

COUNCIL BUDGET - MONTH 5 2010/11 REVENUE AND CAPITAL MONITORING

Cabinet Member	Councillor Jonathan Bianco
Cabinet Portfolio	Finance and Business Services
Report Author	Paul Whaymand/Christopher Neale, Finance and Resources
Papers with report	None

HEADLINE INFORMATION

Purpose of report	<p>The report sets out the council's overall 2010/11 revenue & capital position, as forecast at the end of Month 5 (August). The in year revenue position is forecast as being £560k more net expenditure than budgeted on normal activities and a £1,425k pressure on exceptional items, an overall adverse movement of £180k on Month 4.</p> <p>Total forecast capital expenditure for the year is estimated to be £89,907k (Month 4, £95,132k), £17,231k less than the latest budget.</p>
Contribution to our plans and strategies	Achieving value for money is an important element of the Council Plan for 2010/11.
Financial Cost	N/A
Relevant Policy Overview Committee	Corporate Services and Partnerships
Ward(s) affected	All

RECOMMENDATIONS

That Cabinet:

- 1. Note the forecast budget position for revenue and capital as at Month 5.**
- 2. Note the treasury update at Appendix B.**
- 3. Approves the virement of £45k funds from Chrysalis to the Fassnidge Park adiZone project and the addition of £78.5k grant and £25k of S106 to the Capital programme for the Fassnidge Park adiZone project**
- 4. Approves the addition of £254k insurance receipt and £10k revenue contributions to the Capital Programme for the Hillingdon Cemetery and Chapel**
- 5. Agree to the appointment of interim staff at a cost of £153k as set out in Appendix C.**

INFORMATION

Reasons for Recommendations

1. The reason for the monitoring recommendation is to ensure the Council achieves its budgetary objectives. The report informs Cabinet of the latest forecast revenue and capital position for the current year 2010/11.
2. Recommendations 3 to 4 are required to formally approve changes to capital budgets as a result of changes in external funding or to approve virements in capital budgets between Groups. Recommendation 3 provides the formal approval to set up a budget for the Fassnidge Park AdiZone project which is being funded from a combination of Chrysalis funding, external grant and S106 contributions. Recommendation 4 provides formal approval to set up a capital budget for Hillingdon Cemetery and Chapel for the rectification of fire damage which is to be funded from the insurance receipt and a small revenue contribution.

Alternative options considered

3. There are no other options proposed for consideration.

SUMMARY

A) Revenue

4. The in year revenue monitoring position as at Month 5 (August) shows that forecast net expenditure for the year 2010/11 is £1,985k more than the budget (£560k on normal activities and £1,425k on exceptional items), an adverse movement of £180k on Month 4.
5. The demographic pressure on Older Peoples Services (£2,108k) is the most significant pressure contributing to the net overspend on normal activities. The main reason for the £1,425k pressure on exceptional items is the impact of the Government's announcement on local government in-year grant reductions for 2010/11. The cuts notified are in Area Based Grant (£1.3m), Housing and Planning Delivery Grant (£0.1m), LAA Reward Grant (£1.8m) and LABGI (£0.4m). The net impact of the reductions in grant on the Council's current year budget is £3.6m.
6. An in-year recovery plan is being developed that is seeking to recover at least £2m of the £3.6m through permanently reducing expenditure in areas previously funded by the grants being reduced or through accelerating BID efficiency proposals. The remaining £1.6m will be targeted through one-off measures including lobbying Treasury officials on allowing the Council flexibility in the capital/revenue split on the reduced LAA reward grant. This would improve the revenue position in the current year by around £800k.
7. The budget position on contingency has improved by £13k in the last month due to a £23k improvement in the asylum position netted down by an adverse movement of £10k on Development Control.
8. Capital financing costs are projected to underspend by £1m due to budgets set aside in advance for schools capital financing and other priority projects which will not be needed in this financial year.
9. The balances brought forward at 31st March 2010 were £17,745k. £1,500k of this sum was applied in support of the 2010/11 budget as part of the budget strategy agreed at Council Tax setting. The forecast balances as at 31st March 2011 are £14,451k as a result of the budgeted drawdown from balances (-£1,500k), the forecast in-year overspend (-£1,985k) and the transfer from earmarked reserves (+£191k).

10. In addition to the £14,451k of general balances the Council has £746k of balances earmarked for Building Schools for the 21st Century brought forward from last year. The Government has announced that the funding for Building Schools Programmes across the whole country is being withdrawn. The Council was already in the process of winding down costs associated with this programme. Around £200k has been spent so far this year. The balance of funds not spent will be transferred to general reserves and will be used to support financing costs for the Primary Capital Programme.

B) Capital

11. Total forecast capital expenditure for the year is estimated to be £89,907k (Month 4, £95,132k), £17,231k less than the latest budget. This represents a £5,602k reduction in the forecast outturn position.

