in full.
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. At this time, it is expected that all £10,416k will ultimately be delivered in full and therefore not adversely impact upon future iterations of the Council's MTF. The savings classified as Delivery in Progress, Amber I and Amber II will be added to the 2022/23 saving programme approved by Council in February 2022 and will be reported on throughout the 2022/23 financial year.

Corporate Operating Budgets

26. Corporate Operating budgets are declaring a final outturn position of a £307k underspend on capital financing and funding, representing no movement from Month 11. 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. 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

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 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.
28. At outturn, a net underspend of £550k is being declared on Development and Risk Contingency, representing an adverse movement of £161k on the previously reported position. An underspend is reported across the Waste Service as a result of favourable movements with market prices alongside an underspend across Homelessness driven by additional grant funding in this area, with these two areas delivering an underspend against contingency of £992k. Social Care ended the year with a net pressure of £442k, predominantly driven by a pressure within Asylum and demand for Looked After Children services, offset by a favourable position within Children with Disabilities and an underspend from support for Adults. The £823k General Contingency was carried forward through Earmarked Reserves, supporting the Council's financial resilience going into 2022/23 and beyond.

Exceptional Items – COVID-19 Pressures

Table 4: COVID-19 Pressure Breakdown

Service	Month 12		Variance (As at Month 12) £'000	Variance (As at Month 11) £'000	Movement from Month 11 £'000
	Approved Budget	Outturn			
	£'000	£'000			
Social Care	0	11,098	11,098	11,096	2
Other Expenditure	0	5,002	5,002	4,049	953
Income	0	3,575	3,575	3,988	(413)
Total Exceptional Items	0	19,675	19,675	19,133	542

29. The final COVID-19 pressure at outturn is £19,675k for the 2021/22 financial year representing a £542k adverse movement from the position at Month 11. Social Care functions continues to represent the largest single area of cost pressures at £11,096k, with income losses and other expenditure pressures accounting for the remainder of this sum.
- a. Social Care functions are declaring a pressure of £11m, driven by £10.2m of pressures associated with direct care provision, with £5.7m of this value falling on Adult Social Care and £4.5m falling in Children's Social Care, with the movement reported at Month 11 relating to additional staffing pressures within Children's Social Care. 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. Other expenditure pressures of £5.0m are being declared at outturn, with an adverse movement of £953k being predominantly driven by the provisional position declared on the London Business Rates Pool, which reported losses as a result of the pandemic in 2020/21, which were not declared until March 2022 due to the timing of reporting within the London wide Business Rates position. Further pressures are driven by £1.1m of costs associated with additional demand for the SEND service and home to school transport, £1m of support being provided to leisure services within the borough, £0.4m in delays within the saving programme caused by the pandemic, £0.6m for additional administrative support within the revenues and benefits function and £0.3m for additional pressures within the Council's waste services, with the remaining balance of £0.6m being smaller immaterial values spread across multiple service areas.
 - c. Income pressures totalling £3.6m are being reported, with £2.8m of this value relating to Fees & Charges, £2m of which relates to parking charges, £0.3m is driven by a reduction in demand for Planning & Development functions and a further £0.3m in relation to sports and recreational activities offered by the Council, with the remaining £0.2m being spread over several income streams. A further £0.8m of pressure is reported across the Council's commercial activities (£0.2m) and penalty income (£0.6m).
30. At outturn, the Council has confirmed external funding of £21,553k, with an additional £10,126k of the Council's own balances having been earmarked to supplement these funds. Taking account of the £19,675k pressures outlined above, and the £834k of planned releases from this funding to manage COVID-19 driven Collection Fund deficits in 2021/22, this leaves £11,170k at year end and available to fund the planned release approved at February 2022 Cabinet and Council of £7,448k, leaving headroom of £3,722k to meet any emerging or ongoing pressures.

Collection Fund

31. A deficit of £893k is being declared at outturn within the Collection Fund relating to an adverse position reported within Council Tax of £1,978k, offset by a favourable position within Business Rates of £1,058k. The pressure in Council Tax is predominantly driven by a reduction in the forecast growth of the taxbase at the time of budget setting, 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 £123k from the position reported at Month 11 following the year-end 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. Business Rates moved adversely by £243k, predominantly driven by a movement within the debt position.
32. Any deficits within the Collection Fund impact on the Council's future year budgets, with the position reported up to Month 9 impacting on the 2022/23 saving requirement and any

further updates between Month 10 and outturn impacting on 2023/24. This position therefore added £533k to the Council’s gross saving requirement reported to Cabinet and Council in February 2022, with the remaining £360k adverse movement not impacting the Council’s position until 2023/24.

General Fund Capital Programme

33. An underspend of £37,045k is reported across the £77,228k 2021/22 Capital Programme, consisting of a combination of net cost under spends and re-phrasings for projects and programmes continuing into future years. The required level of capital budget re-phrasings will be submitted to Cabinet in July 2022 for approval. The element of the General Fund Capital Programme financed by council resources totalled £28,929k. This is funded by £1,338k of capital receipts, £1,795k of CIL receipts and £25,796k of prudential borrowing.

