

COUNCIL BUDGET - 2022/23 REVENUE AND CAPITAL MONTH 9 BUDGET MONITORING

Cabinet Member	Councillor Martin Goddard
Cabinet Portfolio	Cabinet Member for Finance
Officer Contact	Andy Evans, Corporate Director of Finance
Papers with report	None

HEADLINES

Summary	<p>This report provides the Council's forecast financial position and performance against the 2022/23 revenue budget and Capital Programme.</p> <p>A net in-year underspend of £82k is reported against General Fund revenue budget normal activities as of December 2022 (Month 9). Unallocated reserves are projected to total £26,801k at 31 March 2023. This headline position is a favourable movement of £21k to that reported to Cabinet for October 2022 (Month 7).</p> <p>COVID-19 pressures for the 2022/23 financial year are projected to total £14,888k at Month 9, a small adverse movement of £166k, with this position being £3,597k higher than budgeted in February 2022 and therefore being funded from Earmarked Reserves held for this purpose.</p> <p>Exceptional inflationary pressures are being managed from funds set aside to manage this area of risk, with permanent provision for those inflationary pressures which have emerged to be factored into the draft 2022/23 budget being considered at this meeting of Cabinet. The latest positions on other funds and the Capital Programme are detailed within the body of this report.</p>
Putting our Residents First Delivering on the Council Strategy 2022-2026	<p>This report supports our ambition for residents / the Council of: <i>An efficient, well-run, digital-enabled council working with partners to deliver services to improve the lives of all our residents</i></p> <p>This report supports our commitments to residents of: <i>A Digital-Enabled, Modern, Well-Run Council</i></p> <p>It is also an important element monitoring the Council's Medium Term Financial Plan.</p>
Financial Cost	N/A
Select Committee	Finance & Corporate Services
Relevant Ward(s)	All

RECOMMENDATIONS

That the Cabinet:

1. Note the budget monitoring position and treasury management update as at December 2022 (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 24 February 2022 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 £14,888k are projected in relation to the legacy impacts of the COVID-19 pandemic and the ongoing financial impacts facing the Council in 2022/23, with £9,784k added to Service Operating Budgets to cover ongoing financial pressures from the pandemic and a further £1,507k one-off items in respect of pandemic driven Collection Fund losses in the Council's budget approved by Council in February 2022, with the remaining £3,597k being driven by new and emerging pressures relating to the ongoing impact of the pandemic on demand for, and delivery of, local services.
6. With no further Central Government funding being available to ongoing COVID-19 pressures, the Council is carrying a remaining balance of funding of £4,302k, alongside local funds of £6,868k. Including the Service Operating Budgets for pandemic related pressures of £9,784k, this gives scope to fund reported pressures of £14,888k for the 2022/23 financial year and leaves reserves at £1,660k by the 31 March 2023. With £1,535k of this already committed in the Council's budget strategy, the remaining balance of £125k leaves limited headroom to manage ongoing impacts above those already factored into Service Operating Budgets.
7. As the country faces unprecedented inflationary pressures, the Council will need to deploy specific earmarked reserves to mitigate the in-year pressures that are anticipated to arise throughout the year, with actual inflation rates expected to exceed the sums built into the Council's budget strategy. Pressures continue to be monitored in the Month 9 refresh of the Council's position, with the pay award, energy, fuel and contracted services in Social Care driving the bulk of the Council's inflationary pressures. A number of additional cost control measures are being implemented in-year to mitigate against these exceptional inflationary pressures, with an allowance for the residual requirement captured in the budget proposals for 2023/24 being considered on this agenda.
8. The Council continues to work closely with suppliers of contracted services to ensure that the costs incurred by the Council reflect current market prices and that suppliers are compensated for increased costs, whilst also recognising that some increases may be temporary. The update on the energy cap announced in the Autumn Statement continues to support the Council for the remainder of the financial year, with some recent stabilisation in fuel costs helping to mitigate some of this pressure. It remains an ongoing area of risk which will continue to be closely monitored and managed.
9. With the pay award for 2022/23 now agreed, the Council can confirm that the increase is higher than anticipated when the budget was set in February 2022, albeit with this pressure now being partly offset by an in-year reduction in National Insurance contributions from the reversal of the Social Care Levy.
10. After allowing for the ongoing impact of the pandemic and the significant inflationary pressures facing the country which are to be funded from releases from Earmarked Reserves, an underspend of £82k is projected across General Fund budgets at Month 9, with this

position being driven by a favourable variance from the Council's Treasury activities offsetting pressures within Children's & Young People's Services, Housing and reported pressures within the Planning service area. This position will result in unallocated General Balances totalling £26,801k at 31 March 2023.

11. The position reported has led to a £21k favourable movement on the position presented for Month 7, with a favourable position being reported against Finance driven by improvements within the Council's Treasury position, with this position netted down by an adverse movement against Adult Social Care placement costs and increased financial pressures within Housing as a result of increased demand for homelessness services. Furthermore, funding for Asylum Seekers from the Home Office is failing to keep pace with increased costs in this area, however, these pressures have been funded through the use of Earmarked Reserves.
12. Within this position, £11,251k of the £13,346k savings planned for 2022/23 are banked or on track for delivery in full by 31 March 2023, with £2,095k or 16% tracked as being at an earlier stage of implementation. Where slippage in savings delivery is expected this has been factored into the reported monitoring position, with the full £13,346k savings expected to ultimately be delivered in full.
13. Within the Collection Fund, a surplus of £436k is reported at Month 9, representing a favourable movement of £24k from Month 7, with the surplus as a result of a favourable position within Business Rates from an increase in the Council's rating list above the budgeted position approved by Council in February 2022, offset by a slower than budgeted growth in Council Tax, believed to be linked to a slowing down in the construction industry due to the impacts of inflation and economic conditions on the viability of development. This position is compounded by an adverse position reported against Council Tax Support as demand falls at a slower rate than originally forecast with demand for this service likely to be further impacted by the cost-of-living crisis.
14. The Collection Fund position has high exposure to both COVID-19 legacy impacts and current economic conditions, which have the potential to significantly affect the finances of individual households and businesses, and therefore this remains an area under close review. Variances against the Collection Fund do not directly impact upon the 2022/23 monitoring position, but instead this current variance as at Month 9 will be factored into the Council's budget proposals for the forthcoming year, with any variances from Month 10 to outturn not impacting until 2024/25 with resulting impacts on MTFE forecasts.

GENERAL FUND CAPITAL

15. As at Month 9 an under spend of £14,416k is reported on the 2022/23 General Fund Capital Programme of £69,367k, due mainly to re-phasing of project expenditure into future years. The forecast outturn variance over the life of the 2022/23 to 2026/27 programme is an under spend of £4,004k. General Fund Capital Receipts of £4,455k are forecast for 2022/23 after financing DSG safety valve agreement costs and transformation. Total capital receipts are forecast to be £3,465k below the income target of £81,414k for the five years to 2026/27. Overall, Prudential Borrowing required to support the 2022/23 to 2026/27 capital programmes is forecast to be under budget by £743k.

