

COUNCIL BUDGET - 2024/25 BUDGET MONITORING

Cabinet Member & Portfolio	Councillor Martin Goddard Cabinet Member for Finance & Transformation
Responsible Officer	Richard Ennis, Corporate Director of Finance
Report Author & Directorate	Andy Goodwin, Finance
Papers with report	None

HEADLINES

This report provides the Council's forecast financial position and performance against the 2024/25 revenue budget.

At Month 6, the Council is reporting an overspend of £30.5m after allowing for strategic management action of £11.4m that is being firmed up for delivery in-year. The Council continues to develop interventions to mitigate against this position, with the work on the Zero-Based Budgeting built on at the 'Officer Star Chambers' already providing a number of interventions to reduce this financial pressure. These meetings have thus far produced indicative interventions in the region of up to £23.6m that are in the various stages of delivery, which if successful, will reduce the overspend to be in the region of £6.9m as a central case.

The variance is being driven by significant past and current inflationary pressures, significant demand for services particularly for example in adults care, temporary accommodation, the effect of a rebasing exercise to largely respond to demand for services being insufficient and not accompanied by equal savings at that time, and insufficient delivery of savings.

The Zero-Based Budgeting exercise is extensive and has addressed all aspects of the Council's activities so far identified potential interventions and savings totalling £46.3m, £23.6m of this can be delivered in 2024/25, the balance in later financial years. Further initiatives are being pursued within this programme of work and it is expected that this will be largely concluded by mid-November 2024 ahead of robust testing in the lead up to presentation at the December Cabinet for consideration.

Following the deep dive review carried out in Month 5, the Council has held officer 'Star Chamber' sessions which continued into Month 6, to work up options that are subject to member consideration and decision, with these sessions tasked with taking urgent action to address the emerging issues, with these sessions reviewing:

- Resident service provision
- Hillingdon Council priorities
- Leveraging relationships to access funding
- Driving efficiencies and driving value for every taxpayer £
- Leveraging financial instruments
- Relationship with local business
- Accelerating capital delivery

The outputs of these sessions are estimated in this report and are being firmed up over the autumn.

The Dedicated Schools Grant (DSG) monitoring position forecasts indicate a reduced in year deficit for 2024/25 in respect of the High Needs Block from £25.6m to £21.3m (a net reduction of £4.3m on 2023/24) with a range of interventions partially mitigating underfunded demand within the High Needs block and after factoring in a one-off £4.0m prior year adjustment following a balance sheet review.

No material variances have been reported across the Housing Revenue Account (HRA), with all service areas within the ringfence reporting a breakeven position with a shortfall in rental yield being offset by a reduced capital financing cost.

Putting our Residents First Delivering on the Council Strategy 2022-2026	This report supports our ambition for residents / the Council of: An efficient, well-run, digital-enabled council working with partners to deliver services to improve the lives of all our residents This report supports our commitments to residents of: A Digital-Enabled, Modern, Well-Run Council
Financial Cost	N/A
Select Committee	Corporate Resources & Infrastructure
Ward(s)	All

RECOMMENDATIONS

That the Cabinet:

1. Note the budget monitoring position and treasury management update as at September 2024 (Month 6), noting the actions proposed by officers 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 6 against budgets approved by Council on 22 February 2024 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 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

None at this stage.

PART A: MONTHLY BUDGET MONITORING

SUMMARY

GENERAL FUND REVENUE

4. In the Month 5 report, the Council reported on the outcome of a deep dive exercise to firm up the financial position of the Council, with the Month 6 report containing a refreshed view of this position using the latest intelligence and updated demand forecasts. The Month 6 report continues to present considerable financial challenges that Hillingdon is facing, with this narrative being in line with peers across both London and nationally. London Councils, the collective of Local Government in the capital, estimates that boroughs will overspend against original budget plans by £600m this year (averaging £18.2m per borough) and are forecasting this to grow to £700m in 2025/26, however, this is before factoring in in-year overspends which are likely to increase this 2025/26 estimate, with three London boroughs reliant on Exceptional Financial Support from Government. The outputs from the deep dive reviews carried out in Month 5 through the Zero-Based Budgeting (ZBB) work, have been refreshed with the output of this activity set out in this report, covering the gross pressure the Council is facing from demographic growth, service demand pressures and challenges in the delivery of the Council's saving programme.
5. As at Month 6, the review of the Council's financial position generates an in-year overspend of £41.9m before strategic management action of £11.4m reduce this to a reported gross pressure of £30.5m, with the detail behind this management action set out in paragraph 22, with this element of the update representing a £1.9m favourable movement from Month 5. As a result of the identified pressures, and as part of the ZBB programme, the Council held a series of officer star chambers, subject to member consideration and decisions, to identify actions to address this position, with the sessions identifying interventions thus far forecast to deliver a £23.6m net benefit for the Council. These interventions reduce the overspend from £30.5m to £6.9m, thereby forecasting a closing reserves level of £28.2m. This monitoring position is therefore in line with the average pressure across London boroughs. As part of this activity, the benefits realisation process is being tightened to ensure more robust reporting and delivery going forward.
6. The Council is continuing to carry out officer star chamber sessions, subject to member consideration and decisions, building on the ZBB work with sessions focused on each area of service delivery and cross-service thematic sessions also being carried out to ensure a robust and comprehensive review of Council operations is conducted. These sessions are focused on in-year recovery as much as possible, as well as the Council's medium-term objectives and challenges, with the latter to be presented back to Cabinet in December as part of the consultation budget. This is to allow time to undertake this work. At present, the in-year recovery actions are forecast to secure £23.6m in the central scenario. A review of the Council's debt and provision cover which could be favourable or adverse is also in progress.

7. The table below sets out a summary of the impact of the results of this work thus far, which is subject to member consideration and decisions:

Table 1: General Fund Overview

Service	Approved Budget	Forecast Outturn	Underlying Variance	Forecast Variance Month 6	Change in Variance
	£m	£m	£m	£m	£m
Service Operating Budgets	282.0	293.0	11.0	12.0	(1.0)
Development & Risk Contingency	0.5	0.5	0.0	0.0	0.0
Unallocated Budget Items: Pay Award Inflation	6.4	5.5	(0.9)	0.0	(0.9)
Unallocated Budget Items: Unallocated Savings	(4.5)	0.0	4.5	4.5	0.0
Unallocated Budget Items: Savings	0.0	1.8	1.8	1.8	0.0
Unallocated Budget Items: Rebasing	0.0	14.1	14.1	14.1	0.0
Total Net Expenditure	284.4	314.9	30.5	32.4	(1.9)
Corporate Funding	(284.4)	(284.4)	0.0	0.0	0.0
Subtotal	0.0	30.5	30.5	32.4	(1.9)
Interventions	0.0	(23.6)	(23.6)	(25.9)	2.3
Net Total	0.0	6.9	6.9	6.5	0.4

8. This underlying position is being driven by Service Operating Budgets forecasting an overspend of £11.0m and presenting a £1m favourable movement from Month 5, with Corporate Budgets forecasting the remaining £19.5m, with the latter primarily being driven by a requirement to rebase the service operating budgets by £14.1m to unwind historic pressures due to demographic growth being above the budgeted increase in prior years and unachieved savings due to changes in service delivery leading to planned savings no longer being deliverable. In October the 2024/25 pay award was agreed, leading to a £0.9m underspend against the Council's pay award budget. The remaining £6.3m relates to cross-cutting savings within the budget strategy that are yet to be allocated to service operating budgets, including £1.8m of savings that are due to be pulled back to the corporate centre. Given the forecast position, these unallocated savings are unlikely to be deliverable in 2024/25.
9. The Service Operating Budget pressure of £11m is largely being driven by three areas, with:
- i. c£4.7m relating to homelessness demand continuing to run at a level above the budgeted assumption, with this being an issue across London.
 - ii. c£3.2m relates to Children's Social Care demand, with support provided to Looked After Children reporting exceptional demand above that included in the budget strategy.
 - iii. c£2.3m relating to pressures within Adult Social Care from demand outstripping the budgeted growth.
10. This report and forecast position has been produced before the full outcome of the Autumn Statement is known. It must be recognised that in the past for in-year changes such as National Insurance changes have influenced the in-year outturn and that remains a possibility for this year.