Future Revenue Implications of Capital Programme

34. An underspend of £37,045k is reported on the £77,228k General Fund capital programme for 2021/22 consisting of a combination of net cost under spends and re-phrasings for projects and programmes continuing into future years. Appendix A3 provides the details of the capital outturn position for both Major Projects and Programme of Works.

Capital Programme Overview

35. Table 5 below sets out the outturn on General Fund capital projects, with project level detail contained in Annex A to this report.

Table 5: General Fund Capital Programme

2021/22 General Fund Capital Programme Outturn				
	2021/22 Budget £'000	2021/22 Actual £'000	2021/22 Variance £'000	Movement from Month 11 £'000
Major Projects	31,396	13,604	(17,792)	(425)
Programme of Works	44,873	26,579	(18,294)	(187)
General Contingency	959	0	(959)	-
Total Capital Programme	77,228	40,183	(37,045)	(612)
Movement from Month 11	616	(612)	(1,228)	

36. The increase in the revised budget of £616k relates partly to additional schools contributions to capital within the Devolved Formula Capital programme and also new Section 106 projects.
37. The total underspend of £37,045k consists of a combination of net cost under spends and re-phrasings for projects and programmes continuing into future years. The movement of £612k is a reduction in expenditure from Month 11 reflecting slippage on various projects. The general contingency budget had £959k remaining funds at year end which are now reported as an underspend. Proposals in respect of capital budget re-phrasings will be submitted to Cabinet in July 2022 for approval.

Capital Financing - General Fund

38. Table 6 below outlines the outturn financing of the capital programme.

Table 6: Capital Financing

	Revised Budget 2021/22 £'000	Outturn 2021/22 £'000	Variance £'000
Capital Receipts	7,400	1,338	(6,062)
CIL	3,500	1,795	(1,705)
Prudential Borrowing	40,935	25,796	(15,139)
Total Council Resources	51,835	28,929	(22,906)
Grants & Contributions	25,393	11,254	(14,139)
Total Programme	77,228	40,183	(37,045)

39. Capital receipts applied in year to finance capital expenditure totalled £1,338k after financing transformation costs. The variance of £6,062k on budget is mainly due to delays in sales of identified capital receipts which are anticipated will be sold in 2022/23.
40. Community Infrastructure Levy receipts for the year totalled £6,537k net of administration fees, of which £1,795k were utilised to finance the Chrysalis Programme and the new West Drayton Leisure Centre where construction works have recently commenced. The remaining balance of £4,742k will be carried forward to support financing of this project in 2022/23.
41. A total of £11,254k grants and contributions were applied to finance 2021/22 expenditure. The grant financing under spend partly relates to the reductions in Transport for London programme and also under spends on the School Conditions programme with various identified schemes to be completed from the 2022/23 programme.
42. Prudential borrowing was £15,139k below budget due to the overall under spends and slippage in capital programme expenditure, also taking into account movements on other capital financing sources such as capital receipts and CIL.

Schools Budget

43. The Dedicated Schools Grant (DSG) outturn position is an in-year underspend of £2,058k. This underspend follows the Council reaching a Safety Valve agreement with the Department for Education (DfE) which secures government support for the delivery of the Council's DSG Recovery Programme and financial support towards the elimination of the cumulative DSG deficit. This has resulted in an additional £11,000k of funding in 2021/22 to contribute to the cumulative DSG deficit. As part of the Safety Valve agreement the local authority has absorbed £4,000k. When the £25,386k deficit brought forward from 2020/21 is taken into account, the cumulative deficit carry forward to 2022/23 is £23,328k.

Table 9: DSG Income and Expenditure 2021/22

Funding Block	Month 12		Variance (As at Month 12) £'000	Variance (As at Month 11) £'000	Change from Month 11 £'000
	Revised Budget £'000	Outturn £'000			
Dedicated Schools Grant Income	(312,484)	(327,484)	(15,000)	0	(15,000)
Schools Block	247,089	247,235	146	153	(7)
Early Years Block	21,575	21,818	243	0	243
Central Schools Services Block	3,296	2,996	(300)	0	(300)
High Needs Block	47,852	53,377	5,525	5,175	350
Total Funding Blocks	7,328	(2,058)	(9,386)	5,328	(14,714)
Balance Brought Forward 1 April 2021	25,386	25,386			
Balance Carried Forward 31 March 2022	32,714	23,328			

Dedicated Schools Grant Income (£15,000k underspend, £15,000k favourable)

44. Dedicated Schools Grant income has increase by £11,000k in the current year following commitment from the DfE to contribute £25,000k towards the legacy deficit over the five years to 2025/26. The DfE contributions are heavily front loaded, with £11,000k paid in the 2021/22 financial year. In addition, the Council has absorbed £4.0m, resulting in the £15,000k favourable movement.

Schools Block (£146k overspend, £7k favourable)

45. 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.
46. 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.
47. 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.

48. 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.
49. 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 (£243k overspend, £243k adverse)

50. The adverse movement on the Early Years block relates to the final number of children accessing the free entitlement in the Spring term being higher than anticipated. The numbers of two-year olds and three- and four-year olds accessing the free entitlement are still recovering post-COVID which has made it challenging to accurately project the expenditure. There was a significant retrospective adjustment made in relation to 2020/21 and whilst it had been projected that this would be absorbed in the current year, the final position has resulted in a pressure on the Early Years block.
51. The pressure has been offset by an underspend in the funding set aside to support vulnerable children which is due to lower-than-expected number of referrals being made for additional funding.