SCHOOLS BUDGET

16. The Dedicated Schools Grant (DSG) monitoring position is an in-year overspend of £6,210k at month 9, compared to the revised budgeted deficit of £5,486k, representing a pressure of £724k and an adverse movement of £181k from month 7. 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 combination with inflationary pressures across the sector. When the £23,522k deficit brought forward from 2021/22 is taken into account, along with the second payment of Safety Valve funding and local authority contribution, the cumulative deficit carry forward to 2023/24 is £21,982k. This remains an area of significant activity to manage out the structural deficit on this account.

HOUSING REVENUE ACCOUNT

17. The Housing Revenue Account (HRA) is currently forecasting a favourable variance of £68k compared to the budget and a favourable movement of £17k on Month 7. The 2022/23 closing HRA General Balance is forecast to be £15,085k. The use of reserves is funding investment in new housing stock. An underspend of £7,834k is projected on the £75,131k 2022/23 HRA Capital Programme, primarily due to re-phasing of projects continuing into future years.

FURTHER INFORMATION

General Fund Revenue Budget

18. As noted above and presented in the table below, a £82k underspend is projected across the General Fund at Month 9, with the following section of this report providing further information on an exception basis. This position is predicated on the deployment of sums from Earmarked Reserves, which have been set aside for these purposes, to manage inflationary and COVID-19 pressures. In order to manage this call on reserves, a number of initiatives are underway to reduce costs and mitigate the impacts wherever possible. General Fund Balances are expected to total £26,801k at 31 March 2023 as a result of the forecast position detailed above. This position keeps balances within the recommended range 2022/23 of £20,000k to £39,000k as approved by Cabinet and Council in February 2022.

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	254,456	254,374	(82)	(61)	(21)
General Contingency	500	500	0	0	0
Unallocated Budget Items	(3,909)	(3,909)	0	0	0
Sub-total Expenditure	251,047	250,965	(82)	(61)	(21)
Corporate Funding	(251,047)	(251,047)	0	0	0
Total Net Expenditure	0	(82)	(82)	(61)	(21)
Balances b/fwd	(26,719)	(26,719)			
Balances c/fwd 31 March 2022	(26,719)	(26,801)			

Service Operating Budgets

19. Service Operating Budgets represent the majority of the Council's investment in day-to-day services for residents. With the cessation of Government funding towards the pandemic, the Council increased Service Operating Budgets by £9,784k to fund the ongoing impacts from COVID-19, these budgeted costs are therefore reported on an exception basis within these budgets by Cabinet Portfolio below. A further £1,507k was included within the Corporate Funding budget to meet one-off reductions in the Council's funding driven by impacts on Council Tax and Business Rates from the pandemic. Any new and emerging pressures are being reported on below under the COVID-19 section of the report. 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 are 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, Highways & Transport	Expenditure	19,982	19,988	6	(103)	109
	Income	(8,950)	(9,092)	(142)	(35)	(107)
	Sub-Total	11,032	10,896	(136)	(138)	2
Finance	Expenditure	137,262	137,356	94	275	(181)
	Income	(111,857)	(112,291)	(434)	(421)	(13)
	Sub-Total	25,405	25,065	(340)	(146)	(194)
Corporate Services	Expenditure	27,022	27,159	137	126	11
	Income	(1,633)	(1,800)	(167)	(161)	(6)
	Sub-Total	25,389	25,359	(30)	(35)	5
Residents' Services	Expenditure	64,851	67,408	2,557	2,009	548
	Income	(34,986)	(37,174)	(2,188)	(1,732)	(456)
	Sub-Total	29,865	30,234	369	277	92
Children, Families & Education	Expenditure	76,664	77,561	897	929	(32)
	Income	(22,615)	(23,348)	(733)	(731)	(2)
	Sub-Total	54,049	54,213	164	198	(34)
Health & Social Care	Expenditure	136,472	137,242	770	1,312	(542)
	Income	(27,756)	(28,635)	(879)	(1,529)	650
	Sub-Total	108,716	108,607	(109)	(217)	108
Total Service Operating Budgets		254,456	254,374	(82)	(61)	(21)

20. Within the Council budget there is a Managed Vacancy Factor across the board of 3.5%, or £4,000k 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 2022/23, with post-level establishment controls providing a key mechanism for managing workforce costs at the organisational level.
21. The Council budgeted for a pay award in 2022/23 of 2%, however, due to the exceptional inflationary environment, the agreed pay offer exceeds this sum and equates to approximately 5.9% with an allowance being in place to meet this additional uplift in the Council's workforce expenditure after factoring in the reduction in National Insurance announced as part of the Chancellor's latest measures. This increase will be funded by the Council's identified earmarked reserve for exceptional inflationary pressures above Council's approved budget.
22. As can be seen from the table above, the net £82k underspend across Service Operating Budgets represents the cumulative effect of a number of variances which are briefly outlined below by Cabinet Portfolio:
- a. **Property, Highways & Transport** – A net underspend of £136k is forecast for the portfolio, with the variance being driven by staffing underspends from a number of

vacant posts across the Operational Assets and Planning & Regeneration services, with income forecasting a £142k favourable position. The minor £2k adverse movement in this portfolio is driven by a £109k increase in expenditure offset by £107k increase in income due to nature of property service with increased costs attracting additional income as a result of recharges.

- b. **Finance** – A net underspend of £340k is reported at Month 9 with a £194k improvement from Month 7, with the subjective variances being driven by additional costs incurred by the Finance service as they deliver Government directed programmes such as the Council Tax Energy Rebate, which are offset by Government funding. The movement in this position is predominantly driven by the Council's Treasury activity as the Council has been able to delay borrowing due to the timing of Business Rates payments to the Government, with further underspends within the Treasury position being driven by a favourable variance within the Capital Programme at outturn 2021/22.
- c. **Corporate Services** – a net underspend of £30k is reported, with the underspend being driven by a number of small variances within the staffing position due to vacancies, with the most material being Human Resources. The movement from Month 9 is a minor adverse movement of £5, with this being driven by a number of minor updates, with the most significant being an increase in spend on the Legal service area, offset by reduced spend within Human Resources.
- d. **Residents' Services** – a net overspend of £369k is forecast representing an adverse movement of £92k from Month 7, with the large subjective variances being driven by the Housing service where high levels of demand are being partly mitigated through a combination of increased rental income and Government support targeting homelessness and rough sleeping, with the adverse movement being driven by the exceptional demand being experienced in the current financial year. The net overspend is being driven by the high costs of temporary accommodation in the homelessness services to meet this demand and a reduction in parking income in the early part of the financial year. The adverse movement in Month 9 is largely driven by the continuation of this increased demand in Housing.
- e. **Children, Families & Education** – an overspend of £164k is being reported within this portfolio, with a favourable movement of £34k from Month 7. Additional income is being achieved from a number of sources including Government grant income for schools' attendance and exclusions and FGM support. This is being offset by increased costs, predominantly driven by additional demand for Children's Social Care, including support for Looked After Children and expenditure associated with the delivery of functions funded by the additional grant income. The subjective movements relate to additional resource being used to work on the Schools budget recovery plan offset by funding from the Department for Education to contribute towards this work. Within this portfolio, Home Office funding for Asylum Seekers is failing to keep pace with the cost of supporting this group, however, this has been partly mitigated through the use of earmarked reserve funding to support the shortfall.