12. The reduction in the outturn forecast is primarily due to rephasing of works into 2011/12 on the following projects, HRA Pipeline Phase 1 (£500k), Triscott House (£1,000k), South Ruislip Development (£1,633k) and New Year's Green Lane Civic Amenity Site (£1,916k).

13. The current projection for General Fund capital receipts based on sites agreed for disposal is £5,935k. This is £2,660k less than that assumed in the 2010/11 budget (£8,595k). There are in addition £1,900k of receipts forecast for the HRA.

14. A number of grants including Surestart (Children's Centres and Early Years) and Playbuilder are being reviewed by central government. The results of these reviews are anticipated in the coming month. The Government review is looking at cutting expenditure where there are not commitments already in place.

A) Revenue

15. Table 1 indicates the overall impact of the expenditure forecasts now reported on the approved budget and the resulting balances position.

Table 1

2010/11 Original Budget	Budget Changes		2010/11 (As at Month 5)		% Var of budget	Variances (+ adv/- fav)		
			Current Budget	Forecast		Variance (As at Month 5)	Variance (As at Month 4)	Change from Month 4
£'000	£'000		£'000	£'000		£'000	£'000	£'000
223,425	9,341	Directorates Budgets on normal activities	232,767	234,327	1%	+1,560	+1,380	+180
-27,731	-9,342	Corporate Budgets on normal activities	-37,073	-38,073	3%	-1,000	-1,000	0
195,694	0	Sub-total Normal Activities	195,694	196,254	0%	+560	+380	+180
		Exceptional items:						
		Central govt grant cuts		3,600		+3,600	+3,600	0
		In-year recovery savings		-2,000		-2,000	-2,000	0
		Team bonus underspend		-175		-175	-175	0
0	0	Sub-Total	0	1,425		+1,425	+1,425	0
195,694	0	Total net expenditure	195,694	197,679	1%	1,985	1,805	180
-194,194	0	Budget Requirement	-194,194	-194,194		0	0	0
1,500	0	Net total	1,500	3,485		1,985	1,805	180
-17,745		Balances b/f 1/4/010	-17,745	-17,745		0	0	0
0		Transfer from earmarked reserves		-191		-191	-191	0
-16,245	0	Balances c/f 31/3/11	-16,245	-14,451		+1,794	+1,614	+180

Directorates' Forecast Expenditure Month 5

16. Table 2 shows further details on the budget, forecast and variance at Directorate level now reported. Further detail on each directorate is shown in Appendix A.

Table 2

2010/11 Original Budget	Budget changes	2010/11 Current Budget (as at Month 5)	Directorate		2010/11 Forecast (as at Month 5)	% Var of budget	Variances (+ adv/- fav)		
							Variance (As at Month 5)	Variance (As at Month 4)	Change from Month 4
£'000	£'000	£'000			£'000		£'000	£'000	£'000
279,115	1,004	280,120	Adult Social Care, Health & Housing	Exp	283,898	1%	+3,778	+3,371	+407
-185,595	-3,366	-188,961		Inc	-190,146	1%	-1,185	-1,185	0
93,521	-2,362	91,159		Total	93,752	3%	+2,593	+2,186	+407
98,326	-18,272	80,054	Planning, Environment & Community Services	Exp	79,954	0%	-100	+81	-181
-49,523	13,390	-36,132		Inc	-35,511	-2%	+621	+431	+190
48,804	-4,882	43,922		Total	44,443	1%	+521	+512	+9
313,819	18,244	332,064	Education & Children's Services	Exp	332,064	0%	0	0	0
-261,246	-5,291	-266,537		Inc	-266,537	0%	0	0	0
52,573	12,954	65,527		Total	65,527	0%	0	0	0
28,759	19,604	48,363	Central Services	Exp	47,629	-2%	-734	-169	-565
-12,792	-15,972	-28,764		Inc	-28,253	-2%	+511	+169	+342
15,967	3,632	19,599		Total	19,376	-1%	-223	0	-223
10,760	0	10,760	Developments Contingency Growth to be allocated		9,729	-10%	-1,031	-1,018	-13
1,800	0	1,800			1,500	-17%	-300	-300	0
223,425	9,341	232,767	Sub-Total Normal Activities		234,327	1%	+1,560	+1,380	+180

17. **Adult Social Care, Health & Housing** are projecting a **pressure of £2,593k (£407k adverse)** as at Month 5. The adverse movement is solely due to a £300k adverse movement on Older Peoples Service demographic pressures and £107k relating to additional Mental Health placements. The department is reporting an adverse position of £2,593k on a £280m gross budget. This is consistent with the activity seen in the last quarter of 2009/10 around Older People (£2,108k pressure) and Mental Health services (£358k pressure). Action is being taken to try and mitigate these pressures. This forecast excludes sums provided for in contingency for Transitional Children (£2,300k), Mental Health Services (£450k), Homelessness (£800k) and for Older Peoples Services (£800k) held in contingency.