Central School Services Block (£300k underspend, £300k favourable)

52. The underspend is predominantly as the result of a decrease in the number of non-SEN looked after children in high cost, out of borough residential placements. In the case of the Looked After Children's placements, if the setting is providing education, a proportion of the cost is funded from the DSG and if they do not have an EHCP this is charged to the Central School Service Block. This underspend is offset by an overspend on the contribution to placements of looked after children with SEND which is charged to the High Needs block.
53. The underspend is partly offset by a pressure on the cost of staffing the Virtual School where demand has significantly increased resulting in the need to employ additional temporary officers.

High Needs Block (£5,176k overspend, £350k adverse)

54. There continues to be significant pressure in the High Needs Block in 2021/22, with an overspend of £5,525k at outturn. 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 continued in 2021/22.

55. There was further pressure 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.
56. The adverse movement from month 11 relates to an increase in the DSG contribution to the placement of looked after children with SEND. This overspend is offset by an underspend in the Central Schools Service block as indicated above.
57. The Council now has a Safety Valve agreement with the DfE and has demonstrated that the High Needs block can be brought to an in-year balanced position within the next five years, with 2021/22 being year one of this agreement. This has resulted in the DfE contributing additional revenue funding to clear the cumulative DSG deficit.

Housing Revenue Account

58. As at 31 March 2022 the Housing Revenue Account (HRA) General Balance is £15,351k and the Major Repairs Reserve (MRR) is £7,116k. Overall the HRA shows an underspend and in-year contribution to reserves of £150k which is a minor favourable movement of £3k from Month 11. The table below presents key variances by service area.

Table 8: Housing Revenue Account

Service	Month 12		Variance (+ adv / - fav)		
	Revised Budget	Outturn	Variance (As at Month 12)	Variance (As at Month 11)	Movement from Month 11
	£'000	£'000	£'000	£'000	£'000
Rent Income	(58,560)	(58,325)	235	214	21
Other Income	(5,578)	(5,695)	(117)	31	(148)
Net Income	(64,138)	(64,020)	118	245	(127)
Housing Management	15,185	15,543	358	360	(2)
Tenant Services	3,953	3,805	(148)	(137)	(11)
Repairs	6,554	7,858	1,304	1,090	214
Planned Maintenance	4,074	2,831	(1,243)	(1,287)	44
Capital Programme Funding	17,227	16,454	(773)	(600)	(173)
Interest & Investment Income	15,385	15,395	10	0	10
Development & Risk Contingency	1,760	1,984	224	182	42
Operating Costs	64,138	63,870	(268)	(392)	124
(Surplus) / Deficit	0	(150)	(150)	(147)	(3)
General Balance 01/04/2021	(15,201)	(15,201)	0	0	0
General Balance 31/03/2022	(15,201)	(15,351)	(150)	(147)	(3)

59. Rental Income shows an adverse movement of £21k on Month 11 and this is due to minor stock movements.
60. Other Income shows a favourable movement of £148k on Month 11 and this is due to increased leaseholders' income which was billed at year-end.
61. The number of Right to Buy (RTB) applications received in 2021/22 was 168, whilst in 2020/21 it was 182. The number of RTB completions in 2021/22 was 50 and in 2020/21 it was 25. The 2021/22 50 RTB completions is the same as the Month 11 forecast of 50.
62. The Housing management service shows a minor favourable movement of £2k compared to Month 11.
63. There is a favourable movement compared to Month 11 of £11k on tenant services relating to running cost variances.
64. There is a total adverse movement of £258k on repairs and planned maintenance compared to Month 11. There is an adverse movement on Month 11 of £214k in the repairs service mainly

due to the higher level of void repairs completed in February and March. The impact of reducing voids will benefit the increase in available housing supply and income levels heading into 2022/23. There is an adverse movement of £44k compared to Month 11 across the planned maintenance service contracts compared to Month 11, due to the work completed on servicing and remedials.

65. The repairs and planned maintenance budgets will continue to be monitored in 2022/23 especially due to the pressures on demand, volume of repairs, inflation in the marketplace, disrepair and contractor labour shortages.
66. The capital programme funding shows a favourable movement of £173k compared to Month 11 and this is due to year end capital financing adjustments.
67. The interest and investment shows a minor adverse movement of £10k compared to Month 11 due to interest earned on HRA balances.
68. The development and risk contingency shows an adverse movement of £42k on Month 11 due to the increase in the bad debt provision. The cumulative balance of the bad debt provision as at 31 March 2022 is £2,208k which represents 59% of the overall HRA arrears.

HRA Capital Expenditure

69. The 2021/22 HRA capital programme is set out in the table below. The spend for the year is £35,046k with a full year variance of £36,807k consisting of a combination of cost underspends re-phasing of projects and programmes continuing into future years. Overall, there is a net expenditure reduction of £371k compared to the Month 11 position.