- f. **Health & Social Care** – an underspend of £109k is reported for this portfolio, with an adverse movement of £108k from Month 7. The subjective variances are largely being driven by increased demand for Adult Social Care services, with expenditure variances related to the additional cost of direct care provision with increased income associated with contributions from Health and the associated client contributions. The movement in this area is largely driven by reductions in staff costs due to delays in recruitment and a review of the use of casual staff, with an adverse movement reported against income due to a decline in Health funding towards care provision.

Transformation

23. 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 being funded from this resource. Current projections include £5,817k for such costs, which will increase over the coming months as work progresses on delivery of the transformation programme, with all such costs subject to a specific funding strategy. It is anticipated that these pump priming costs will be financed from a combination of Capital Receipts and Earmarked Reserves.

Progress on Savings

24. The savings requirement for 2022/23 is £10,647k, furthermore, there are savings of £2,699k brought forward from 2021/22, which gives an overall total of £13,346k reported below. The savings being reported as undelivered in 2021/22 (£2,699k) were directly attributable to the COVID-19 pandemic as the Council continued to need to redirect resources to manage the pandemic for a further year. This value has been added to the budgeted savings agreed as part of the 2022/23 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
Cabinet Member for Property, Highways & Transport	(187)	(96)	(330)	0	0	(613)
Cabinet Member for Finance	(375)	(50)	(100)	0	0	(525)
Cabinet Member for Corporate Services	(446)	(1,428)	(68)	0	0	(1,942)
Cabinet Member for Residents' Services	(1,611)	(2,875)	(774)	0	0	(5,260)
Cabinet Member for Children, Families & Education	0	(1,613)	(323)	0	0	(1,936)
Cabinet Member for Health and Social Care	0	(1,696)	0	0	0	(1,696)
Cross-Cutting	(874)	0	(500)	0	0	(1,374)
Total 2022/23 Savings Programme	(3,493) 26%	(7,758) 58%	(2,095) 16%	0 0%	0 0%	(13,346) 100%
Month on Month Movement	(734) 5%	(3,513) 26%	3,261 -24%	986 -7%	0 0%	0 0%

25. As of Month 9, £3,493k (26%) of the savings programme has already been banked, with a further £7,758k (58%) being reported as delivery in progress and £2,095k (16%) in the early stages of delivery which are ultimately expected to be delivered in full. The £986k saving relating to the leisure management fee had previously been reported at Amber II (Potential Problems in Delivery) as the particular impact of the COVID-19 pandemic on this sector presented a material risk to the operating model. Contract negotiations with the Council's leisure management provider have been completed, ensuring this saving is now on track for delivery.
26. Where savings are at risk of not being delivered in full during 2022/23, the associated pressures have been factored into the monitoring position discussed above and offset through compensatory underspends. At this time, it is expected that the full £13,346k will ultimately be delivered in full or replaced with alternative measures in the event of any shortfall.

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			
One-Off Corporate Funding	1,507	1,507	0	0	0
Service Operating Budgets	9,784	9,784	0	0	0
New & Emerging Pressures	0	3,597	3,597	3,431	166
Total Exceptional Items	11,291	14,888	3,597	3,431	166

27. As at Month 9, the Council's budgeted COVID-19 pressures are forecast in line with the set budget, with the above table reporting new and emerging pressures of £3,597k. The below section provides an update on these reported pressures.

- a. One-Off Corporate Funding - £1,507k is built into the Council's approved budget to fund prior year losses in collection of both Business Rates and Council Tax as these funding streams have a long tail of recovery from the pandemic.
- b. Service Operating Budgets – The Council funded an additional £9,784k of pandemic related costs within Service Operating Budgets in 2022/23, with additional demand from the pandemic forecast to continue into 2022/23 for the following services:
 - i. £4,622k for Adult Social Care
 - ii. £2,165k for Children's Social Care
 - iii. £771k for the Council Tax Reduction Scheme
 - iv. £600k for SEND Transport
- c. Furthermore, £1,626k was added to Fees & Charges budgets in recognition that demand for some services would recover to pre-pandemic levels at a slower rate or may recover to a lower baseline.
- d. New & Emerging Pressures – The largest element of the reported pressure is being driven by the Council's leisure centres, with an additional pressure of £1,638k as a result of a slower than budgeted recovery in footfall and demand for these services. A further £1,403k is being reported against Parking income as demand continues to be reported below budgeted levels. Children's Social Care are incurring additional costs of £273k as a result of additional demand and delays in court activity. The remaining £283k relates to smaller pressures reported across a number of service areas.
- e. Significant capacity is being committed to containing the risk of growing pressures in key demand-led budgets, including Adults and Children's Social Care, which stem from a combination of the direct impacts of COVID-19 on clients combined with knock-on effects from pandemic-driven pressures in other public services – notably the health service and courts which result in additional client needs being presented and delays in matching support to clients' changing requirements.

28. In addition to the £9,784k of Service Operating Budgets, the Council holds £4,302k of remaining Government funding and a further £6,868k of Local Funds, taking total pandemic related resources to £20,954k. With total pressures for the year forecast at £14,888k and £4,406k being released from the local reserves to fund the increase in service operating budgets, this leaves a balance of £1,660k of funds for new and emerging pressures in 2022/23 and beyond. With £1,535k of this already committed in the Council's budget strategy, the remaining balance of £125k leaves limited headroom to manage ongoing impacts above those already factored into Service Operating Budgets.

Collection Fund

29. A surplus of £436k is reported within the Collection Fund at Month 9, translating into a minor favourable movement of £24k from Month 7. Within the Collection Fund, an adverse position is reported within Council Tax of £3,228k, offset by a favourable position within Business Rates of £3,664k. The pressure in Council Tax is predominantly driven by a reduction in the forecast growth of the taxbase as construction slows down, believed to be linked to inflationary pressures in the sector, 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 2022, with this position believed to be impacted by the cost-of-living crisis. The favourable position within Business Rates is being supported by work carried out by the Council to identify properties missing from the rating list, with a one-off increase in income reflecting backdating billing being sufficient to cover the Council Tax deficit in 2022/23.
30. 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 2023/24 saving requirement and any further updates between Month 10 and outturn impacting on 2024/25. This position therefore will reduce the Council's gross saving requirement by £436k in the next update to the Council's Budget Strategy, which will be reported to February Cabinet.