11. As Government prepares to announce their first budget at the end of October, Government funding and policy changes remain a risk for the Council, with the Government looking to address their deficit, with Government's policy paper on public spending reporting a £21.9bn forecast overspend against totals set by Treasury in the Spring Budget 2024, with this number doubling in some reports. The outcome from the October budget could potentially lead to in-year impacts for the authority, such as changes to the employers National Insurance rate, with Governments having a precedence for in-year changes to this rate.
12. As work continues on the Star Chamber element of the ZBB programme, it is expected that further interventions and savings will be identified, however, the possibility exists that 2024/25 year end balances may fall below the Council's minimum recommended level of £32m as set out in the Council's budget strategy for 2024/25

GENERAL FUND CAPITAL EXPENDITURE

13. As at Month 6 a £21.5m underspend is projected on the 2024/25 General Fund Capital Programme of £125.3m, with the forecast outturn variance over the life of the 2024/25 to 2028/29 programme estimated to breakeven. General Fund Capital Receipts of £11.1m are forecast for 2024/25, with £8.6m being utilised to fund transformation activity, leaving £2.5m available to fund capital expenditure and reduce borrowing, with capital receipts forecast to achieve the income target of £75,216k for the five years to 2028/29. Overall, Prudential Borrowing required to support the 2024/25 to 2028/29 General Fund capital programme is forecast to be on budget.

SCHOOLS BUDGET

14. The Dedicated Schools Grant (DSG) total Block for the Maintained Schools is forecasting an in-year deficit of £17.3m based on Month 6 (September 2024), representing a significant improvement from the projected £25.6m reported at outturn 2023/24 as a result of a broad range of positive measures being deployed by the Council. This position has been impacted by a one-off £4.0m adverse movement as a result of a review of the balance sheet and the need to recognise a prior year correction required to the accounts. The in-year deficit is largely driven by High Needs placement demand and cost pressures which continue to be significantly underfunded in the DSG settlement that the authority receives from the DfE. This position means that the cumulative deficit carried forward to 2025/26 is forecast at £68.8m.
15. There is currently a time-limited statutory override in place until 31 March 2026 effectively keeping the Schools Budget deficit behind a ringfence which ensures that this deficit does not impact upon general reserves, and the Council's General Fund budget strategy is predicated on the further continuation of this override. The Council is one of many local authorities managing a large deficit within the Schools Budget and this stood at £47.5m at 31 March 2024 and therefore exceeded General Fund reserve levels. It is worth noting that between outturn 2023/24 and the position presented in this report, the Council has successfully reduced in-year spend against the Schools Budget by £8.3m and continues to make good progress in reducing spend in this area (albeit that an adverse adjustment of £4m has proved necessary in respect of prior years' income).

16. The issue of mounting DSG deficits remains a national issue, with projections for a £4bn deficit across the country forming a key strand to lobbying by sector bodies such as the LGA and London Councils.

HOUSING REVENUE ACCOUNT

17. The Housing Revenue Account (HRA) is continuing to forecast a breakeven position at Month 6, with the forecast rental yield leading to a £0.6m in-year pressure, with the shortfall being driven by the budgeted increase in stock landing later in the year, this shortfall is being offset by a reduction in capital financing costs as a result of the delayed investment. The 2024/25 closing HRA General Balance is forecast to be £15m, in line with the target level established for 2024/25. The HRA has a substantial development and acquisition programme for 2024/25, with this programme forecast to ultimately deliver, but with the increase landing later than originally planned, with the remainder of the HRA Capital Programme also reporting a £1.7m underspend at Month 6 for 2024/25 with the five-year programme to 2028/29 forecast to breakeven. Government is expected to make significant announcements on social house building in the October budget the same day this report is published.

FURTHER INFORMATION

General Fund Revenue Budget

18. As at Month 6, the Council's General Fund is reporting an overspend of £30.5m after allowing for inflight activities to contain pressures, use of £0.8m of Earmarked Reserves and £8.6m transformation capitalisation. This Council is currently reviewing a further £23.6m of measures that if successful, will reduce the overspend down to £6.9m. General Fund Balances and Earmarked Reserves are expected to total £28.2m should the additional measures be achieved, meaning total balances are forecast to be below the minimum threshold of £32m as approved by Cabinet and Council in February 2024 without further actions.
19. As stated above, this position includes £14.1m of rebasing within Service Operating Budgets, with the in-year budget virement being approved by Cabinet in October. The rebasing related to pressures that have emerged as a result of demand outstripping the budgeted increases in prior years and service delivery changes meaning that historic savings cannot be delivered as intended. This rebasing figure effectively becomes an additional saving target in the corporate centre that the Council ultimately need to fund through further saving measures to address this pressure, with these measures being worked up throughout the autumn, with delivery expected to land in future years and therefore representing a pressure in 2024/25. This pressure will form part of the budget gap for 2025/26, with the first refresh of the Council's budget strategy to be presented to Cabinet in December as part of the Consultation Budget.
20. The Month 6 position includes deploying £0.8m of Earmarked Reserves, with this one-off funding source being used to predominantly fund homelessness pressures, with £0.4m of this related to releasing funding for this purpose, with the remaining balance funding the Hillingdon Local Plan, Public Health services from the ringfenced reserve, transformation activity that is not related to the Council's saving programme and therefore cannot be funded from capital receipts and Schools Conditions Surveys, with funds for this activity having been earmarked in previous years.
21. With Transformation activity underway to deliver against the Council's saving programme, the position is predicated on using £8.6m of capital receipts to fund implementation costs in line with the Government's guidance, with the Council expected to secure £11.1m from asset disposals in 2024/25, leaving £2.5m of headroom to fund further transformation activity over the remainder of the year.
22. After these one-off funding sources, the underlying variance stands at £41.9m, before management action of £11.4m of management action nets this down to £30.5m, with management action being used to reflect activity that is underway but is yet to be firmed up. The management action is predominantly within three service areas, with details being as follows:
 - i. £7m related to Health & Social Care, with this relating to containing inflationary uplifts to a level below the budgeted uplift and maximising health contributions to packages of care.

- ii. £0.7m within Resident Services related to Waste Services where additional income is expected from the West London Waste Authority as a result of income generation from energy sales.
- iii. £0.6m in relation to Homelessness services, reflecting interventions to manage demand for the service.
- iv. £3.1m relates to smaller items spread across multiple service areas.