Table 9: HRA Capital Expenditure

2021/22 HRA Capital Programme Outturn				
Programme	2021/22 Budget £'000	2021/22 Actual £'000	2021/22 Variance £'000	Movement from Month 11 £'000
HRA Capital Programme				
Major Projects	40,534	17,538	(22,996)	(394)
Works to Stock programme	24,958	13,821	(11,137)	63
Major Adaptations to Property	2,711	1,794	(917)	44
Green Homes Grant	3,650	1,893	(1,757)	(84)
Total HRA Capital Programme	71,853	35,046	(36,807)	(371)
Movement from Month 11	0	(371)	(371)	

Major Projects

70. The 2021/22 Major Projects programme has a favourable variance of £22,996k, consisting of a combination of cost underspends and re-phasing of projects continuing into future years. The under spend includes £2,481k refund of Stamp Duty on previous acquisitions following a successful claim to HMRC.
71. Expenditure in 2021/22 included works on site or in design for various development sites and other significant programmes where progress is underway such as Hayes Estate regeneration and the Rough Sleepers Accommodation programme.

Works to Stock

72. The Works to Stock (WTS) outturn reports an overall under spend for the year of £11,137k on numerous programmes that are in varying stages of progress. The Green Homes Grant programme was implemented in 2021/22 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. Further energy efficiency funding of £1,581k under the Social Housing Decarbonisation Fund has recently been awarded for implementation in 2022/23.

HRA Capital Financing

73. The HRA capital programme expenditure of £35,046k was funded from £22,123k contributions from the Major Repairs Reserve, £8,735k from Capital Receipts and £4,188k from grants. A full breakdown of the Major Projects included in the programme are included in Appendix A4.
74. The total HRA RTB capital receipts for 2021/22 was £10,477k. This included 50 RTB sales totalling £10,334k after admin deductions. From these receipts the amount the Council is able to retain is £9,164k; of which £1,967k is general receipts and £7,197k is RTB 1-4-1 capital receipts which is for investing in new housing stock. The RTB 1-4-1 capital receipts must be spent or committed within a deadline of five years from the year of receipt. There were also non-RTB capital receipts in year of £2,186k.
75. The Major Repairs Reserve decreased by a net £5,669k from £12,785k as at 1st April 2021 to £7,116k as at 31st March 2022. The net reduction included using £22,123k to fund the HRA capital programme and an increase of £16,454k in Major Repairs Reserve funds (depreciation £12,208k and revenue contribution to capital £4,246k).

Treasury Management Update as at 31 March 2022

76. This report summaries the Council's treasury management activities during 2021/22 and presents details of capital financing, borrowing, debt management and investment transactions alongside an outturn position.
77. Although internal borrowing continued to be utilised during the year, external borrowing was also required during 21/22 to ensure liquidity was maintained. Throughout the period temporary local authority loans were taken, peaking at £100m. Over the year the Council's loan portfolio had an average rate of 2.47% (2.66% 2020/21). The portfolio increased by £29.2m as a result of £35m of new PWLB long term borrowing being taken during 21/22, £45m of maturing LA borrowing being replaced with new LA borrowing and £5.83m of naturally maturing PWLB debt, leaving a balance at year-end of £356.84m (GF £192.27m, HRA £164.57m). Interest paid over the year totalled £7.9m (GF £2.3m, HRA £5.6m).
78. The investment income return for the year on day-to-day operational treasury balances was 0.09% (0.07% 2020/21), resulting in income for 2021/22 of £61k. As part of the Council's investment strategy for 21/22 a total of £15m continued to be invested in three long-dated strategic pooled funds (£5m in each). During 2021/22 dividends received from these strategic pooled funds totalled £388k with a decrease in fair value of £756k in 21/22 (total decrease in fair value of £447k since inception). The nature of this financial instrument means the fair value may rise and fall with short-term security and liquidity being less of a consideration. The key objectives instead being regular revenue income of circa £400k a year and long-term price stability objectives which are being achieved. The Council would only seek to sell when market conditions were favourable and holdings were at or above original investment values.

Table 10: The Borrowing Requirement and Debt Management

	Balance on 31/3/2021 £m	New Borrowing £m	Debt Maturing £m	Debt Prematurely Repaid £m	Balance on 31/3/2022 £m	Year-End Average Rate %
CFR	£404.41				411.5	
GF Loans						
PWLB Fixed Rate	44.60	35.00	2.33	-	77.27	2.49
Market Fixed Rate	15.00	-	-	-	15.00	4.28
Temporary LA Borrowing	100.00	45.00	45.00	-	100.00	0.50
Total GF Loans	159.60	80.00	47.33	-	192.27	
HRA Loans						
PWLB Fixed Rate	135.07	-	3.50	-	131.57	3.18
Market Fixed Rate	33.00	-	-	-	33.00	4.03
Total HRA Loans	168.07	-	3.50	-	164.57	
Total Loans	327.67	80.00	50.83	-	356.84	2.40
Other Long-Term Liabilities	0.22				0.22	
Total External Debt	327.89				357.06	