General Fund Capital Programme

31. As at Month 9 an under spend of £14,416k is reported on the 2022/23 General Fund Capital Programme of £69,367k, due mainly to re-phasing of project expenditure into future years. The forecast outturn variance over the life of the 2022/23 to 2026/27 programme is an under spend of £4,004k. General Fund Capital Receipts of £4,455k are forecast for 2022/23 after financing DSG safety valve agreement costs and transformation. Total capital receipts are forecast to be £3,465k below the income target of £81,414k for the five years to 2026/27. Overall, Prudential Borrowing required to support the 2022/23 to 2026/27 capital programmes is forecast to be under budget by £743k. A full breakdown of the Capital Programme is included in Part A, Appendix A1 and A2.

Capital Programme Overview

32. 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 2022. Projected variance against budget for the 2022/23 financial year are analysed between cost and rephasing, in the case of the latter, budget will only be rolled forward for use in future financial years with the explicit approval of Cabinet.

Table 5: General Fund Capital Programme Summary

	Approved Budget 2022/23	Forecast 2022/23	Cost Variance 2022/23	Project Re-phasing 2022/23	Total Project Budget 2022-2027	Total Project Forecast 2022-2027	Total Project Variance 2022-2027	Move-ment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cabinet Member Portfolio								
Finance	1,281	449	(850)	18	5,226	4,376	(850)	-
Residents	3,516	3,131	(57)	(328)	11,017	10,960	(57)	-
Corporate Services	1,053	843	(165)	(45)	4,461	4,296	(165)	(15)
Children, Families and Education	10,168	5,404	-	(4,764)	29,351	29,351	-	
Health and Social Care	2,359	2,854	495	-	11,795	12,290	495	78
Property, Highways and Transport	49,812	41,092	(2,902)	(5,818)	247,783	244,356	(3,427)	99
Contingency	1,178	1,178	-	-	7,178	7,178	-	
Total Capital Programme	69,367	54,951	(3,479)	(10,937)	316,811	312,807	(4,004)	162
Major Projects	39,247	29,389	(456)	(9,402)	181,200	180,219	(981)	3
Programme of Works	28,942	24,384	(3,023)	(1,535)	128,433	125,410	(3,023)	159
General Contingency	1,178	1,178	-	-	7,178	7,178	-	
Total Capital Programme	69,367	54,951	(3,479)	(10,937)	316,811	312,807	(4,004)	162
Movement	(48,592)	(3,991)	137	44,464	1,180	1,342	162	

33. **Finance:** The Purchase of Vehicles programme reports an under spend of £850k this year as bulk procurement of new vehicles to replace aging stock is planned to commence in 2023/24.

34. **Residents:** The budget includes the Chrysalis Programme, playground refurbishments, existing town centre initiatives and the CCTV programme. A net underspend of £57k is reported under town centres due to discontinuing future shop front grant schemes. Works have commenced to renovate tennis courts sites across Hillingdon following January Cabinet approval of the £270k project and £181k Lawn Tennis Association grant.

35. **Corporate Services:** Underspends of £165k are reported, consisting of uncommitted funding within the Older People's Initiatives budget (£145k) and £20k on completion of a scheme within the Corporate Technology and Innovation programme.
36. **Children, Families & Education:** The Schools SEND programme is underway on several projects to provide additional special needs places, including the expansions of Meadow and Harefield schools. The project is at preconstruction design stage with a main contractor to be appointed. There is considerable inflationary risk in the contract prices for this and other SEND projects to be reported once tendered costs are established.
37. **Health and Social Care:** The capitalisation of social care equipment budget forecast has increased by £78k to £495k due to higher demand levels and price inflation. This is offset by a £631k under spend on Disabled Facilities Grant adaptations. Both budgets are financed by the Disabled Facilities Grant.
38. **Property, Highways & Transport:** A planning application has been submitted for remodelling works at News Year Green Lane Civic Amenity Site to improve materials diversion rates. Works are expected to be £1,000k lower than the original budget estimate and a £200k grant for West London Waste Authority has been secured.
39. Works are nearing completion to extend the Uxbridge mortuary with completion expected in April 2023.
40. December Cabinet approved a virement of £73k from the general capital contingency fund to the Yiewsley and West Drayton Community Centre project to settle the final account with the main contractor and cover additional costs for heating and lighting. This is reflected in the revised budget.
41. An under recovery of £831k is forecast on Transport for London (TFL) grant funding, as the 2022/23 LIP funding award for the year is significantly lower than original budget assumptions which were based on pre-pandemic funding levels.
42. Construction works are in progress on the new West Drayton leisure centre and are currently forecast to be on budget and planned timescales. The works are expected to be completed in May 2024.
43. Following June Cabinet approval of the acquisition of land at Broadwater Lake for the new Hillingdon Water Sports and Activity Centre (HWSAC) site, the legal options agreement with the vendor has been finalised and a planning application is expected to be submitted shortly year, following site surveys.
44. The Civic Centre transformation project has commenced with a number of projects under various workstreams to be implemented in 2023/24.

Capital Financing - General Fund

Table 6: Capital Financing

	Approved Budget 2022/23 £'000	Forecast 2022/23 £'000	Cost Variance £'000	Phasing Variance £'000	Total Financing Budget 2022-2027 £'000	Total Financing Forecast 2022-2027 £'000	Total Variance £'000	Move-ment
Source of Finance								
Capital Receipts	13,327	4,455	(3,138)	(5,734)	81,414	77,949	(3,465)	216
CIL	8,455	9,742		1,287	24,205	24,205	-	
Prudential Borrowing	21,381	21,486	430	(325)	97,578	96,835	(743)	(269)
Total Council Resources	43,163	35,683	(2,708)	(4,772)	203,197	198,989	(4,208)	(53)
Grants & Contributions	26,204	19,268	(771)	(6,165)	113,614	113,818	204	215
Capital Programme	69,367	54,951	(3,479)	(10,937)	316,811	312,807	(4,004)	162
Movement	(48,592)	(3,991)	137	44,464	1,180	1,342	162	

45. In year receipts amount to £1,396k on five sites that have been sold or under exchange at auctions this year. A separate report has been submitted to February Cabinet to authorise the sale of the freehold interest of Brookfield Adult Education Centre which is forecast to be completed by the end of the financial year. The overall forecast is £3,465k lower than budget due in part to recent external valuations on numerous sites in the planned disposals programme, reflecting inflationary costs being experienced in the construction sector and resulting market slowdown. The favourable movement of £216k relates mainly to increased General Fund share of Right to Buy sales.
46. The 2022-23 Community Infrastructure Levy receipts forecast includes £4,742k carried forward from last year to support financing of the new West Drayton leisure centre project. The current year forecast amounts to £5,000k due mainly to a large development commencing this year for which a demand notice has been issued. The medium-term forecast is to budget, reflecting uncertainty in the construction sector as current inflation levels may affect developer activity in the short to medium term. Forecast grants and contributions are broadly in line with the revised budget.
47. The movement in grant financing of £215k partly relates to additional DFG financing of social care equipment and available TFL grant following 2022/23 funding confirmations.