18. **Planning, Environment & Community Services** are projecting a **pressure of £521k (£9k adverse)** as at Month 5. The small adverse movement and the most significant ongoing pressures of £506k relate to the corporate landlord service. Within the service there is a pressure on income streams from commercial properties (£166k), a shortfall of £72k on income from the hire of the Middlesex Suite and a shortfall of £81k from schools buy back of Facilities Management services. The property pressures also include a cost pressure (£28k) due to maintaining and keeping secure surplus properties prior to their disposal. There are also pressures forecast in Harlington Road Depot (£159k), offset by forecast overachievement of income within Trade Waste (£65k) and Civic Amenity sites (£35k). There are pressures in the Arts and Libraries services offset by salary cost savings in Community Safety. Leisure

services are predicting a £60k adverse variance primarily due to the impact of the late opening of Botwell. Other pressures are on Development Control (£130k), Golf (£262k), Waste Disposal Levy (£1,758k), Recycling services (£150k), Highways Maintenance (£500k) and Vehicle Fuel costs (£80k) which are all provided for within contingency.

19. **Education & Children's Services** are forecasting a **nil variance (no change)** as at Month 5. This excludes the pressure on asylum and Exhausted All Appeal cases which are being treated as contingency items. As at Month 5 the pressure of £1,210k on asylum is now in line with the contingency provision (£23k improvement). Although the group is forecasting a break even position there are pressures that need containing. There is an estimated pressure of up to £500k due to potential redundancies which are currently in the consultation process at Northwood, Mellow Lane and Hedgewood schools. There are also a reported pressure within SEN transport which is expected to be absorbed through the forthcoming review and re-negotiation of contracts.

20. **Central Services** are forecasting a **£223k underspend (£223k favourable)** as at Month 5. Finance & Business Services are projecting an underspend of £4k, a favourable movement of £250k on the Month 4 projection. This improvement is mainly due to the financial outcomes of the various BID workstreams affecting Finance and Business Services having now been fully assessed and incorporated into the projected outturn for the current year. The Deputy Chief Exec's office is now forecasting a £219k underspend (£141k improvement). The net improvement is primarily due to the incorporation of projected underspends on Members Allowances (£45k) and Voluntary Sector Grants (£55k) where the budgetary provisions are in excess of projected commitments. There are also pressures on Building Control (£225k), Land Charges (£774k) income and the Self Insurance fund (£420k) which are all provided for within contingency. The Building Control fees for the first 3 months of 2010/11 are down by 5% on the same period in 2009/10, and 14% below the 3 year average.

Development & Risk Contingency: £1,031k underspend (£13k favourable)

21. £10,760k of potential calls on the Development & Risk Contingency were identified as part of the budget setting process for 2010/11 held in the base budget. Table 3 shows the amounts that have been allocated or earmarked as at Month 5.

Table 3

Development and Risk Contingency	2010/11 Budget	Agreed	Forecast as needed	Variance (+adv / - fav)
<i>2010/11 allocations:</i>	£'000	£'000	£'000	£'000
Total net contingency at start of the year	10,760			
Commitments:				
General Contingency	1,000		0	-1,000
Increase in Transitional Children due to Demographic Changes	2,300		2,300	0
Social Care Pressures (Adults & Childrens)	800		800	0
Homelessness Budget - Reduction in DWP Funding	800		800	0
Increase in Mental Health Packages due to Demographic Changes	450		450	0
Waste Disposal Levy	1,528		1,528	0
Highways Maintenance (Recovery from Snow and Ice)	500		500	0
Cost Pressures on Recycling Service	150		150	0
Vehicle Fuel Monitoring Pressure	80		80	0
Asylum non-EAA monitoring pressure	850		244	-606
Asylum Exhausted All Appeals	360		966	+606
Self insurance fund	420		420	0
Local Development Framework (LDF) legal & consultancy fees	100		100	0
Local Land Charges Income (volume pressures)	715		774	+59
Development Control Income	310		130	-180
Building Control Income	135		225	+90
Golf Courses Income	262		262	0
Total net contingency	10,760		+9,729	-1,031

22. A large proportion of the total contingency is expected to be required in full however the assumption that the £1m general contingency will not be drawn down has resulted in an overall underspend of £1,018k on the contingency budget.

23. The forecast asylum spend is £1,210k (£23k favourable) is now in line with the net sum provided for within contingency (£1,210k). The underspend on the non EAA element of Asylum contingency (£244k) is due to assuming the favourable agreement reached with the UKBA in 2009/10 for indirect costs will continue going forward. The current forecast in Exhausted all Appeals cases (£966k) is due to the costs of ineligible (£892k) and naturalised clients (£74k).