79. The Council's underlying need to borrow is measured by the Capital Financing Requirement (CFR) which, as at 31/3/2022, was £411.5 (31/3/2021 £404.41m). The Council's borrowing requirement, the difference between the CFR and total physical borrowing, was a decrease of £22.19m. This amount represents the level of internal borrowing, primarily supported by the Council's own reserves.
80. As at 31 March 2022, the Council held £208.84m of PWLB debt (£77.27m General Fund and £131.57m HRA) containing a broad range of loan types including both Maturity and EIP loans with fixed rates and with varying maturities. In addition, the Council has £48m of market loans (£15m General Fund and £33m HRA). £12m are fixed-rate loans and £36m are LOBO loans. Out of the LOBO loans, two £5m loans were in their option state in 2021/22. During the year the lenders of these loans did not exercise any call options and therefore the loans remain outstanding on the same terms. The General Fund also had £100m of local authority temporary borrowing.
81. As at 31st March 2022, the Council's loan portfolio had an average rate 2.32% with the General Fund Loans average rate of 1.43% and HRA average rate of 3.36%. Although new borrowing, in the form of PWLB loans and local authority temporary loans, has been taken during the year, by using internal resources in lieu of some borrowing, loan interest costs for the year totalled £7.9m, avoiding additional interest costs of approximately £1.8m that would have been incurred otherwise. During the year there was £5.8m of naturally maturing longer term debt and £45m of local authority short-term borrowing maturities.

Investment Activity

82. The table below shows day-to-day operational treasury balances investment balances on 31st March 2022. The weighted average balance of these investments over the year was £70.8m.

Table 11: Investments Balances

Investments	Balance on 31/03/2022 £m	Balance on 31/03/2021 £m
Current Account	1.00	4.50
Call Accounts	0.00	6.50
Money Market Funds	32.70	21.70
Short Term Deposits	34.00	0.00
Total Investments	67.70	32.70
Average Rate % Received	0.09%	0.07%

83. In addition to the day-to-day operational treasury deposits, in April 18 £15m was placed in three long-dated strategic pooled funds (£5m in each), the Council continued to have holdings in these funds as part of the investment portfolio throughout 21/22. The strategic pooled funds have a 3-5 year investment horizon with dividends being distributed periodically. In 2021/22 dividends received from these strategic pooled funds totalled £388k.
84. During the second half of 21/22 tighter UK and US monetary policy and higher interest rates, and the military invasion of Ukraine by Russia in February, triggered significant volatility and uncertainty in financial markets, resulting in a decrease of fair value on these funds of £756k (£447k since inception). However, the long investment horizon should mitigate fluctuations in fair value over the life of the asset.
85. Security of capital remained the Council's chief investment objective and this was maintained by following the Council's counterparty policy as set out in its Treasury Management Strategy Statement for 2021/22. Investments during the year included deposits with the Debt Management Office as well as investments in AAA-rated Money Market Funds and Pooled Funds. In addition, instant access balances were held with UK Banks within the Council's counterparty limits. All bank placements held a minimum or higher credit rating of A- for UK counterparties.
86. **Credit Risk:** Counterparty credit quality was assessed and monitored with reference to credit ratings (Council's minimum long-term counterparty rating of A- across all three rating agencies, Fitch, Standard & Poor's and Moody's). However, reliance does not rest solely with these agencies and are augmented by use of market/economic information, media updates and intelligence from the Council's Treasury Advisors. With the introduction of the Banking Reform Act in January 2015 the Council aims to minimise its exposure to bail-in risk by utilising bail-in exempt instruments and institutions whenever possible. However, with average balances being lower than historic levels and a proportion of those monies being COVID 19 grants with imminent payments, funds need to be held in instant access facilities to manage daily cashflow. It is therefore not possible to protect Council funds from bail-in risk. At the end of March, 50% of the Council's day-to-day operational treasury investments had exposure to bail-in risk compared to a March benchmark average of 60% 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.

87. **Liquidity:** In keeping with DLUHC's Guidance on Investments, the Council maintained a sufficient level of liquidity through the use of Money Market Funds, targeted maturity deposits and the use of instant access call accounts.
88. **Yield:** The Council sought to optimise returns commensurate with its objectives of security and liquidity. Bank Rate was 0.10% at the beginning of the reporting period. April and May saw the economy gathering momentum as the shackles of the pandemic restrictions were eased. Despite the improving outlook, market expectations were that the Bank of England (BOE) would delay rate rises until 2022. Rising, persistent inflation changed that and in December Base Rate was increased to 0.25%. The BOE hiked it further to 0.50% in February when the Monetary Policy Committee (MPC) also voted unanimously to start reducing the stock of its asset purchase scheme by ceasing to reinvest the proceeds from maturing bonds as well as starting a programme of selling its corporate bonds. In its March interest rate announcement, when Base Rate was increase again to 0.75%, the MPC noted that the invasion of Ukraine had caused further large increases in energy and other commodity prices, with the expectation that the conflict will worsen supply chain disruptions around the world and push CPI inflation to around 8% later in 2022, even higher than forecast only a month before in the February Monetary Policy Report.
89. During 2021/22 short-term money was placed in instant access accounts and short-term deposits with the DMADF to ensure liquidity was maintained. Rates payable on these activities were comparable with other medium-term duration deposit options and so there was no opportunity cost in keeping cash liquid, which resulted in an average return on Investments of 0.09%
90. Returns from Strategic Pooled Funds during 21/22 yielded 2.59%, which significantly enhanced investment income for the year.
91. All investments made during the year complied with the Council's agreed Treasury Management Strategy, Treasury Indicators, Treasury Management Practices and prescribed limits. Maturing investments were repaid to the Council in full and in a timely manner.