Schools Budget

48. The Dedicated Schools Grant (DSG) monitoring position is an in-year overspend of £6,210k at month 9, compared to the revised budgeted deficit of £5,486k. 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 combination with inflationary pressures across the sector. When the £23,522k deficit brought forward from 2021/22 is taken into account, along with the second payment of Safety Valve funding and local authority contribution, the cumulative deficit carry forward to 2023/24 is £21,982k.

Table 7: DSG Income and Expenditure 2022/23

Funding Block	Month 9		Variance (As at Month 9) £'000	Variance (As at Month 9) £'000	Change from Month 7 £'000
	Revised Budget £'000	Forecast Outturn £'000			
Dedicated Schools Grant Income	(323,969)	(323,969)	0	0	0
Schools Block	250,638	250,638	0	0	0
Early Years Block	22,951	22,951	0	0	0
Central Schools Services Block	3,003	3,016	13	13	0
High Needs Block	52,863	53,574	711	530	181
Total Funding Blocks	5,486	6,210	724	543	181
Balance Brought Forward 1 April 2022	23,522	23,522			
Safety Valve Funding	(3,750)	(3,750)			
Local Authority	(4,000)	(4,000)			
Balance Carried Forward 31 March 2023	21,258	21,982			

Dedicated Schools Grant Income (nil variance)

49. The Early Years block has been adjusted further to reflect actual numbers accessing the free entitlement in the Spring term. There will be further adjustment to the High Needs block allocation following confirmation of the import/export adjustment for 2022/23 which updates funding to reflect the local authority in which pupils with SEND are resident.

Schools Block (nil variance)

50. 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.
51. 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.
52. Schools Forum took the decision to backdate growth contingency for one school in 2021/22 resulting in an overspend in that year. The overspend was ring-fenced in the Schools Block with the expectation that it would be offset by an underspend in 2022/23.

53. 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). £461k was set aside for this purpose, with the actual funding requirement not known until actual numbers on roll are confirmed.

Early Years Block (nil variance)

54. Two-year-old funding was adjusted in July to reflect the number of children accessing the entitlement based on the January 2021 census. The 3 and 4-year-old funding for both the universal and the additional free entitlement has also been adjusted in July following the January 2021 census. This has resulted in an increase of £2,796 in the overall Early Years block funding allocation as the number of children accessing the additional free entitlement has increased significantly over the past year.

Central School Services Block (£13k adverse, nil movement)

55. The published DSG budget allocations confirmed a 20% decrease in the Central School Services Block provided for historic commitments. This resulted in a £170k reduction in funding, though this was partly offset by £84k 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 2022/23. The main budgetary pressure is in the Looked After Children Education Team but there has been a favourable movement in Month 7, which reduced the overspend to £13k, where it remains this month.

High Needs Block (£711k adverse, £181k adverse movement)

56. Whilst there is a good level of confidence that both the Safety Valve conditions and High Needs block savings for the term of the Safety Valve will ultimately be delivered in full or replaced with alternative measures in the event of any shortfall, there is limited scope to contain any increase in High Needs spend, particularly in light of the significantly higher than budgeted levels of inflation for both placement costs and construction. In addition, delays in DfE construction projects to increase sufficiency of placements within the Borough is driving an increase in more costly independent placements, creating additional pressure on the high needs block. These increases in costs from inflation and reliance upon independent placements is driving the £181k adverse movement in Month 9. The position will continue to be monitored as part of the Safety Valve monitoring, to forecast the impact of implemented changes as part of the grant conditions.

Housing Revenue Account

57. The Housing Revenue Account (HRA) is currently forecasting a favourable variance of £68k compared to the budget and a favourable movement of £17k on Month 7. The 2022/23 closing HRA General Balance is forecast to be £15,085k. 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
Rental Income	(61,689)	(61,597)	92	46	46
Other Income	(6,151)	(5,933)	218	4	214
Net Income	(67,840)	(67,530)	310	50	260
Housing Management	16,488	16,893	405	388	17
Tenant Services	4,410	4,482	72	(56)	128
Repairs	6,752	7,355	603	924	(321)
Planned Maintenance	3,372	2,931	(441)	(161)	(280)
Capital Programme Funding	19,694	18,194	(1,500)	(1,500)	0
Interest & Investment Income	16,198	16,198	0	0	0
Development & Risk	1,260	1,743	483	304	179
Contingency					
Operating Costs	68,174	67,796	(378)	(101)	(277)
(Surplus) / Deficit	334	266	(68)	(51)	(17)
General Balance 01/04/2021	(15,351)	(15,351)	0	0	0
General Balance 31/03/2022	(15,017)	(15,085)	(68)	(51)	(17)

58. Rental Income is forecast to under recover by £92k which is an adverse movement of £46k on Month 7. Other Income is forecast to under recover by £218k which is an adverse movement of £214k on Month 9; £116k relates to tenants' and leaseholders' annual charges and £98k relates to ad hoc contributions such as leasehold capital contributions which is dependent on the work completed each year.

59. The number of RTB applications received in the first nine months of 2022/23 was 98 compared to 125 for the same period in 2021/22. There has been 45 RTB completions in the first nine months of 2022/23 compared to 34 for the same period in 2021/22. The RTB applications and sales will be kept under review during the year especially given the current economic conditions. As at Month 9, the 2022/23 RTB sales forecast is 60, which is an increase of 10 compared to Month 7.

60. The housing management service is forecast to overspend by £405k which is an adverse movement of £17k on Month 7. This variance is being driven by increased utility forecasts of £300k which will continue to be monitored during the year given the ongoing volatility in costs of electricity and gas.

61. Tenants' services are forecast to overspend by £72k, an adverse movement of £128k on Month 7 relating to increased utility costs of £100k and agency £28k.
62. The repairs and planned maintenance service is forecasting an overspend at Month 9 of £162k which is a favourable movement of £601k on Month 7. The favourable movement of £321k on repairs is due to a greater share of void works than previously anticipated meeting the threshold for capitalisation. The favourable movement of £280k on planned maintenance relates to a reduction in the painting and decorations service contracts where the works for two of the three lots will be undertaken in 2023/24.
63. As at Month 9 the capital programme funding forecast is an underspend of £1,500k which is no change on the Month 7 position. As at Month 9 the interest and investment income is forecast to breakeven. Although given current economic circumstances this will continue to be closely monitored.
64. The development and risk contingency budgets are forecast to overspend by £483k as at Month 9 which represents an overall adverse movement of £179k on Month 7. This movement consists of the following elements:
 - a. The development and risk contingency budgets include an annual budget for bad debt provision of £660k, against which £910k is forecast to be required. This reflects the overall increase in total arrears; the increase in the number of cases and size of individual debts in the £500+ band; and the increase in debts from current to former tenants' arrears.
 - b. The development and risk contingency budgets also include the Packet Boat House development legal costs which have increased by £318k in the Month 9 forecast to reflect additional work.
 - c. Finally, the repairs contingency has been reduced by £389k given that the majority of costs are capital and relate to the housing regeneration programme.