24. Within ASCH&H the contingency items in relation to Transitional Children, Mental Health and homelessness are forecast to be needed in full at this stage of the year.

25. Pressures related to the economic downturn continue to be budgeted for within contingency. Development control income is forecast as a gross pressure of £130k (£10k adverse), £180k

less than provided for within contingency, due to an upward trend in applications, however this is a volatile area and given the scale of the fees the position could change during the year. Land charge income has an adverse variance of £59k on a gross pressure of £774k. The forecast for building control income is a gross pressure of £225k, £90k above that provided for within contingency based on a reduction in income of 5% from the same period in 2009/10.

26. A sum of £80k has also been included in the contingency to cover fuel pressures. At this stage given the level of volatility in the market, it is considered prudent to forecast that the totality of this sum will be required.

27. In addition there is a forecast pressure of £420k for the self insurance fund, £150k for the Recycling service, £500k for Highways winter maintenance, £100k for the Local Development Framework costs £100k and £262k on Golf income, all of which are expected to be required in full at this stage.

Priority Growth: £300k Underspend (no change)

28. £1m was included in the 2010/11 budget for priority growth and £800k for HIP Initiatives (including £300k for waste & recycling projects).

29. In addition to the new budgeted amounts there was £205k of unspent priority growth from 2009/10 carried forward in earmarked balances to potentially fund one-off priority growth in 2010/11. £14k of this sum is likely to be spent on a playground at Hillingdon hospital. The remaining balance (£191k) is being transferred back to general reserves.

30. Table 4 summarises the position with regards to each element of priority growth.

Table 4

Priority Growth	2010/11 Budget	Agreed draw downs	Commitments	Unallocated
<i>2010/11 Unallocated Priority Growth at start of the year</i>	£'000	£'000	£'000	£'000
HIP Initiatives New budget:	800			
Agreed:				
Recycling initiatives				
Heritage		135		
Environmental projects		144		
HIP Initiatives unallocated balance	800	280	220	300
Unallocated non specific growth	1,000			
Balance of unallocated growth	1,000	0	0	1,000
Total	1,800	280	0	1,300

31. HIP Steering group have approved £280k of allocations so far this year from the HIP revenue contingency. Some approved projects are now being deemed as capital in nature, Ruislip Lido rain shelters (£33.5k), Little Britain Lakes toilet facilities (£55.3k), Little Britain Lakes CCTV & lighting (£44.1k), Eastcote House Dovecote (£150k) and are being funded from the Environmental Assets capital budget.

32. The expected further commitments of £300k on Waste and Energy will now not require HIP funding as it is likely that they can be contained within base budgets so the monitoring position assumes that this will not be spent.
33. There is an estimated £220k remaining from the HIP initiatives budget and £1m of unallocated non-specific priority growth budget. The Month 5 forecast assumes that remaining £220k HIP initiatives budget and the £1m priority growth budgets will be spent in full.

Corporate Budgets' Forecasts: £1,000k underspend (no change)

34. Table 5 shows budget, forecast and variance now reported on corporate budgets as at Month 5.

Table 5

2010/11 Original Budget	Budget Changes	2010/11 Current Budget (as at Month 5)	Corporate Budgets	2010/11 Forecast Outturn (as at Month 5)	Variances (+ adv/- fav)		
					Variance (As at Month 5)	Variance (As at Month 4)	Change from Month 4
					£'000	£'000	£'000
-2,564	2,164	-400	Unallocated savings	-400	0	0	0
10,109	-42	10,067	Financing Costs	9,067	-1,000	-1,000	0
			FRS 17 Pension				
9,161	0	9,161	Adjustment	9,161	0	0	0
-23,535	-11,181	-34,716	Asset Management A/c	-34,716	0	0	0
-20,901	-283	-21,184	Corporate Govt Grants	-21,184	0	0	0
-27,731	-9,342	-37,073	Corporate Budgets	-38,073	-1,000	-1,000	0

35. Financing costs show a forecast underspend of £1,000k at Month 5. This is due to £1,000k being set aside for capital financing for schools or other priority projects which is not likely to be needed in 2010/11.
36. Debt financing and investment income are at this stage of the year forecast to be in line with the budget. A summary of treasury management activity is attached at Appendix B.

B) Capital

Background

37. The revised budget for Month 5 is now £107,138k, an increase of £337k from Month 4, the table below shows the breakdown of this change by service area.

38. The increase in budget is due to £10k of additional TfL funding, £78k of grant funding and £25k of S106 funding for the adiZone project and £264k of additional insurance and £10k of additional revenue contributions for the works at Hillingdon Chapel and Cemetery.