Compliance

92. The Council can confirm that it complied with the Treasury Indicators for 2021/22, set in February 2021 as part of the Council's Treasury Management Strategy. The levels of debt were measured on an ongoing basis during the year for compliance with the Authorised Limit of £544.8m and the Operational Boundary of £509.8m, the former being somewhat higher to allow for fluctuations in cash-flow. The Council maintained its total external borrowing and other long-term liabilities within both limits; at its peak this figure was £355.06.

Table 12: Maturity Structure of borrowing:

	Upper limit %	Lower limit %	Actual Borrowing as at 31/3/2022 (£m)	Percentage of total as at 31/3/2022
Under 12 months	50	0	88.17	24.71%
12 months and within 24 months	50	0	33.17	9.29%
24 months and within 5 years	50	0	34.50	9.67%
5 years and within 10 years	100	0	53.83	15.09%
10 years and within 20 years	100	0	70.57	19.78%
20 years and within 30 years	100	0	0.0	0.00%
30 years and within 40 years	100	0	28.60	8.01%
40 years and within 50 years	100	0	39.00	10.93%
50 years and above	100	0	9.00	2.52%

93. For 2021/22 the Treasury Indicator which limits principal sums invested for periods longer than 364 days was set at £35m. As at the end of 21/22 the £15m held in Strategic Pooled Funds fall into this category of investments.
94. Non-treasury related Prudential Indicators are included in Appendix A2.

Other

95. IFRS 16: The implementation of the new IFRS 16 Leases accounting standard was due to come into force for local authorities from 1st April 2022. Following a consultation CIFPA/LASAAC announced an optional two-year delay to the implementation of this standard a decision which was confirmed by the Financial Reporting Advisory Board in early April 2022. Authorities can now choose to adopt the new standard on 1st April 2022, 1st April 2023 or 1st April 2024.

Appendix A1 - Transformation Capitalisation Schedule

Portfolio	Savings Description	Savings			Transformation Costs
		2021/22 £'000	2022/23 £'000	Total £'000	2021/22 £'000
Public Safety and Transport	BID Review of Parking	(150)	0	(150)	28
Public Safety and Transport Total		(150)	0	(150)	28
Corporate Services and Transformation	Review of Contact Centre Operating Model	(513)	0	(513)	122
	Review of Business Support Operating Model	(320)	0	(320)	23
Corporate Services and Transformation Total		(833)	0	(833)	145
Cross-Cutting	Future BID Reviews / RPA DSG Safety Valve*	(162)	(500)	(662)	800 452
Cross-Cutting Total		(162)	(500)	(662)	1,252
Other Savings Cross-Cutting Support for Service Transformation / BID Programme		(9,271)	(10,147)	(19,418)	1,783
Grand Total		(10,416)	(10,647)	(21,063)	3,208

*£10,978k of savings in relation to agreeing the Safety Valve Agreement for the DSG as set out in February Cabinet

Non-Treasury Prudential Indicators 2021/22

1 Estimated and Actual Capital Expenditure

	2021/22 Estimated £m	2021/22 Outturn £m
General Fund	73.6	43.2
HRA	52.5	35.0
Total	126.1	78.2

2 Estimated and Actual Ratio of Financing Costs to Net Revenue Stream

	2021/22 Estimated %	2021/22 Outturn %
General Fund	4	4
HRA	26	26
Total	30	30

3 Capital Financing Requirement

	Estimated (£m) 2021/22	Outturn (£m) 2021/22
General Fund	275.1	248.2
HRA	180.4	163.3
Total	455.5	411.5

The reduction in CFR compared to the estimate is due to the cumulative effect of Capital programme re-phasing of several projects to be funded from future borrowing and Revenue Contributions to repay debt. Some of that re-phasing is due to the impacts of the Covid-19 pandemic and subsequent restrictions imposed by central government. The Council was also able to fund more of its capital programme through early receipt of grants and from Revenue Contributions to Capital.

4 Actual External Debt

As at 31/03/2022	£m
Borrowing	356.84
Other Long-term Liabilities	0.22
Total	357.06