HRA Capital Expenditure

65. The HRA capital programme is set out in the table below. The 2022/23 revised budget is £75,131k and forecast expenditure is £67,297k with a total variance of £7,834k due mainly to re-phasing of projects continuing into future years. A full breakdown of the HRA Capital Programme is included in Appendix A3.

Table 9: HRA Capital Expenditure

	Revised Budget 2022/23	Forecast 2022/23	Cost Variance 2022/23	Project Re-Phasing 2022/23	Total Project Budget 2022-27	Total Project Forecast 2022-27	Total Project Variance 2022-27	Movement 2022-27
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
HRA Capital Programme								
Major Projects	55,170	49,871	(1,223)	(4,076)	306,627	303,497	(3,130)	(3,288)
Works to Stock programme	15,947	13,661	(958)	(1,328)	136,678	135,720	(958)	(3)
Green Homes Initiatives	1,514	1,665	0	151	22,151	22,151	0	0
Major Adaptations to Property	2,500	2,100	0	(400)	13,936	13,936	0	0
Total HRA Capital	75,131	67,297	(2,181)	(5,653)	479,392	475,304	(4,088)	(3,291)
Movement	(31,066)	(7,642)	(1,384)	24,808		(3,291)	(3,291)	

66. The 2022-23 revised budget has reduced by £31,066k following December Cabinet approval to re-phase budgets into future years for ongoing projects and programmes.
67. The 2022-23 forecast includes significant investment in housing acquisitions including buy backs of former Right to Buy properties, partly financed by external resources such as the GLA Right to Buy Back grant. The 2022-23 forecast reflects an increase in the annual acquisitions cap from 20 units to 37, resulting from the commencement on site of the Maple and Poplar redevelopment, which will provide 34 general needs flats. Works are in progress on the South block, with a revised planning permission required for the North block following design changes.
68. An under spend of £1,967k is forecast on the GLA Ringfenced and Negotiated grant Buy Back scheme partly due to several identified property sales falling through and the time limited nature of the grant to identify new acquisitions by end of March 2023. The Right to Buy Back fund also reports an under spend of £1,320k with uncommitted funding unable to be carried forward into next financial year. There is residual uncommitted funding of £28k on the Rough Sleepers Accommodation Programme grant of £5,350k after fully allocating the grant to acquire 22 units (2 more than original target).
69. Works have completed and handed over at the 5x3 bedroom development at Moorfield Road, Cowley which will be provided as general needs housing. Works at the former garage site on Nelson Road to provide 6 affordable housing units are expected to be handed over in January 2023. A contract variation report has been submitted to Cabinet Members to settle the final account which includes the forecast over spend of £133k resulting from sewer works and contractor expense claims.
70. In January, Cabinet approved the appointment of the main contractor for the Petworth Gardens development and the allocation of £387k to the budget following tenders from the unallocated Acquisitions and Internal Developments budget. Construction works will commence on site shortly.
71. Contract terms have been finalised and approved in respect of the developer partner for the Hayes estates regeneration programme. Bulk purchases of properties from several

registered providers are taking place in 2022/23 and demolitions and groundworks at Avondale estate.

72. The Works to Stock programme 2022/23 is in various stages of progress with works ongoing across the housing estate under numerous workstreams. There is a forecast under spend of £958k on programmes for which the budget is not expected to be committed this financial year. Works are underway on delivering Green Homes Initiatives funded by £1,581k Social Housing Decarbonisation Fund grant which is required to be spent by the end of the financial year. Agreement has been reached to deliver a lower number of units from the total grant due to inflationary pressures on the costs of the scheme.

Table 10: Outstanding Deposits

Period	Actual (£m)	Actual (%)
Call Accounts and MMF's*	39.6	43.85
Up to 1 Month Fixed-Term Deposits	35.7	39.54
Total	75.3	83.39
Strategic Pooled Funds	15.0	16.61
Total	90.3	100.00

*Money Market Funds

73. Deposits are held with UK institutions, all of which hold a minimum A- Fitch (or lowest equivalent) long-term credit rating and AAA rated Money Market funds. UK deposits are currently held in NatWest Bank plc and the DMADF. There is also an allocation to Strategic Pooled Funds.
74. The average rate of return on day-to-day operational treasury balances is 1.69%. As part of the Council's investment strategy for 22/23, 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 the previous six months income average, the overall rate of return increases to 1.92%.
75. 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, 53% of the Council's day-to-day operational treasury investments had exposure to bail-in risk compared to a September benchmark average of 55% 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.
76. Liquidity was maintained throughout December by placing surplus funds in instant access accounts and making short-term deposits in the DMADF. Cash-flow was managed by ensuring deposit maturities with the DMADF were matched to outflows and where required, funds were withdrawn from instant access facilities.

Table 11: Outstanding Debt

Average Interest Rate on Total Debt: 2.90%

Average Interest Rate on Debt Excluding Temporary Borrowing: 3.11%

Average Interest Rate on Temporary Borrowing: 2.00%

	Actual (£m)	Actual (%)
General Fund		
PWLB	83.60	26.01
Long-Term Market	15.00	4.66
Temporary	60.00	18.67
HRA		
PWLB	129.82	40.39
Long-Term Market	33.00	10.27
Total	321.42	100.00

77. There were two scheduled £0.33m EIP debt repayments during December and repayment of temporary loans totalling £35m.
78. Gilt yields moved up significantly during the month, partly due to the increase in base rate of 0.50% from 3.00% to 3.50%. With the Council's long-term borrowing need and with restrictive premiums, early repayment of debt remains unfeasible.
79. There were no breaches of the Prudential Indicators or non-compliance with the Treasury Management Policy and Practices.
80. To maintain liquidity for day-to-day business operations during January, cash balances will be placed in instant access accounts and short-term deposits.
81. Cash flow forecasts continue to indicate the refinancing £70m of temporary borrowing maturing this year being required by the end of 22/23. With £40m previously being arranged, opportunities to secure the remaining £30m are being explored.