Progress on Savings

23. The savings requirement for 2024/25 is £15.8m as set out in the Council's budget strategy, this position has been supplemented by a further £5.7m of prior year savings carried forward into 2024/25, resulting in an overall programme of £21.5m savings being delivered in year:

Table 2: Savings Tracker

Cabinet Member Portfolio	Blue Banked £m	Green Delivery in progress £m	Amber I Initial stages of delivery £m	Amber II Potential problems in delivery £m	Red Serious problems in delivery £m	Total £m
Cabinet Member for Property, Highways & Transport	(0.4)	(0.6)	(0.1)	(0.5)	(0.1)	(1.7)
Cabinet Member for Finance	0.0	(1.4)	0.0	0.0	0.0	(1.4)
Cabinet Member for Corporate Services	0.0	(1.3)	(0.2)	0.0	(0.3)	(1.8)
Cabinet Member for Residents' Services	(0.2)	(1.9)	(0.7)	0.0	(0.9)	(3.7)
Cabinet Member for Children, Families & Education	(0.3)	(0.6)	(0.3)	(0.2)	(0.3)	(1.7)
Cabinet Member for Health and Social Care	(0.1)	(1.2)	(0.2)	0.0	0.0	(1.5)
Cross-Cutting	0.0	0.0	(6.1)	0.0	(3.6)	(9.7)
Total 2024/25 Savings Programme	(1.0) 5%	(7.0) 33%	(7.6) 35%	(0.7) 3%	(5.2) 24%	(21.5) 100%
Month 5	(1.0) 5%	(6.8) 32%	(11.7) 55%	(0.6) 3%	(1.3) 6%	(21.5) 100%
Movement	0.0 0%	(0.2) 1%	4.1 -20%	(0.1) 0%	(3.9) 18%	

24. As of Month 6, £8.0m (38%) of the savings and interventions are being recorded as banked or on track for delivery, with a further £8.3m (38%) being at initial stages of delivery. In addition, £5.2m (24%) are being reported as having potential challenges in delivery, with alternative delivery methods being considered in-year where appropriate.
25. Where savings are at risk of not being delivered in full during 2024/25, the associated pressures have been factored into the monitoring position with compensating actions bringing the overall position back to breakeven. At this time, it is expected that either the full level of savings will ultimately be delivered, or alternative savings will be proposed to supplement for

non-delivery of particular savings from the outputs of the officer star chambers, subject to member consideration and decisions.

Service Operating Budgets

26. Service Operating Budgets represent the majority of the Council's investment in day-to-day services for residents. With the Council continuing to operate in a high inflation environment driven by global and national influences, these budgets were supplemented with £16.5m of funding to meet forecast inflationary pressures and £14.3m for demographic and other drivers impacting on demand for services going into the 2024/25.
27. Table 3 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 3: Service Operating Budgets

Service		Approved Budget	Underlying Forecast	Earmarked Reserves	Transformation Capitalisation	Forecast Outturn	Variance	Month 5	Movement
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cabinet Member for Property, Highways & Transport	Expenditure	18.1	18.5	(0.1)	0.0	18.4	0.3	0.6	(0.3)
	Income	(10.5)	(11.2)	0.0	0.0	(11.2)	(0.7)	(0.4)	(0.3)
	Subtotal	7.6	7.3	(0.1)	0.0	7.2	(0.4)	0.2	(0.6)
Cabinet Member for Finance	Expenditure	144.8	144.9	(0.1)	(2.4)	142.4	(2.4)	0.7	(3.1)
	Income	(106.4)	(105.1)	0.0	0.0	(105.1)	1.3	(0.7)	2.0
	Subtotal	38.4	39.8	(0.1)	(2.4)	37.3	(1.1)	0.0	(1.1)
Cabinet Member for Corporate Services	Expenditure	26.5	26.7	0.0	(1.1)	25.6	(0.9)	(0.5)	(0.4)
	Income	(2.0)	(2.3)	0.0	0.0	(2.3)	(0.3)	(0.1)	(0.2)
	Subtotal	24.5	24.4	0.0	(1.1)	23.3	(1.2)	(0.6)	(0.6)
Cabinet Member for Residents' Services	Expenditure	82.9	100.1	(0.8)	(0.5)	98.8	15.9	9.8	6.1
	Income	(52.5)	(62.0)	0.1	0.0	(61.9)	(9.4)	(5.4)	(4.0)
	Subtotal	30.4	38.1	(0.7)	(0.5)	36.9	6.5	4.5	2.1
Cabinet Member for Children, Families & Education	Expenditure	96.2	104.4	0.0	(4.1)	100.3	4.1	4.5	(0.4)
	Income	(23.7)	(24.8)	0.0	0.0	(24.8)	(1.1)	(1.2)	0.1
	Subtotal	72.5	79.6	0.0	(4.1)	75.5	3.0	3.3	(0.3)
Cabinet Member for Health and Social Care	Expenditure	158.9	168.5	0.0	(0.5)	168.0	9.1	8.0	1.1
	Income	(50.3)	(54.9)	(0.3)	0.0	(55.2)	(4.9)	(3.3)	(1.6)
	Subtotal	108.6	113.6	(0.3)	(0.5)	112.8	4.2	4.6	(0.5)
Total Service Operating Budgets		282.0	302.8	(1.2)	(8.6)	293.0	11.0	12.0	(1.0)

28. As can be seen from the table above, Service Operating Budgets are forecasting a £10m overspend which is the cumulative effect of a number of variances which are briefly outlined below by Cabinet Portfolio:
- i. **Property, Highways & Transport** – An underspend of £0.4m with the underspend relating to Property Services, with income yields forecast to exceed expenditure from property related income streams from rental and lease income.
 - ii. **Finance** – At Month 6 an underspend of £1.1m is reported for the portfolio, with this variance being driven by treasury activity offset by a pressure reported against energy budgets.
 - iii. **Corporate Services** – The portfolio is reporting a net underspend of £1.2m, with this position largely being driven by holding a number of vacant posts within the service.
 - iv. **Residents' Services** – An underlying overspend of £6.5m with this position being driven largely by homelessness demand outstripping the level of demographic growth built into the service area in the budget strategy, with £4.7m of the pressure relating to homelessness support and driving £1m of the adverse movement. The majority of the remaining pressure is being driven by the Community Safety service, with this largely being the impact of changes in relation to imported food as a result of ongoing Brexit impacts. Waste Services are experiencing increased demand equating to a £0.6m pressures for the service, with this position being funded by one-off income expected from the West London Waste Authority.
 - v. **Children, Families & Education** – At Month 6, an underlying pressure of £3.0m is being reported, with the pressure nearly wholly related to care provision to looked after children as a result of demand outstripping the budget strategy growth for the service. Further pressures are included within the position across income streams including room hire with further pressures being driven by the Early Years Centres, however, these have been mitigated by service underspends within the Children in Need & Protection service from staffing underspends.
 - vi. **Health & Social Care** – An underlying overspend of £4.2m is reported at Month 6, with the overspend largely being due to exceptional demand for adult social care services being materially higher than the amount included in the Council's budget strategy, with management action aiming to contain an element of this spend by supplier management and containing annual uplifts to a value below the budgeted increase (with the budgeted increase being based on the ADASS value of 7.9% and CPI running significantly below this value at 1.7% in September 2024). The overspend driven by Adult Placements after management action is forecast to be £4.5m, with management action reported in Month 5 being the key driver behind the favourable movement for this portfolio, with staffing underspends across the service reducing the overall pressure on the portfolio budget to £4.2m.