Group	Original 2010/11 Budget	Month 4	Budget Changes	Month 5
	£'000	£'000	£'000	£'000
Education & Children's Services	27,241	28,154	-874	27,280
Planning, Environment and Community Services		26,678	113	26,791
Planning & Community Services	13,869	0	0	0
Major Construction Projects	15,215	20,087	1,138	21,225
Adult Social Care, Health & Housing	4,960	4,853	0	4,853
Environment & Consumer Protection	7,908	0	0	0
Finance & Resources	3,468	1,572	0	1,572
Deputy Chief Executive	1,825	300	0	300
Partners	670	755	0	755
Contingency	2,000	2,000	0	2,000
Total	77,156	84,399	377	84,776
HRA	22,568	22,362	0	22,362
Total	99,724	106,761	377	107,138

Current Year Expenditure

39. Table 6 shows the actual spend to date and the projected outturn for 2010/11.

Table 6

Groups	Original Budget	Revised Budget	Capital Spend Month 5	Actual Spend % of Revised Budget	Forecast outturn	Variance (Forecast)
	£'000	£'000	£'000	%	£'000	£'000
Adult Social Care, Health & Housing	4,960	4,853	1,036	21%	4,436	-417
Education & Children's Services	27,241	27,280	4,045	15%	24,187	-3,093
Planning, Environment and Community Services	25,392	26,791	1,897	7%	19,137	-7,654
Finance & Resources	1,378	1,572	352	22%	1,572	0
Deputy Chief Executive	300	300	62	21%	300	0
Major Construction Projects	15,215	21,225	5,769	27%	18,894	-2,331
Partners - LAA Reward Grant	670	755	0	0%	749	-6
Group Total	75,156	82,776	13,161	16%	69,275	-13,501
Recovery from Contingency					0	0
Programme Contingency	1,500	1,500	0	0%	0	-1,500
Contingency	500	500	0	0%	0	-500
Contingency Total	2,000	2,000	0	0%	0	-2,000
HRA	22,568	22,362	2,734	12%	20,632	-1,730
Total	99,724	107,138	15,895	15%	89,907	-17,231

40. The Capital Programme budget is projecting an underspend of £17,231k as at month 5 (Month 4, £11,629k). There are a number of projects forecasting an overspend, however it is anticipated that overall, these pressures can be managed within the capital programme budget within each directorate.

41. Actual spend of £15,895k shown above includes the school returns for the first quarter.

42. The schemes with pressures of £3,023k in 2010/11 (£3,165k over the life of the projects) are shown in table 7 below.

Table 7

Scheme	Funding	Revised Budget	Actual Spend (incl accruals)	Forecast Outturn (Month 5)	Variance 2010/11	Total Project Variance
		£'000	£'000	£'000	£'000	£'000
Manor Farm	Council	0	1	257	+257	+257
Hillingdon Sport & Leisure Centre	Council	1,266	362	1,537	+271	+271
Botwell Green Leisure Development	Council	627	1,651	2,897	+2,270	+2,567
Farm Barns	Council	250	0	280	+30	-125
Childrens Centres Phase 2	Grant	626	276	816	+190	+190
Property Enhancements Programme Contingency	Council	0	5	5	+5	+5
Total		2,769	2,295	5,792	+3,023	+3,165

43. Botwell Green Leisure Development. The current forecast for 2010/11 is an overspend of £2,270k in 2010/11 and £297k retention in 2011/12. The total forecast overspend on the whole contract is between £2,104k and £2,914k. This is subject to further discussions with the

contractor. The overspend is due to changes made in the design of the project, leading to additional costs which were not included at the tender stage.

44. The £80k overspend previously reported on Triscott House has been addressed through a virement from the HRA Pipeline projects as noted in Month 4 monitoring.

Current Year Financing

45. Table 8 shows the financing of both the budget and the expected outturn.

Table 8

2010/11	Unsupported £'000	Capital Receipts £'000	HRA Capital Receipts £'000	Supported £'000	Grants £'000	HRA (inc MRA) £'000	Section 106 and other contributions £'000	Total Capital Programme £'000
Revised budget								
2010/11	29,847	8,595	452	4,036	47,616	13,954	2,638	107,138
Outturn 2010/11	21,228	5,935	452	2,961	44,339	12,869	2,123	89,907

46. The level of unsupported borrowing forecast as at Month 5 is £21,228k (Month 4 £24,952k), £8,619k lower than the revised budget. The change from Month 4 is primarily due to the rephasing of a number of major schemes planned to be funded from borrowing into 2011/12.

47. The £8,595k budgeted level of capital receipts for 2010/11 is currently anticipated to not be fully achieved. The revised estimated level of receipts is £5,935k for General Fund and £1,900k receipts for the HRA.

48. The supported borrowing forecast has decreased by £914k from £1,075k to £2,961k. As with the unsupported borrowing this is caused by projects being rephased into 2011/12.