Appendix A3 – General Fund Capital Programme Breakdown

Prior Years Cost	Project	2021/22 Revised Budget	2021/22 Outturn	2021/22 Variance	2021/22 Project Financed by:		
					Council Resources	Government Grants	Other Cont'ns
£'000		£'000	£'000	£'000	£'000	£'000	£'000
	Environment, Housing & Regeneration						
97	Shopping Parades Initiative	547	344	(203)	289	40	15
8,469	Hayes Town Centre Improvements	1,155	693	(462)	152		541
2,028	Uxbridge Change of Heart	60	0	(60)			
	Families, Education and Wellbeing						
20,279	Secondary Schools Expansions	6,852	6,749	(103)	6,039	695	15
0	Additional Temporary Classrooms	1,000	0	(1,000)			
1,879	Schools SRP/SEND	1,365	2,329	964	1,076	1,253	
16,388	New Primary Schools Expansions	12	22	10	22		
0	Meadow School	240	241	1	241		
	Property and Infrastructure						
1,374	New Yiewsley Leisure Centre	2,450	451	(1,999)	451		
	Motor Vehicle Workshop	50	17	(33)	17		
789	Hillingdon Water Sports Facility	6,000	676	(5,324)			676
101	Cranford Park Heritage Lottery Project	450	88	(362)	6		82
0	New Museum	1,275	0	(1,275)			
1,255	Yiewsley/West Drayton Comm Centre	721	706	(15)	706		
242	Uxbridge Mortuary Extension	480	873	393	873		
276	Battle of Britain Underground Bunker	250	42	(208)	42		
10,142	Housing Company Financing	8,000	0	(8,000)			
255	Yiewsley Site Development	230	352	122	352		
8	Refurbishment of Asha Day Centre	44	18	(26)	18		
161	Battle of Britain Centre Enhancements	100	0	(100)			
2,556	Cedars & Grainges Car Park Works	115	3	(112)	3		
66,299	Total Major Projects	31,396	13,604	(17,792)	10,287	1,988	1,329

Prior Years Cost	Project	2021/22 Revised Budget	2021/22 Outturn	2021/22 Variance	2021/22 Project Financed by:		
					Council Resources	Gov't Grants	Other Cont'ns
£'000		£'000	£'000	£'000	£'000	£'000	£'000
	Finance						
N/A	Purchase of Vehicles	3,821	3,182	(639)	2,695	487	
	Public Safety and Transport						
N/A	Highways Structural Works	10,471	8,996	(1,475)	8,826		170
N/A	Street Lighting Replacement	720	551	(169)	551		
N/A	Road Safety	228	31	(197)	31		
N/A	Car Park Pay & Display Machines	35	0	(35)			
N/A	CCTV Programme	568	445	(123)	445		
N/A	HS2 Road Safety Fund	611	39	(572)			39
N/A	Transport for London	4,056	754	(3,302)			754
N/A	Emergency Active Travel	43	0	(43)			
N/A	Highways Section 106 Projects	139	33	(106)			33
	Corporate Serv & Transformation						
N/A	Corporate Technology and Innovation	1,574	1,035	(539)	925		110
N/A	Older Peoples Initiative	200	57	(143)	57		
	Environment, Housing & Regen						
N/A	Chrysalis Programme	1,613	1,353	(260)	1,344		9
N/A	Environmental Initiatives	810	193	(617)	127		66
N/A	Green Spaces Section 106 Projects	258	129	(129)	0		129
N/A	PSRG / LPRG	62	27	(35)	24	3	
N/A	Homeless Provision	40	0	(40)			
N/A	Playground Replacement Programme	166	0	(166)			
	Families, Education and Wellbeing						
N/A	Youth Provision	900	60	(840)	60		
N/A	Devolved Capital to Schools	1,460	1,460	0		377	1,083
	Health and Social Care						
N/A	Equipment Capitalisation - Social Care	2,359	2,209	(150)		2,209	
	Property and Infrastructure						
N/A	Libraries Refurbishment Programme	468	393	(75)	301		92
N/A	Bowls Clubs Programme	125	56	(69)	56		
N/A	Sports Clubs Rebuild / Refurbishments	600	1	(599)	1		
N/A	Property Works Programme	2,634	1,259	(1,375)	1,105	36	118
N/A	Civic Centre Works Programme	1,928	1,285	(643)	1,285		
N/A	Leisure Centre Refurbishment	2,404	557	(1,847)	557		
N/A	School Building Condition Works	3,322	1,067	(2,255)		756	311
N/A	Harlington Road Depot Improvements	555	252	(303)	252		
N/A	Disabled Facilities Grant	2,146	998	(1,148)		888	110
N/A	Schools Pollution Screening	557	157	(400)			157
	Total Programme of Works	44,873	26,579	(18,294)	18,642	4,756	3,181

Appendix A4 – HRA Capital Programme Breakdown

Prior Year Cost	Project	2021/22 Revised Budget £'000	2021/22 Actual £'000	2021/22 Variance £'000	2021/22 Project Financed by:		
					Capital Receipts £'000	HRA Revenue Contributions £'000	Grants £'000
	Property and Infrastructure						
6,895	Acol Crescent	53	32	(21)		32	
321	Maple and Poplar	3,106	37	(3,069)			37
2,341	Willow Tree	490	134	(356)	54	80	
73	34-44 Sullivan Crescent	38	13	(25)	5	8	
864	Nelson Road	1,076	623	(453)	249	374	
48	Petworth Gardens	50	9	(41)	3	6	
45	113-127 Moorfield Road	915	636	(279)		551	85
422	Woodside Day Centre	359	144	(215)		144	
14,641	Parkview	317	312	(5)	125	187	
2,507	Extensions/Conversions	0	21	21	8	13	
4,757	Acquisition of freehold land TCM House	3,882	3,413	(469)	1,365	2,048	
556	Acquisition of 2 units at 191 Harefield Road	28	11	(17)	5	6	
3,550	Acquisition of 9 new build homes at 253 Park Road	186	(108)	(294)	(43)	(65)	
3,258	Acquisition Coleridge Way	0	(145)	(145)	(58)	(87)	
5,671	Acquisition of 17 new build homes over 3 sites	0	(268)	(268)	(107)	(161)	
0	Hayes Estate Regeneration	3,743	2,884	(859)		2,884	
0	Hayes Estate Leaseholder Buybacks	11,400	3,680	(7,720)		3,680	
0	Packet Boat House Buybacks	2,300	1,206	(1,094)	482	724	
0	Loft Extensions	600	154	(446)		154	
0	Rough Sleepers Accommodation	5,350	366	(4,984)		19	347
0	Acquisitions and Internal Developments	6,641	4,385	(2,256)	1,754	2,631	
45,949	Total Major Projects	40,534	17,538	(22,996)	3,842	13,227	469