Collection Fund

29. A surplus of £0.05m is reported within the Collection Fund at Month 6, representing no movement from Month 5. Within the Collection Fund, an adverse position is reported within Council Tax of £1.3m, offset by a favourable position within Business Rates of £1.3m. This position is driven by 3 key factors:
- i. Council Tax is presenting an in-year pressure of £1.2m against a £145.8m budget, with a further £0.1m being driven by the adverse movement on 2023/24.
 - ii. Business Rates is presenting an in-year surplus of £0.3m driven by an increase in the realisation of the benefit from the revised rating list for 2023.
 - iii. The Business Rates position is then compounded by a favourable £0.9m against the 2023/24 outturn position.
 - iv. The Council continues to monitor the outstanding debt associated with Council Tax and Business Rates and provide cover against this debt, with this position remaining under review.
30. Any surpluses or deficits within the Collection Fund impact on the Council's future year budgets, with the position reported up to Month 9 impacting on the 2025/26 saving requirement, leading to £0.05m that will be included in the Council's refresh of the budget strategy that will be presented to Cabinet in December 2024 as part of the consultation budget, with any further updates between Month 10 and outturn impacting on 2026/27. This position therefore will reduce the Council's gross saving requirement by £0.05m for 2025/26.
31. Whilst this position presents an adverse position for Council Tax, it is anticipated that this will be offset by the favourable position on Business Rates into 2025/26, with the retained income yield from taxation not expected to adversely impact the Council's budget strategy in the medium term.

General Fund Capital Programme

32. Table 4 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 2024. Projected variance against budget for the 2024/25 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. As of Month 6, a total favourable variance of £18.7m is projected against the 2024/25 programme, with £0.2m declared as a cost variance and the remaining £18.5m against the rephasing variance. The position presented below is based on the approved Capital Programme budget from Cabinet and Council in February 2024 and includes rephasing of 2023/24 unspent programme budgets approved by Cabinet in June 2024. A full schedule of the capital programme is included in Appendix A1.

Table 4: General Fund Capital Programme Summary

	Approved Budget 2024/25	Forecast 2024/25	Cost Variance 2024/25	Project Re-phasing 2024/25	Total Project Budget 2024-2029	Total Project Forecast 2024-2029	Total Project Variance 2024-2029	5-year Movement
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cabinet Member Portfolio								
Property, Highways and Transport	70.2	60.4	0.0	(9.8)	193.7	193.7	0.0	0.0
Finance	10.8	15.6	0.0	4.8	14.8	14.8	0.0	0.0
Corporate Services	5.5	4.3	(0.2)	(1.0)	17.1	17.0	(0.2)	0.0
Residents' Services	4.4	4.0	0.0	(0.4)	13.0	13.0	0.0	0.0
Children, Families and Education	22.9	10.8	0.0	(12.1)	36.1	36.1	0.0	0.0
Health and Social Care	8.9	8.9	0.0	0.0	24.8	24.8	0.0	0.0
Contingency	2.7	2.7	0.0	0.0	10.7	10.7	0.0	0.0
Total Capital Programme	125.4	106.7	(0.2)	(18.5)	310.2	310.1	(0.2)	0.0
Major Projects	78.4	67.1	0.0	(11.3)	153.4	153.4	0.0	0.0
Programme of Works	44.2	36.9	(0.2)	(7.2)	146.2	146.0	(0.2)	0.0
General Contingency	2.7	2.7	0.0	0.0	10.7	10.7	0.0	0.0
Total Capital Programme	125.3	106.7	(0.2)	(18.5)	310.3	310.1	(0.2)	0.0

33. As can be seen from the table above, Capital Programme Budgets are forecasting an in-year underspend of £18.7m, with this balance forecast to be rephased into 2025/26, the variance at Month 6 is driven by a number of key updates since the programme was presented in the Month 2 monitoring report, with £12m relating to the schools expansion programme, £6m from the Hillingdon Water Sports Facility, £2.8m from Disabled Facilities Grant, with this position being offset by a forecast overspend against Transformation Capitalisation of £6.2m and the remaining variance coming from a number of smaller updates, all of which is ultimately forecast to be delivered within budget over the life of the project with the exception of the declared £0.2m cost variance. The salient risks and variances within this position are summarised in the following paragraphs by Cabinet Portfolio:

- i. **Property, Highways & Transport** – Programmes within this portfolio are forecast to underspend by £9.8m in 2024/25 with £5.3m of this relating to major projects predominantly from the delay in the Hillingdon Water Sports Facility, which is forecast to be delivered in 2025/26, with this sum being reported as a rephasing variance to ultimately deliver the project to budget. A further £4.5m underspend is forecast for Programme of Works activity in 2024/25, with this largely being driven by 2 programmes, i.e., Disabled Facilities Grant and Schools Conditions Surveys. All other projects in this portfolio are forecast to budget, with the largest Major Projects being the New West Drayton Leisure Centre, which is due for completion in 2025/26, Carbon Zero Initiatives and the Civic Centre Transformation Programme.
- ii. **Finance** – The £10.8m budget in this portfolio is forecast to overspend by £4.8m at Month 6, with a pressure of £6.2m against Transformation activity in support the Council's saving programme, offset by £1.4m reduction in the purchase of vehicles, with this programme being proposed to be rephased into 2025/26.
- iii. **Corporate Services** – This portfolio is forecasting to underspend by £1.3m with £1.0m of this being proposed for rephasing in relation to the investment in Corporate

Technology and Innovation, with this programme being linked to the delivery of the Council's digital savings within the revenue position and forecast to ultimately be spent over the life of the programme.

- iv. **Residents' Services** – As at Month 6 are forecasting an underspend of £0.4m within this portfolio, these programmes including Major Projects on Shopping Parades and Waste Services Improvements forecast to budget, with the underspend being in Programme of Works projects against the Chrysalis programme.
- v. **Children, Families and Education** – As at Month 6, a forecast underspend of £12.1m is forecast against Major Projects, with this predominantly relating to the SEND expansion programme forecast to be delayed, with this variance proposed for rephasing into 2025/26, with the project ultimately increasing the number of placements in the borough, with this investment supporting the delivery of the Council's Safety Valve Agreement with the Department for Education.
- vi. **Health & Social Care** – This portfolio is forecasting a breakeven position against the approved budget of £8.9m, with £6m of this sitting within Major Projects to fund the Investment in Care Home Capacity, with this investment linked to the delivery of revenue savings for the service area, with the remaining balance of £2.9 funding equipment for Social Care service users as a preventative measure that similarly supports the portfolio's revenue expenditure on care placements.

34. The Capital Programme will continue to be closely monitored throughout the year, with progress against delivery plans to be reported back to Cabinet throughout the remainder of the financial year.

Capital Financing - General Fund

Table 5: Capital Financing

	Approved Budget 2024/25 £'000	Forecast 2024/25 £'000	Cost Variance £'000	Phasing Variance £'000	Total Financing Budget 2024-2029 £'000	Total Financing Forecast 2024-2029 £'000	Total Variance £'000	5-year Movement
Source of Finance								
Capital Receipts	(20.3)	(2.5)	0.0	17.8	(22.8)	(22.8)	0.0	0.0
CIL	(0.6)	(0.3)	0.0	0.3	(3.2)	(2.9)	0.3	0.0
Prudential Borrowing	(60.3)	(70.3)	0.2	(10.2)	(181.9)	(182.2)	(0.2)	0.0
Total Council Resources	(81.2)	(73.1)	0.2	7.9	(207.9)	(207.9)	0.1	0.0
Grants & Contributions	(44.1)	(33.5)	0.0	10.6	(102.4)	(102.3)	0.1	0.0
Capital Programme	(125.3)	(106.6)	0.2	18.5	(310.3)	(310.2)	0.2	0.0

35. The MTFE disposals programme 2024-29 forecasts total capital receipts of £22.8m, with 2024/25 forecast capital receipts at £11.1m, with £8.6m of this being used to fund transformation activity, leaving £2.5m to be utilised to reduce borrowing within the capital

programme. Progress is being made identifying and progressing potential asset disposals with these receipts forming a key strand to financing the Council's DSG Safety Valve and broader transformation programme, and therefore this activity remains a key corporate priority.