CORPORATE CONSULTATIONS CARRIED OUT

Financial Implications

49. The financial implications are contained in the body of the report.

CORPORATE IMPLICATIONS

Corporate Finance

50. This is a Corporate Finance report.

Legal

51. There are no legal implications arising from this report.

BACKGROUND PAPERS

52. Monitoring report submissions from Groups.

APPENDIX A – Detailed Group Forecasts

Adult Social Care, Health and Housing (ASCH&H)

Revenue: **£2,593k Pressure (£407k adverse)**

1. The ASCH&H budgets are predominantly demand led and significantly affected by external pressures such as demographic trends which require robust and positive management. The pattern of demand for the current year continues to be closely scrutinised as during the latter part of 2009/10 there was an unusual adverse pattern across a range of service areas.
2. In summary the department is reporting an adverse position of £2,593k on a £277m gross budget; this is an adverse movement of £407k from the month 4 position due to a £300k adverse movement in Older Peoples demographic pressures and £107k in relation to additional Mental Health placements. The forecast is consistent with the activity seen in the last quarter of 2009/10 around Older People and Mental Health services.
3. The department manages a range of expenditure pressures evident in the forecasting which result from the national economic situation. Officers are taking action to offset these pressures such as reviewing the cost of care packages, restricting expenditure including holding some vacancies and accelerating savings proposals where possible. Officers will continue to formulate actions to mitigate and reverse this pressure although it is too early to predict whether this will be successful and result in a balanced departmental position at year end.

Services		2010/11 (As at Month 5)		% Var of budget	Variances (+ adv/- fav)		
		Current Budget	Forecast		Variance (As at Month 5)	Variance (As at Month 4)	Change from Month 4
		£'000	£'000		£'000	£'000	£'000
Older Peoples Services	<i>Exp</i>	39,338	42,599	8%	+3,261	+2,962	+300
	<i>Inc</i>	-8,153	-9,307	14%	-1,154	-1,154	0
	Total	31,185	33,292	7%	+2,107	+1,808	+300
Physical & Sensory Disability Services	<i>Exp</i>	9,287	9,218	-1%	-69	-69	0
	<i>Inc</i>	-881	-892	1%	-11	-11	0
	Total	8,406	8,326	-1%	-80	-80	0
Learning Disability Services	<i>Exp</i>	31,481	31,481	0%	0	0	0
	<i>Inc</i>	-12,242	-12,242	0%	0	0	0
	Total	19,239	19,239	0%	0	0	0
Mental Health Services	<i>Exp</i>	5,763	6,228	8%	+465	+358	+107
	<i>Inc</i>	-402	-402	0%	0	0	0
	Total	5,361	5,826	9%	+465	+358	+107
Housing Benefits	<i>Exp</i>	137,821	137,821	0%	0	0	0
	<i>Inc</i>	-	-134,694	0%	0	0	0
	Total	3,127	3,127	0%	0	0	0
Housing Needs Services	<i>Exp</i>	28,062	28,162	0%	+100	+100	0
	<i>Inc</i>	-25,367	-25,367	0%	0	0	0
	Total	2,695	2,795	4%	+100	+100	0
ASCH&H Other Service	<i>Exp</i>	25,096	25,117	0%	+21	+21	0
	<i>Inc</i>	-3,950	-3,970	1%	-20	-20	0
	Total	21,146	21,147	0%	+1	+1	0
Total Expenditure		276,848	280,626	1%	+3,778	+3,372	+407
Total Income		185,689	-186,874	1%	-1,185	-1,185	0
ASCH&H Total		91,159	93,752	3%	+2,593	+2,187	+407

Older People Services: £2,108k adverse (£300k adverse)

4. This service is currently forecasting a £2,108k adverse position due to the ongoing effect of residential and nursing placements made in the last quarter of 2009/10 as reported at the time. This forecast also assumes that the £760k can be drawn down from the Earmarked Reserve held for Older People Services reducing the pressure from £2,683k to £2,108k as reported in this forecast.
5. Officers continue to take mitigating action to manage down this unprecedented increase which is further complicated by a slowing down in the number of clients no longer requiring a service; it is though considered unlikely that this service will deliver a balanced outturn position at year end. Discussions with other London Boroughs indicate that this is not a trend unique to LBH.

Physical Disabilities: £80k favourable (no change)

6. This service is currently forecasting a small underspend which is primarily due a smaller net increase in residential care weeks for quarter 1 than expected.

Learning Disability: Nil variance (no change)

7. This service is currently forecasting a balanced outturn which assumes that the £2,295k corporate contingency held for transitional children is received thereby reducing the pressure from £2,295k to nil as reported in this forecast. This forecast also assumes that the rate of transfer from Children to Adult services is in line with current expectations.