PART B: FINANCIAL RECOMMENDATIONS

That the Cabinet:

- a. 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. Prologis DC7.5 - £17,500
 - b. 1 The Square - £20,000
 - c. Compass Centre - £67,000
 - d. Squirrels Trading Estate - £40,000
 - e. COMAG - £32,000
- b. Approve the proposed fees and charges for the Council's 2022 FIESTA Summer Holiday provision for young people outlined below.
- c. Accept HS2 Amenity Fund £313k grant for improvements to mitigate the impacts of the HS2 project in areas affected by the construction works.
- d. Approve a contribution of £25k to the Mayor's Charity from revenue generated from sales of resident deposits at textile banks within the authority.
- e. Approve a total £237.5k allocation facilitating future roll-out of the successful Ward Budget initiative.

Reasons for recommendation

96. **Recommendation 2a** 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 2a** seeks authority from Cabinet to approve the acceptance of £176,500k in relation to four major developments.
 - a. Prologis DC7.5 - £17,500
 - b. 1 The Square - £20,000
 - c. Compass Centre - £67,000
 - d. Squirrels Trading Estate - £40,000
 - e. COMAG - £32,000
97. **Recommendation 2b** FIESTA prices have remained unchanged since 2004, with consistent high demand for places demonstrating the low price compared with similar offers in the private sector. **Recommendation 2b** proposes to increase Resident fees by £1.50 per day for a 6-hour day, weeklong multi-activity course. Due to the low take up of Non-Resident fees (2 places in 2021), it is not proposed to uplift these rates. The revised fee schedule is shown in Appendix A.

98. **Recommendation 2c** proposed to accept HS2 funding for two projects from the HS2 Amenity Fund. These are a £182.5k grant to transform the pedestrian experience for local residents at two bridges along the HS2 route (South Ruislip and Ruislip Gardens) through public art with additional lighting enhancements at Ruislip Gardens, and secondly £131k grant to facilitate much improved access to open green space and countryside for residents by improving four popular footpaths in Harefield, Ickenham and Ruislip, facilitating off-road walking and cycling throughout the year.
99. **Recommendation 2d** seeks approval to contribute £25k from income generated from the sale of textiles that residents have deposited in textile banks located within the borough.
100. **Recommendation 2e** seeks approval to allocate £237.5k to the Ward Budget initiative. From 2022 onwards each of the new 21 wards have been allocated £5k per ward plus £2.5k for each elected representative for the ward i.e., an allocation of £7.5k, £10k to a maximum £12.5k for those wards with the highest population density, following the Local Government Boundary Commission's recommendations and as implemented for the May 2022 council elections. The initiative is administered directly by the Community Engagement & Town Centre Improvements team. All proposals submitted directly by Ward Councillors will be formally approved by the Cabinet Member for Corporate Services. Any funding required to increase Ward Budgets to these levels will be funded from the existing Earmarked Reserve for Ward Budgets.

Appendix A

FIESTA - Revised Fee Schedule:

FIESTA Summer 2022 Proposed Programme	Number of Courses	Course Length (days)	Hours per day	Number of Places	Of which: Fee paying	Of which: HAF funded	2021 Fees		Proposed 2022 Fees	
							Resident	Non-Resident	Resident	Non-Resident
Summer Fun	10	5	6	600	300	300	£32.50	£125.00	£40.00	£125.00
Big Summer	4	5	6	240	120	120	£32.50	£125.00	£40.00	£125.00
Netball	3	5	5	40	20	20	£32.50	£125.00	£40.00	£125.00
SEND Musical Theatre Week	2	5	5	30	14	16	£32.50	£150.00	£40.00	£150.00
Cricket	7	5	3	120	60	60	£20.00	£75.00	£24.00	£75.00
Basketball	2	5	4	60	28	32	£20.00	£75.00	£24.00	£75.00
Tennis	1	5	2	30	14	16	£20.00	£75.00	£24.00	£75.00
Street Magic	4	1	6	30	14	16	£15.00	£52.50	£18.00	£52.50
Mini Tennis	3	5	2	188	94	94	£15.00	£52.50	£18.00	£52.50
Safer Cycling Award	3	4	2.5	20	10	10	£15.00	£52.50	£18.00	£52.50
Clowning around - What to be a Clown	2	1	6	60	30	30	£15.00	£52.50	£18.00	£52.50
Emergency First	2	1	6	30	15	15	£15.00	£52.50	£18.00	£52.50
Paediatric First Aid	2	1	6	30	14	16	£15.00	£52.50	£18.00	£52.50
Total	45			1478	733	745				