Schools Budget

36. The Dedicated Schools Grant (DSG) total Block for the Maintained Schools is forecasting a deficit of £17.3m based on Month 6 (September 2024), representing a significant improvement from the £25.6m reported at outturn 2023/24, however, this position has been compounded by a one-off adjustment of £4.0m that relates to a review of the balance sheet that has led to an adverse in-year movement. This in year deficit is wholly driven by High Needs placement demand and cost pressures which continue to be significantly underfunded in the DSG settlement that the authority receives from the DfE. Table 6 below sets out a summary of the Schools Budget and Forecast summarises the forecast.
37. Whilst the Safety Valve Agreement with the Department of Education (DfE) is currently suspended, work has continued and is very successfully taking control of the market, managing unit costs down and beginning to see a significant reduction in the deficit as a consequence. It should be noted that constructive discussions with the DfE are continuing and that the Council is holding £8m of available capital receipts which can ultimately be allocated to reduce the deficit.

Table 6: DSG Income and Expenditure Summary

Dedicated Schools Grant (DSG) Blocks	Budget 2024/25			Forecast Month 6 £m	Variance Month 6 £m	Change from Month 5 £m
	DSG Settlement	Academy Recoupment	LBH Maintained			
	£m	£m	£m			
Schools Block	277.8	173.3	104.5	104.5	0	0
Early Years Block	37.5	0	37.5	37.5	0	0
Central Schools Block	2.4	0	2.4	2.4	0	0
High Needs Block	67.9	11.6	56.3	73.6	17.3	1.2
High Needs Block – Prior Year Adjustment	0	0	4.0	4.0	4.0	4.0
Total	385.6	184.9	200.7	222.0	21.3	5.2
Balance Brought Forward 1 April 2024					47.5	
Total Deficit at 31 March 2025					68.8	

38. A core target for the revised High Needs Safety Valve Plan is to actively reduce unit costs by concentrating SEN support in-Borough within our maintained schools and thereby reduce dependence on high cost Independent and Out-of-Borough placements. Trend data shows clear evidence that the approach which has been in place since early last financial year is now beginning to have a really positive impact.
39. The service strategy to manage the High Needs Deficit Plan through a combination of mitigating costs and releasing savings is beginning to take affect and show significant success, with an in-year forecast reduction of £8.3m on last year's deficit of £25.6m, with both costs and the in-year deficit reducing in 2024/25 (albeit that an adverse adjustment of £4m has proved necessary in respect of prior years' income).

40. The issue of mounting DSG deficits remains a national issue, with projections for a £4bn deficit across the country forming a key strand to lobbying by sector bodies such as the LGA and London Councils.

Housing Revenue Account

41. The Housing Revenue Account (HRA) is currently forecasting a breakeven position, with ongoing inflationary risk being closely monitored for the remaining month of the year. The 2024/25 closing HRA General Balance is forecast to be £15m, in line with the target level set out in the Council's budget strategy. The table below presents key variances with a £0.7m shortfall against budgeted income being offset by a reduction in the capital financing costs, with these two updates intrinsically linked, with a shortfall against the planned increase in housing stock leading to income pressures, with delays in the investment leading to a favourable movement against the associated financing costs.

Table 7: Housing Revenue Account

Service	Budget £m	Forecast Outturn £m	Variance (As at Month 6) £m	Variance (As at Month 5) £m	Change from Month 5 £m
Rent & Other Income	(80.6)	(80.0)	0.6	0.0	0.6
Net Income	(80.6)	(80.6)	0.0	0.0	0.0
Operational Assets	14.0	14.0	0.0	0.0	0.0
Director of Housing	9.6	9.7	0.1	0.0	0.1
Other Service Areas	1.0	1.0	0.0	0.0	0.0
Contribution to Shared Services	13.3	13.3	0.0	0.0	0.0
HRA Operating Costs	37.9	37.9	0.7	0.0	0.7
Capital Programme Financing	26.7	26.0	(0.7)	0.0	(0.7)
Interest and Investment Income	16.1	16.1	0.0	0.0	0.0
Capital Programme Financing	42.8	42.8	0.0	0.0	0.0
(Surplus) / Deficit	(0.1)	(0.1)	0.0	0.0	0.0
General Balance 01/04/2023	15.1	15.1	0.0	0.0	0.0
General Balance 31/03/2024	15.0	15.0	0.0	0.0	0.0

42. At Month 6, rental income and other income is forecasting a £0.6m budget pressure with the commissioning plan's target to deliver 300 new homes being weighted towards the back end of the year, with potential for under delivery against this target by year end. The budgets are based on a void rate of 1.35%, with any material variation from this level feeding into rental projections as appropriate.
43. The HRA Operating Costs Budget is £37.9m and at Month 6 is forecasting a minor £0.1m overspend against the budget, with this adverse variance related to regulator associated updates. These budgets being based on supporting the Council's current housing stock as at 1 April 2024, with growth added in line with the commissioning plan's increase in stock numbers throughout the year. With these budgets being linked to the servicing of the Council's housing stock. This area will remain under review throughout the year, with growth in these budgets included in the approved budget from February 2024 to be deployed as and when new homes are brought online. Inflation was also added to these budgets in the Council's budget strategy, with early indications suggesting the budgeted uplift is sufficient to meet inflationary demands on the service.

44. The detail behind the service delivery of the blocks included in table 7 are as follows:
- i. Operational Assets budget funds the services provided for repairs and maintenance, void repairs, compliance and inspections.
 - ii. The Director of Housing budget includes tenancy management and tenants' services. The budgets include utility costs, and these will continue to be monitored given the volatility of the electricity and gas markets in recent times.
 - iii. The Other Service Areas budget includes the Careline contract, HRA specific ICT costs and the revenue regeneration costs.
 - iv. The Contribution to Shared Services budget includes the development and risk contingency, overheads and corporate and democratic core charges, and the bad debt provision.
45. The MTFE savings target is £0.5m with this saving expected to be delivered by virtue of the Council's general fund savings against support services, leading to a reduction in the recharge to the HRA for these services.
46. As at Month 6 the capital programme financing budget of £42.8m is forecast to underspend by £0.7m. This budget forecast includes £26.7m (depreciation and revenue contributions) to fund the HRA capital programme, the position also includes £16.1m for repayments of loans and interest on borrowing, this position will be closely monitored throughout the year with clear linkages to the commissioning plan.

HRA Capital Expenditure

47. The HRA capital programme is set out in the table below. The 2024/25 approved budget is £184.9m, with 2023/24 rephasing of £22.8m, taking the total 2024/25 budget to £207.7m. The Month 6 update is forecasting a £1.7m underspend in 2024/25, with this recommended to be rephased into 2025/26. A full schedule of the HRA Capital Programme is included in Appendix A2.