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

Prior Year Cost	Project	2022/23 Revised Budget	2022/23 Forecast	2022/23 Cost Variance	2022/23 Forecast Re-phasing	Total Project Budget 2022-2027	Total Project Forecast 2022-2027	Total Project Variance 2022-2027	Project Forecast Financed by:		
									Council Resources	Government Grants	Other Cont'ns
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Residents										
440	Shopping Parades Initiative	886	769	(117)	0	2,471	2,354	(117)	2,225	51	78
9,162	Hayes Town Centre Improvements	289	349	60	0	289	349	60	172	100	77
2,028	Uxbridge Change of Heart	60	60	0	0	60	60	0	6	0	54
0	Tennis Courts Upgrades	270	270	0	0	270	270	0	89	0	181
	Children, Families and Education										
28,104	Secondary Schools Expansions	93	72	20	(41)	93	113	20	113	0	0
0	Additional Temporary Classrooms	20	0	(20)	0	2,800	2,780	(20)	2,780	0	0
3,132	Schools SRP / SEND	8,184	3,811	0	(4,373)	22,199	22,199	0	0	22,199	0
	Property, Highways and Transport										
1,824	New West Drayton Leisure Centre	15,403	15,403	0	0	34,845	34,845	0	34,395	0	450
17	Motor Vehicle Workshop	41	41	0	0	500	500	0	500	0	0
1,961	Yiewsley/W Drayton Community Centre	153	153	0	0	153	153	0	153	0	0
1,465	Hillingdon Water Sports Facility	1,507	850	0	(657)	25,035	25,035	0	0	0	25,035
318	Battle of Britain Underground Bunker	200	95	76	(181)	1,237	1,313	76	1,313	0	0
1,115	Uxbridge Mortuary Extension	1,839	1,948	0	109	2,199	2,199	0	2,199	0	0
190	Cranford Park Heritage Project	2,800	2,500	0	(300)	3,426	3,426	0	309	0	3,117
2,559	Cedars & Grainges Car Park	112	100	0	(12)	112	112	0	112	0	0
27	Asha Day Centre refurbishment	573	573	0	0	585	585	0	585	0	0
0	New Years Green Lane Extension	500	25	(475)	0	2,000	1,000	(1,000)	800	200	0
161	Battle of Britain Visitors Centre Enhancements	100	100	0	0	100	100	0	100	0	0
0	Botwell Leisure Centre Football Pitch	0	0	0	0	200	200	0	200	0	0
0	Parking Improvements	345	175	0	(170)	500	500	0	500	0	0
0	Woodside Ground Floor Development	0	0	0	0	2,575	2,575	0	2,575	0	0
11	Otterfield Road Library	0	0	0	0	1,974	1,974	0	1,974	0	0
0	Northwood Hills Library	0	0	0	0	2,392	2,392	0	2,392	0	0
56	Flood Alleviation - Bessingby Park	122	95	0	(27)	227	227	0	227	0	0
0	Civic Centre Transformation	1,500	750	0	(750)	35,000	35,000	0	35,000	0	0

0	Carbon Zero Initiatives	250	250	0	0	25,000	25,000	0	25,000	0	0
10,142	Housing Company Financing	4,000	1,000	0	(3,000)	14,858	14,858	0	14,858	0	0
0	Appropriation of Townfield to GF	0	0	0	0	100	100	0	100	0	0
62,712	Total Major Projects	39,247	29,389	(456)	(9,402)	181,200	180,219	(981)	128,677	22,550	28,992

PART A: APPENDIX A2

CAPITAL - PROGRAMMES OF WORKS BY CABINET MEMBER PORTFOLIO

Prior Year Cost	Project	2022/23 Revised Budget	2022/23 Forecast	2022/23 Cost Variance	2022/23 Forecast Re-phasing	Total Project Budget 2022-2027	Total Project Forecast 2022-2027	Total Project Variance 2022-2027	Project Forecast Financed by:		
									Council Resources	Government Grants	Other Cont'ns
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Finance										
N/A	Purchase of Vehicles	1,281	449	(850)	18	5,226	4,376	(850)	4,376	0	0
	Property, Highways and Transport										
N/A	Highways Structural Works	5,905	5,321	(584)	0	29,905	29,321	(584)	29,321	0	0
N/A	Highways Bridges and Structures	300	300	0	0	1,500	1,500	0	1,500	0	0
N/A	Street Lighting Replacement	969	969	0	0	4,669	4,669	0	4,669	0	0
N/A	Street Lighting LED Upgrade	130	130	0	0	130	130	0	130	0	0
N/A	Road Safety	197	197	0	0	677	677	0	677	0	0
N/A	HS2 Road Safety Fund	146	146	0	0	572	572	0	0	0	572
N/A	Transport for London	2,986	1,638	(831)	(517)	14,534	13,703	(831)	0	13,703	0
N/A	Parking Management Schemes	120	120	0	0	600	600	0	480	120	0
N/A	Emergency Active Travel	43	43	0	0	43	43	0	0	43	0
N/A	Highways Section 106 Projects	22	22	0	0	22	22	0	0	0	22
N/A	Libraries Refurbishment Programme	13	13	0	0	13	13	0	13	0	0
N/A	Bowls Clubs Programme	69	25	0	(44)	69	69	0	69	0	0
N/A	Sports Clubs Rebuild / Refurbishments	0	0	0	0	0	0	0	0	0	0
N/A	Property Works Programme	1,364	1,116	(73)	(175)	5,384	5,311	(73)	5,200	0	111
N/A	Civic Centre Works Programme	267	241	0	(26)	1,988	1,988	0	1,988	0	0
N/A	Leisure Centre Refurbishment	2,502	2,502	0	0	2,502	2,502	0	2,502	0	0
N/A	School Building Condition Works	2,224	2,156	0	(68)	19,229	19,229	0	0	18,290	939
N/A	Harlington Road Depot Improvements	42	42	0	0	42	42	0	42	0	0
N/A	Disabled Facilities Grant	2,146	1,515	(631)	0	11,464	10,833	(631)	0	10,733	100
N/A	Schools Pollution Screening (Environmental Initiatives)	652	268	(384)	0	1,152	768	(384)	0	0	768
	Corporate Services										
N/A	Corporate Technology and Innovation	853	788	(20)	(45)	3,461	3,441	(20)	3,425	16	0
N/A	Older Peoples Initiative	200	55	(145)	0	1,000	855	(145)	855	0	0

PART A: APPENDIX A2 Continued

Prior Year Cost £'000	Project	2022/23 Revised Budget £'000	2022/23 Forecast £'000	2022/23 Cost Variance £'000	2022/23 Forecast Re-phasing £'000	Total Project Budget 2021-2026 £'000	Total Project Forecast 2021-2026 £'000	Total Project Variance 2021-2026 £'000	Project Forecast Financed by:		
									Council Resources £'000	Government Grants £'000	Other Cont'ns £'000
	Residents Services										
N/A	Chrysalis Programme	1,274	1,074	0	(200)	5,274	5,274	0	5,274	0	0
N/A	Car Park Pay & Display Machines Replacement	35	35	0	0	35	35	0	35	0	0
N/A	CCTV Programme	205	259	0	54	806	806	0	806	0	0
N/A	Environmental and Recreational Initiatives	560	505	0	(55)	719	719	0	436	242	41
N/A	Green Spaces Section 106 Projects	110	85	0	(25)	110	110	0	0	0	110
N/A	Homeless Provision	0	0	0	0	0	0	0	0	0	0
N/A	Playground Replacement Programme	200	10	0	(190)	1,000	1,000	0	1,000	0	0
N/A	HS2 Amenity Fund	313	313	0	0	313	313	0	0	0	313
	Children, Families and Education										
N/A	Youth Provision	700	50	0	(650)	1,900	1,900	0	400	0	1,500
N/A	Devolved Capital to Schools	869	869	0	0	1,757	1,757	0	0	1,110	647
	Health and Social Care										
N/A	Equipment Capitalisation - Social Care	2,359	2,776	417	0	11,795	12,212	417	0	12,212	0
0	Total Programme of Works	34,400	24,686	(3,182)	(6,532)	127,594	124,412	(3,182)	63,199	56,090	5,123
	Finance										
N/A	General Contingency	1,280	1,280	0	0	7,280	7,280	0	7,280	0	0
	Total GF Capital Programme	117,959	58,942	(3,616)	(55,401)	315,631	311,465	(4,166)	199,042	78,489	33,934