Mental Health: £465k adverse (£107k adverse)

8. The adverse movement is as a result of 5 additional residential placements resulting in an adverse pressure of £465k. This adverse position reflects the ongoing effect of residential and nursing placements made during 2009/10 as reported last year; it is considered unlikely that this service will deliver a balanced outturn position
9. This forecast also assumes that the £1,250k corporate contingency held for Mental Health Services is received reducing the pressure from £1,715k to £465k as reported in this forecast.
10. The month 2 report referred to a challenge regarding ordinary residence relating to 12 clients currently charged to other authorities and can confirm that a referral to the Secretary of State for a decision has been made. This is on-going and a future report will confirm the decision once known, in the meantime the current forecast excludes this risk.

Housing Benefits: Nil variance (no change)

11. This service is currently forecasting a balanced outturn on a gross budget of £138m.
12. The Housing Benefit budget, as reported last year experienced increased benefit uptake which is indicating a pressure for 2010/11 although at this stage management are forecasting a break even position due to mitigating actions being undertaken.

Housing Need Services: £100k adverse (no change)

13. This adverse position is due to difficulties in procuring appropriate housing units for homeless families as planned. This has resulted in additional pressures in temporary accommodation and Bed & Breakfast budgets. The forecast assumes that the £0.8m corporate contingency held for this Service is received thereby reducing the pressure from £0.8m to £100k as reported in this forecast.

14. There is also an emerging pressure of £250k as a result of possible slippage in delivery of an MTFF savings item although officers are undertaking mitigating actions to counter this slippage.
15. In addition, the forecast also doesn't include £140k of redundancy costs that have been incurred as part of the Housing Needs restructuring in line with the new corporate operating model. The forecast assumes this will be met from corporate balances.

Other ASCH&H Services: Nil variance (no change)

16. This service is currently forecasting outturn to be on budget.

Housing HRA

17. This service is currently forecasting a favourable outturn of £143k, a marginal improvement from the Month 4 position, see table below:

Division of Service		Current Budget £000	Forecast £000	% Var of budget	Variance (as at Month 5) £000	Variance (as at Month 4) £000	Change from Month 4 £000
HH Ltd: General and Special Services	Expenditure	+13,071	+13,071	0%	0	0	0
HH Ltd: Repairs Services	Expenditure	+11,068	+11,068	0%	0	0	0
LBH: General and Special Services	Expenditure	+2,416	+2,399	-1%	-17	-10	-7
LBH: Repairs Services	Expenditure	-215	-215	0%	0	0	0
Other Expenditure	Expenditure	+25,100	+24,974	-1%	-126	-117	-9
Income	Income	-53,330	-53,330	0%	0	0	0
In Year (Surplus) / Deficit	Total	-1,890	-2,033	-8%	-143	-127	-16

18. The overall favourable variance is mainly due to a reduction in the consolidated rate of interest thereby reducing the cost of HRA debt.

Planning Environment and Community Services (PECS) Month 5

Revenue: **£521k Pressure (£9k adverse)**

1. At Month 5, the Group is forecasting an adverse variance of £521k representing an adverse movement of £9k on the month 4 position. The forecast variances are expressed net of any contingency provisions, which are detailed within the report.

Services		2010/11 (As at Month 5)		% Var of budget	Variances (+ adv/- fav)		
		Current Budget	Forecast		Variance (As at Month 5)	Variance (As at Month 4)	Change from Month 4
		£'000	£'000		£'000	£'000	£'000
Corporate Landlord	<i>Exp</i>	19,223	19,253	0%	+30	+36	-6
	<i>Inc</i>	-13,278	-12,802	-4%	+476	+461	+15
	Total	5,945	6,451	9%	+506	+497	+9
Public Safety & Environment	<i>Exp</i>	23,367	23,422	0%	+55	+55	0
	<i>Inc</i>	-2,633	-2,733	4%	-100	-100	0
	Total	20,734	20,689	0%	-45	-45	0
Sports, Culture & Leisure	<i>Exp</i>	18,423	18,413	0%	-10	-10	0
	<i>Inc</i>	-5,335	-5,265	-1%	+70	+70	0
	Total	13,088	13,148	0%	+60	+60	0
Planning, Trading Standards & Environmental Protection	<i>Exp</i>	5,681	5,681	0%	0	0	0
	<i>Inc</i>	-2,294	-2,294	0%	0	0	0
	Total	3,388	3,388	0%	0	0	0
Transportation & Planning Policy	<i>Exp</i>	13,359	13,184	-1%	-175	0	-175
	<i>Inc</i>	-12,592	-12,417	-1%	+175	0	+175
	Total	768	768	0%	0	0	0
Total Expenditure		80,054	79,954	0%	-100	+81	-181
Total Income		-36,132	-35,511	-2%	+621	+431	+190
Total PE&CS		43,922	44,443	1%	+521	+512	+9

Contingent Items: **Gross Pressure £2,150k (£10k adverse)**

2. The Council's 2010/11 contingent budget contains sums relating to the Waste Disposal Levy, and cost pressures on Recycling Services and Vehicle Fuel which impact on the ECP Group position. The Waste Disposal Levy was formally set by West London Waste Authority at the end of January 2010. The contingency contains the last two years increases in the levy, and the gross pressure reflects the actual requirement based on the levy notification received in February 2010.
3. The Planning income streams were identified as exceptional items last year. This was due to the downturn in the economy which had severely impacted the housing market and has continued to depress these income streams. The Authority's 2010/11 contingent budget contains provision for these affected income streams. The net position after the application of the contingency is shown in the table below.