Table 8: HRA Capital Expenditure

	Approved Budget 2024/25	Forecast 2024/25	Cost Variance 2024/25	Project Re-Phasing 2024/25	Total Project Budget 2024-29	Total Project Forecast 2024-29	Total Project Variance 2024-29	Movement 2024-29
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
HRA Capital Programme								
Major Projects	165.8	167.0	0.0	1.2	391.1	394.8	3.6	0.0
Works to Stock programme	32.7	31.6	0.0	(1.1)	132.3	132.3	0.0	0.0
Green Homes Initiatives	6.8	5.0	0.0	(1.8)	37.2	35.4	(1.8)	0.0
Major Adaptations to Property	2.5	2.5	0.0	0.0	12.3	12.3	0.0	0.0
Total HRA Capital	207.8	206.1	0.0	(1.7)	572.9	574.8	1.8	0.0

48. As at Month 6, the HRA Capital Programme is forecast to underspend by £1.7m, with the commissioning plan approved in February 2024 to deliver an additional 300 new homes in 2024/25 expected to ultimately deliver to budget, with three major developments and acquisitions having been approved recently that support the delivery of an additional 500 homes by March 2027.
49. The Hayes Estates Regeneration scheme is forecast to breakeven over the 5-year budget to 2028/29. As a result of this revised profiling, vacant possession of Wellings House is not needed now until December 2024 and the block is being utilised for temporary accommodation until then, and all leaseholder interest vested to the Council as planned on 31 October 2023. The compulsory purchase negotiations on the remaining phases will complete as planned by the 31 March 2025 with expenditure forecasts aligned accordingly. Handover of Hayes Town Centre Phase 1 is expected around September 2025.
50. The Council's HRA Commissioning Plan is on track to ultimately deliver 300 new homes, however, some of this target is likely to slip into 2025/26, with an approved budget of £130m for 2024/25 with an in-year overspend of £1.2m forecast against this budget. The 5-year budget allocation of £238.8m is forecast to budget and will support increasing the Council's housing stock by 500 units by 31 March 2027.

HRA Capital Financing

51. The below table sets out the HRA Capital Financing forecast at Month 6:

Table 9: HRA Capital Financing

	Approved Budget 2024/25 £'000	Forecast 2024/25 £'000	Cost Variance £'000	Phasing Variance £'000	Total Financing Budget 2024-2029 £'000	Total Financing Forecast 2024-2029 £'000	Total Variance £'000	Move-ment
Source of Finance								
Capital Receipts	(1.2)	0.0	0.0	1.2	(1.2)	(1.2)	0.0	0.0
Revenue Contributions	(34.8)	(33.4)	0.0	1.5	(140.3)	(140.3)	0.0	0.0
Prudential Borrowing	(134.9)	(148.4)	0.0	(13.5)	(375.5)	(375.5)	0.0	0.0
Total Council Resources	(170.9)	(181.8)	0.0	(10.8)	(517.0)	(517.0)	0.0	0.0
Grants & Contributions	(36.7)	(24.2)	0.0	12.5	(55.9)	(55.9)	0.0	0.0
Capital Programme	(207.6)	(206.0)	0.0	1.7	(572.9)	(572.9)	0.0	0.0

52. As at Month 6, Capital Financing is forecasting a £1.7m pressure in 2024/25 and to ultimately breakeven over the 5-year period to 2028/29 in line with capital expenditure, with the service forecasting to achieve £55.9m of grant income over the 5-year programme to support green homes initiatives and contributions to developments and acquisitions. The Council's approach is to maximise external sources of funding before applying revenue contributions and prudential borrowing.

Treasury Management Update as at 30 September 2024

Table 10: Outstanding Deposits

Period	Actual (£m)	Actual (%)	Movement from Month 5 (£m)
Call Accounts and MMF's*	18.00	49.3%	(1.9)
Up to 3 Month Fixed-Term Deposits	3.50	9.6%	(1.6)
Total	21.50	58.9%	(3.5)
Strategic Pooled Funds	15.00	41.1%	-
Total	36.50	100.0%	(3.5)
Average Investment Balances May 2024	50.61		(11.6)

*Money Market Funds

53. 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 (MMFs). UK deposits are currently held in NatWest Bank plc and the DMADF. There is also an allocation to Strategic Pooled Funds.
54. The average rate of return on day-to-day operational treasury balances since the beginning of the new financial year is 5.15%. As part of the Council's investment strategy for 2024/25, 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 long-term investment horizon with dividends being distributed periodically. When including projected dividend income on these strategic pooled funds, the overall rate of return decreases to 4.97% based on the previous six months income average. With the high market interest rates there has been a lag in terms of dividend yield whilst the underlying assets mature and are refinanced, however over the last year income on these funds has been increasing. As the fair value of these strategic pooled funds are currently lower than the sum initially invested it is not feasible to disinvest at this time.
55. 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 September, 84% of the Council's day-to-day operational treasury investments had exposure to bail-in risk compared to a September benchmark average of 75% for London and metropolitan boroughs. This exposure fluctuates during the month as DMADF deposits, which are not exposed to bail in risk, were generally higher over the month compared to the balance held with the DMADF at the end of the month.
56. Liquidity was maintained by placing surplus funds in instant access accounts and making short-term deposits, including overnight deposits, in the DMADF. Cash flow was managed by ensuring maturities of any short-term deposits with the DMADF were matched to outflows. Average investments over the month (including strategic pooled funds) were £50.61m, a decrease of £11.6m from Month 5.

Table 11: Outstanding Debt

	General Fund	HRA	Total	Average Interest Rate (Total)
	£m	£m	£m	%
PWLB Long Term	70.6	207.3	277.9	3.43%
Market	15.0	33.0	48.0	4.11%
Temporary Borrowing:				
Local Authorities	80.0	0.0	80.0	5.17%
PWLB	0.0	20.0	20.0	5.07%
	165.6	260.3	425.9	3.91%
Monthly movement	(1.0)	8.3	7.3	0.01%

57. During September 2024, two £5m PWLB long term loans were secured, taking advantage of the concessionary rate available for financing eligible HRA projects included in the HRA capital programme. It is anticipated new borrowing will be required over the remainder of the financial year to maintain liquidity and finance capital expenditure.
58. PWLB rates dipped during September and then returned to levels close to those at the beginning of the month.

Appendix A1: General Fund Capital Programme

	Current Year Budget	Current Year Forecast	Current Year Cost Variance	Current Year Rephasing Variance	5-Year Budget	5-Year Forecast Spend	5-Year Forecast Variance	Council Resources	Government Grants	Other Cont'ns
GF Major Projects										
Property, Highways and Transport										
Hillingdon Water Sports Facility	10,128	4,200	0	(5,928)	23,128	23,128	0	(100)		
Jubilee Leisure Centre, West Drayton	6,153	6,153	0	0	19,014	19,014	0	(45)		
Civic Centre Transformation	5,000	5,000	0	0	16,476	16,476	0	(430)		
Carbon Initiatives	10,101	10,101	0	0	13,532	13,532	0	(250)		
Housing Company Financing	5,858	5,858	0	0	10,858	10,858	0	(99)		
Charville Lane - Children Specialist House	3,030	3,030	0	0	4,341	4,341	0	(3,431)	(10,101)	
Northwood Hills Library (New)	0	0	0	0	2,390	2,390	0	(10)		0
Harefield Family Hub New Build	1,750	1,750	0	0	2,150	2,150	0	(1,354)	(2,987)	
Otterfield Road library	0	0	0	0	1,974	1,974	0	(16,476)		
New Years Green Lane Extension	150	150	0	0	932	932	0	(244)	0	0
Uxbridge Cemetery Gatehouse & Chapel Refurbishment	0	492	0	492	476	522	46	(165)	0	
Motor Vehicle Workshop - Relocation	320	320	0	0	465	465	0	(2,150)		
Battle of Britain Underground Bunker	50	131	0	81	430	430	0		(23,128)	
Parking Improvements	175	391	0	216	401	401	0	(10,858)		
Botwell Leisure Centre Adaptations	250	250	0	0	250	250	0	(19,014)		0
Cranford Park Heritage	244	244	0	0	244	244	0	(465)		
Flood Alleviation	62	22	0	(40)	165	165	0	(882)	(50)	
Uxbridge Mortuary Extension	138	138	0	0	138	138	0	(2,390)		
Appropriation of Townfield to General Fund	0	0	0	0	100	100	0	(1,974)		
Botwell Leisure Centre Football Pitch Replacement	99	0	0	(99)	99	99	0	(401)		
Asha Day Centre Refurbishment	20	20	0	0	45	45	0	(476)		
Yiewsley / West Drayton Community Centre	43	43	0	0	43	43	0	(138)		
Cedars & Grainges Car Park Improvements	10	10	0	0	10	10	0	(43)		
Property, Highways and Transport Total	43,581	38,303	0	(5,278)	97,661	97,707	46	(61,395)	(36,266)	0