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

Prior Years	Scheme	2022/23 Total Revised Budget	2022/23 Forecast	2022/23 Cost Variance	Proposed Re-phasing	Total Project Budget 2022-2027	Total Project Forecast 2022-2027	Total Project Variance 2022-2027
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Property Highways and Transport							
0	Acquisitions (GLA Ringfenced and Negotiated Grant)	4,323	4,263	(60)	0	6,230	4,263	(1,967)
0	Acquisition of 95 & 97 Willow Tree Lane	1,100	1,100	0	0	1,100	1,100	0
0	Chippendale Waye/Carpenters Court	1,854	1,854	0	0	4,220	4,220	0
0	Acquisition of 74 Chapel Lane	50	50	0	0	579	579	0
1,590	Packet Boat House Buybacks	260	253	(7)	0	260	253	(7)
0	Right to Buy Back Fund	5,410	4,090	(1,320)	0	5,410	4,090	(1,320)
67,634	Acquisitions (1st 20 units each year)	10,380	14,800	0	4,420	38,383	38,383	0
366	Rough Sleepers Accommodation Programme	4,984	4,956	(28)	0	4,984	4,956	(28)
8,170	Acquisition of freehold land at TCM House	686	692	6	0	686	692	6
567	Acquisition of 2 units at 191 Harefield Road	4	0	(4)	0	4	0	(4)
3,442	Acquisition of 9 new build homes at 253 Park Road	186	181	(5)	0	186	181	(5)
6,927	Acol Crescent	5	5	0	0	5	5	0
359	Maple and Poplar	4,250	3,354	0	(896)	9,187	9,187	0
2,476	Willow Tree	78	78	0	0	78	78	0
86	34-44 Sullivan Crescent	101	25	0	(76)	1,900	1,900	0
1,489	Nelson Road	1,380	1,513	133	0	1,456	1,589	133
57	Petworth Gardens	487	100	0	(387)	2,217	2,217	0
680	113-127 Moorfield Road	512	595	50	33	655	705	50
566	Woodside Day Centre	0	0	0	0	4,752	4,752	0
154	Loft Extensions	661	500	0	(161)	1,846	1,846	0
2,884	Hayes Estate Regeneration	5,000	2,250	0	(2,750)	98,150	98,150	0
3,680	Hayes Estate Regeneration Leaseholder Buybacks	9,700	9,200	0	(500)	21,994	21,994	0
2,528	Housing Extensions Programme retentions	0	12	12	0	0	12	12
0	Acquisitions and Internal Developments	3,759	0	0	(3,759)	102,345	102,345	0
103,655	Total HRA Major Projects	55,170	49,871	(1,223)	(4,076)	306,627	303,497	(3,130)

PART B: FINANCIAL RECOMMENDATIONS

That the Cabinet:

- a. **Accept grant funding of £48,500 from the Mayor of London's Rewild London Fund in respect of the Rewilding the Grove project.**
- b. **Approve acceptance of £234k for the financial year 2023-24 and £249k for the financial year 2024-25 from the Department for Levelling up, Housing and Communities to deliver the Accommodation for Ex-Offenders programme (AFEO).**
- c. **Approve the introduction of a supplementary fee of £15 as a one-off charge to customers wishing to upgrade their bin to a lockable bin as part of an enhancement to the Commercial Waste Collection service's offering.**
- d. **Note the Council has been awarded £474k by the Department for Levelling up, Housing and Communities to run a Council Tax Support Fund in 2023/24, with a mandatory and discretionary element and approve the Council's discretionary award.**
- e. **Accept grant funding of £13,751k from the Department for Business, Energy & Industrial Strategy in respect of the Public Sector Decarbonisation Scheme (Phase 3b).**

Reasons for recommendation

82. Following a recent application to the Mayor of London's Rewild London Fund, the Council has been awarded £48,500 for a nature restoration project at the Grove wildlife corridor in South Ruislip, with **recommendation 2a** seeking approval to accept this funding. The project also includes £7,000 Council match funding from Green Spaces.
83. **Recommendation 2b** seeks approval to accept grant funding from DLUHC to support homeless prison leavers to access the private rented sector, reducing the chances of this cohort rough sleeping and reoffending.
84. Currently, businesses are charged £9 per week for hire and empty of a non-lockable 360L bin. There has been an increase in requests for a lockable option recently, partly due to the misuse of non-lockable bins for disposal of waste not related to the business customer. It is proposed to levy a one-off £15 charge to existing customers wishing to replace their bins with the lockable version (and to new customers requesting such a bin). **Recommendation 2c** is intended to ensure that the Council recovers the additional costs associated with purchasing lockable bins (as compared with the non-lockable equivalent).
85. In December 2022, the Government announced a new Council Tax Support Fund, with Hillingdon receiving an allocation of £474k. The fund is to be spent on awarding Council Tax Reduction Scheme claimants additional support of up to £25 per claimant where they are in receipt of the benefit on 1 April 2023. The remaining element of the funding is to be allocated based on a local scheme, with **recommendation 2d** proposing that the remaining funding is awarded equally to all Council Tax Reduction Scheme claimants active on 1 April 2023 and allocate an additional award of up to £2 per claimant, this will leave c£8k of funding that will be utilised to manage any variation in demand for the scheme.
86. The Council has been successful in an application to the Public Sector Decarbonisation Scheme and has been awarded £13,751k to fund heat decarbonisation and energy efficiency measures with **recommendation 2e** proposing the Cabinet accept this grant

award. Proposed works include replacing boilers with air source heat pumps, insulation and glazing at the Civic Centre, Winston Churchill Hall and theatre, Highgrove leisure centre and Hillingdon Leisure Centre. The total project cost estimate is £18,238k with Council match funding of £4,487k to be provided from the £25,000k Carbon Zero Initiatives budget, and the grant reducing the call on Council resources to deliver Carbon Zero Initiatives by £13,751k. The grant is required to be spent by 31 March 2024.