	Current Year Budget	Current Year Forecast	Current Year Cost Variance	Current Year Rephasing Variance	5-Year Budget	5-Year Forecast Spend	5-Year Forecast Variance	Council Resources	Government Grants	Other Cont'ns
Finance										
DSG Capitalisation Support	4,000	4,000	0	0	8,000	8,000	0	(2,303)		
Capitalisation of Transformation Expenditure	2,303	8,500	0	6,197	2,303	2,303	0	(8,000)		
Finance Total	6,303	12,500	0	6,197	10,303	10,303	0	(10,303)		
Residents										
Shopping Parade Initiatives	532	532	0	0	1,594	1,594	0	(1,594)	0	0
Waste Services Improvements	240	240	0	0	240	240	0	(240)		
Residents Total	772	772	0	0	1,834	1,834	0	(1,834)	0	0
Children, Families and Education										
SRP / SEND	21,734	9,500	0	(12,234)	25,519	25,519	0	(7,544)		
Secondary School Expansions	0	0	0	0	7,544	7,544	0	(20,000)	(5,519)	
Children, Families and Education Total	21,734	9,500	0	(12,234)	33,063	33,063	0	(27,544)	(5,519)	
Health and Social Care										
Investment in Home Care Capacity	6,000	6,000	0	0	10,500	10,500	0	(10,500)		
Health and Social Care Total	6,000	6,000	0	0	10,500	10,500	0	(10,500)		
GF Major Projects Total	78,390	67,075	0	(11,315)	153,361	153,407	46	(111,576)	(41,785)	0

	Current Year Budget	Current Year Forecast	Current Year Cost Variance	Current Year Rephasing Variance	5-Year Budget	5-Year Forecast Spend	5-Year Forecast Variance	Council Resources	Government Grants	Other Cont'ns
GF Programme of Works										
Property, Highways and Transport										
Highways Structural Works	9,219	9,573	0	354	42,219	42,219	0	(63)		
School Building Condition Works	7,028	5,109	0	(1,919)	20,696	20,696	0		(12,903)	
D.F.G. - Mandatory	4,319	1,500	0	(2,819)	12,903	12,903	0	(30)	(11)	
Transport for London	1,458	1,458	0	0	7,290	7,290	0		(484)	
Street Lighting Replacement	925	925	0	0	4,625	4,625	0	(1,500)		
Property Works Programme	1,259	1,259	0	0	3,823	3,777	(46)		(56)	(53)
Highways Bridges and Structures	300	300	0	0	1,500	1,500	0	(42,219)		
Leisure Centre Refurbishment	748	626	0	(122)	1,148	1,148	0		(212)	
Road Safety	120	120	0	0	600	600	0		(338)	
Environmental and Recreational Initiatives - Pollution Screening	484	484	0	0	484	484	0	(722)	(426)	
HS2 Road Safety Fund	338	338	0	0	338	338	0	(3,823)		
HS2 Amenity Fund	212	212	0	0	212	212	0	(600)		
Highways Section 106 Projects	109	109	0	0	109	109	0		(20,696)	
Bowls Club Refurbishment	63	59	0	(4)	63	63	0	(4,625)		
Emergency Active Travel	41	41	0	0	41	41	0		(7,290)	
Property, Highways and Transport Total	26,622	22,112	0	(4,510)	96,050	96,004	(46)	(53,582)	(42,415)	(53)
Finance										
Purchase of Vehicles	4,511	3,131	0	(1,380)	4,511	4,511	0	(4,511)		
Finance Total	4,511	3,131	0	(1,380)	4,511	4,511	0	(4,511)		
Corporate Services										
Corporate Technology and Innovation Programme	5,303	4,200	0	(1,103)	16,116	16,116	0	(16,106)	(10)	
Older Peoples Initiative	200	50	(150)	0	1,000	850	(150)	(1,000)		
Corporate Services Total	5,503	4,250	(150)	(1,103)	17,116	16,966	(150)	(17,106)	(10)	

	Current Year Budget	Current Year Forecast	Current Year Cost Variance	Current Year Rephasing Variance	5-Year Budget	5-Year Forecast Spend	5-Year Forecast Variance	Council Resources	Government Grants	Other Cont'ns
Residents										
Chrysalis Programme	2,228	1,928	0	(300)	8,228	8,228	0	(1,094)		
CCTV Programme	349	349	0	0	1,094	1,094	0	(5,077)		(3,151)
Playground Replacement Programme	200	200	0	0	1,000	1,000	0		(199)	(478)
Environmental and Recreational Initiatives - Green Spaces	677	628	0	(49)	677	677	0	(1,000)		
Sports Clubs Rebuild / Refurb Programme	107	107	0	0	107	107	0	(43)		
Property Works Programme	43	43	0	0	43	43	0		(107)	
Residents Total	3,604	3,255	0	(349)	11,149	11,149	0	(7,214)	(306)	(3,629)
Children, Families and Education										
Devolved Capital to Schools	385	385	0	0	1,925	1,925	0		(1,925)	
Youth Provision	753	910	0	157	1,153	1,153	0		(1,153)	
Children, Families and Education Total	1,138	1,295	0	157	3,078	3,078	0		(3,078)	
Health and Social Care										
Equipment Capitalisation - Social Care	2,850	2,850	0	0	14,250	14,250	0		(14,250)	
Health and Social Care Total	2,850	2,850	0	0	14,250	14,250	0		(14,250)	
GF Programme of Works Total	44,228	36,893	(150)	(7,185)	146,154	145,958	(196)	(82,413)	(60,059)	(3,682)
GF Capital Contingency										
Contingency										
General Fund Capital Contingency	2,701	2,701	0	0	10,701	10,701	0	(10,701)		
Contingency Total	2,701	2,701	0	0	10,701	10,701	0	(10,701)		
GF Capital Contingency Total	2,701	2,701	0	0	10,701	10,701	0	(10,701)		
Grand Total	125,319	106,669	(150)	(18,500)	310,216	310,066	(150)	(204,690)	(101,844)	(3,682)

Appendix A2: HRA Capital Programme

	Current Year Budget	Current Year Forecast	Current Year Cost Variance	Current Year Rephasing Variance	5-Year Budget	5-Year Forecast Spend	5-Year Forecast Variance	Council Resources	Government Grants	Other Cont'ns
HRA Major Projects										
Property, Highways and Transport										
Hayes Regeneration	32	32	0	0	132	132	0	(105)	0	0
Acquisitions	85	95	0	10	118	131	12	(98)	(20)	0
Acquisition and Development Unallocated	30	30	0	0	105	105	0	(4)	(11)	0
HRA General Contingency	4	4	0	0	20	16	(4)	(131)	(1)	0
Development Allocated	16	7	0	(9)	16	7	(9)	(20)	0	0
Property, Highways and Transport Total	166	167	0	1	391	391	0	(359)	(32)	0
HRA Major Projects Total	166	167	0	1	391	391	0	(359)	(32)	0
HRA Programme of Works										
Property, Highways and Transport										
HRA Works to Stock Programme	31	30	0	(1)	127	127	0	(6)	0	0
House Extension Programme	2	2	0	0	6	6	0	(127)	0	0
Property, Highways and Transport Total	33	32	0	(1)	132	132	0	(132)	0	0
HRA Programme of Works Total	33	32	0	(1)	132	132	0	(132)	0	0
Green Homes Initiatives Programme										
Property, Highways and Transport										
Green Homes Initiatives Programme	7	5	0	(2)	37	37	0	(19)	(19)	0
Property, Highways and Transport Total	7	5	0	(2)	37	37	0	(19)	(19)	0
Green Homes Initiatives Programme Total	7	5	0	(2)	37	37	0	(19)	(19)	0
Major Adaptations										
Property, Highways and Transport										
Major Adaptations	2	2	0	0	12	12	0	(7)	(5)	0
Property, Highways and Transport Total	2	2	0	0	12	12	0	(7)	(5)	0
Major Adaptations Total	2	2	0	0	12	12	0	(7)	(5)	0
Grand Total	208	206	0	(2)	573	573	0	(517)	(56)	0

PART B: FINANCIAL RECOMMENDATIONS

That the Cabinet:

- a. Approve acceptance of £20k grant funding from the Greater London Authority (GLA) to support costs associated with implementing auto-enrolment of eligible families / pupils for the National Free School Meals grant.
- b. Note the request to extend the CPA limit to finalise payments with Castlefield Recruitment Ltd and Ambient People, two recruitment suppliers.
- c. Accept the Household Support Fund grant (£2,069,342) for the period 1st October 2024 to 31 March 2025 and approve the policy statement as set out in the Appendix B1.
- d. Delegate authority to the Head of Legal Services, in consultation with the Cabinet Member for Finance & Transformation, to set and vary legal fees chargeable to external third parties in respect of legal work undertaken by or on behalf of the London Borough of Hillingdon. Fees set or varied pursuant to this delegation shall be reported to Cabinet as part of the regular budget reporting processes.

Reasons for recommendation

59. **Recommendation 2a** seeks acceptance of grant funding has been offered by the GLA as a 'one-off' payment. If accepted by Cabinet, it will be utilised to cover the costs of identifying eligible families from existing datasets and opting them into Free School Meal registration via the School census returns. Registration attracts additional deprivation funding from the Education and Skills Funding Agency used to support disadvantaged children.
60. The introduction of the new Oracle system in May has significantly improved spend controls. Whilst that is a major benefit of the new system, one of the consequences is that where we do not have formal governance in place, the system limits the total value of purchase order to £100k and payments cannot be made above that level to suppliers. **Recommendation 2b** seeks approval to extend the CPA limit and finalise payments to Castlefield Recruitment Ltd and Ambient People. Castlefield and Ambient People have previously supplied interim Finance resource directly to the Council, both suppliers are now onboarded to the Council's nominated contingency labour contract for professional roles (Matrix) and as a result, spend is formally monitored and managed through this contract.
61. For **recommendation 2c**, please see Appendix B1 below.
62. **Recommendation 2d** seeks approval to delegate authority to set and vary the Council's legal fees in relation to third party charges for work undertaken by or on behalf of the Council, with any revisions to the Council's fees and charges to be reported back to Cabinet in the monthly monitoring report.

Appendix B1

Hillingdon Household Support Fund Statement 2024 (October 2024 to March 2025)

Each local authority is required to have an eligibility statement / framework published for their local Household Support scheme.

Purpose of the Scheme

Hillingdon Council is Putting Residents First using government funding to help support residents most in need by providing additional financial assistance to help meet the cost of food, energy, water bills and other essentials.

Eligibility

In line with prescribed national guidance from the Department for Work and Pensions, the Hillingdon Household Support Fund scheme will meet the following requirements for Households within Hillingdon:

Eligible Households

- Low-income households who would otherwise struggle to buy food, pay essential utility bills, or meet other essential living costs.
- Pensioners who have been affected by the removal of the Winter Fuel payment who would otherwise struggle to buy food, pay essential utility bills, or meet other essential living costs.

Eligible expenditure

- The funding will primarily be used to support vulnerable households with the increased costs of living, with a particular focus on domestic energy costs, food, and other essentials.
- The Fund may be used to provide supplementary advice services to award recipients, including debt, benefit and/or employment advice.

The Hillingdon Scheme

In line with the prescribed eligibility requirements, the scheme for Hillingdon will be available for low-income residents as follows:

- Households eligible for benefit related free school meals, attending a Hillingdon School
- Children of pre-school age living within Hillingdon and the household are in receipt of one of the following qualifying benefits:
 - Income Support
 - Income based - Job Seeker's Allowance
 - Income related – Employment and Support Allowance
 - Guaranteed Pension Credit
 - Universal Credit without earning.
- Children attending an independent Special Educational Needs school, living within Hillingdon, or receiving and registered as Home Educated and the household are in receipt of one of the following qualifying benefits.
 - Income Support

- Income based - Job Seeker's Allowance
- Income related – Employment and Support Allowance
- Guaranteed Pension Credit
- Universal Credit without earning.
- Working age adults, who apply or who are referred by Hillingdon Social Care teams or a partner service, e.g. CAB, DASH, in need of assistance for food, utilities and other essential costs, considered on a case-by-case basis.
- Pensioners who apply or who are referred by Hillingdon Social Care teams or a partner service, e.g. Age UK, in need of assistance for food, utilities and other essential costs, considered on a case-by-case basis.

How this support will be implemented and accessed

To ensure this support reaches those who need it most, it is proposed families in receipt of benefit related free school meals will be contacted directly if they are eligible to receive assistance toward meals or financial help to cover utilities costs. These households will receive assistance via the established free school meals system and / or will be emailed/written to directly advising them on how to access their e-vouchers. There will also be an application process available to any resident or someone acting on their behalf, e.g., CAB, Age UK, DASH, Social Care and Hillingdon Housing teams to apply for assistance from the Household Support Fund in Hillingdon.

Payments

Payments to eligible households will be made using the most secure methods of payment. This will include using the Edenred system where possible, e-vouchers or making payments direct into individual bank accounts.

For children eligible for free school meals, a payment of £15 per child per week for a four-week period will be made, paid to families in stages (1-week October half term, 2- weeks Christmas holiday period and 1-week February half term.)

For other payment requests or additional payment requests, these will be considered on a case-by-case basis in line with the prescribed eligibility criteria as set out above.

Duration of the Scheme

In line with guidance from the Department for Work and Pensions, the Hillingdon Household Support Fund Scheme will operate from 1 October 2024 to 31 March 2025 inclusive.

Reviewing the Scheme

The Council will keep the scheme under review and may make changes to the scheme as is required to ensure the needs of Hillingdon residents continue to be met.

Preventing Fraud

Residents may face prosecution if they have manipulated or falsified their position in order to obtain these payments.