Division of Service	Gross Pressure	Gross Pressure	Movement Month 4 to 5	Contingency	Net Pressure
	Month 5	Month 4			
Waste Disposal Levy	1,528	1,528	0	1,528	0
Recycling Services	150	150	0	150	0
Vehicle Fuel	80	80	0	80	0
Development Control	130	120	10	310	-180
Golf	262	262	0	262	0
P&CS – Total	2,150	2,140	10	2,330	-180

4. The forecast for Development Control income is a gross pressure of £130k, the net position after the application of the contingency is a favourable variance of £180k.
5. The forecast position for Development Control Income has fallen marginally from Month 4. Minor and Other applications have both shown positive trends over the last quarter of 2009/10 and this has initially continued in the first 3 months of 2010/11 but has fallen back in the last 2 months. Minor applications are at 85% (month 2 100%) of the 4 years average, and Other applications are at 91% (month 2 92%) of the 4 year average.
6. The forecast position for Vehicle Fuel Pressure remains the same and is for full usage of the £80k contingency.
7. The bulk diesel purchase price continues to be relatively stable having averaged around 98p per litre for the first five months of the year. The industry commentators still point to an underlying upward trend, but the predictions of a 4p rise in prices towards the end of August failed to materialise, due to a fall in the price of oil and wholesale cost of diesel.
8. The forecast position at month 5 continues to be full usage of the contingency provision. However this position does not allow for any sustained price rise from the current levels. Given the planned increases in duty and potential increases over the remainder of the year there is considered to be a risk of a pressure on the contingency of around £40k. Given the difficulty in predicting price movements as shown in August, a formal variance is not being reported at this time.

Corporate Landlord: £506k pressure (£9k adverse)

9. The service is reporting a series of ongoing pressures that total £506k. These are listed below.
 - There is an ongoing pressure on income streams from commercial properties of £166k, due to a number of vacant tenancies in the Warnford Industrial Estate (£136k – including anticipated debt write-offs which have been increased by a further £15k from the month 4 position), 192 High Street, where premises have remained vacant (£16k) and a vacant unit in the Uxbridge Market (£14k). There is a proposal to let one of the vacant units at Warnford currently being considered, but if approved this will not provide any financial benefit until 2011/12.

- There is a projected shortfall of £72k on income from the hire of the Middlesex Suite, due a general slow down in demand set against a challenging income target.
- There is an anticipated shortfall of £81k on income from schools buy back of Facilities Management (FM) services, due to schools opting to procure services directly rather than through the FM Team. In order to try and address this position efforts continue to be made to raise awareness of the service offer, including activities such as visits to schools.
- There is a pressure of £28k on the cost of maintaining and keeping secure surplus properties prior to their disposal.
- There is a pressure on the Harlington Road depot of £159k. This chiefly relates to a reduction in the intensity of usage. This is due to the movement of some Council services to the Civic Centre, together with the loss of Hillingdon Homes contributions for space occupation at the depot and use of the Stores facility. Some initial options have been identified in terms of revisions to current occupancy arrangements and income generation possibilities are also being examined, in order to mitigate this adverse position.

Public Safety & Environment: £45k favourable (no change)

Waste Services: £10k favourable (no change)

- 10. Street Cleansing:** An adverse expenditure variance of £90k continues to be forecast. The pressure relates to the activity required to maintain service standards. Management of the service continues to be focused on examining options to reduce the pressure without impacting on service levels.
- 11. Recycling Costs:** At month 5 the forecast remains full utilisation of the available £150k contingency. There continues to be a positive trend in recycling rates which generates pressures on the variable elements of the budget, particularly Gate Fees and recycling bags. The household recycling rate has been consistently above the 2009/10 level for the first four months of 2010/11. Income trends for recyclable materials are similar to last year, and the current levels of green garden waste are just slightly below the tonnages collected in 2009/10.
- 12. Waste Disposal:** The gross pressure of £1,528k reflects that the increase in the 2009/10 and 2010/11 waste levy that has now been confirmed by West London Waste Authority (WLWA) and is currently held in contingency. The Section 52(9) budget was reset for the new financial year as part of the Levy process and reflects the reduced tonnages experienced during 2009/10. At the end of August the tonnages being monitored are showing a marginal decrease of 4% on the 2009/10 levels.
- 13. Trade Waste:** A favourable income variance of £65k continues to be forecast, with business remaining consistent. The levels of aged debt continue to be closely monitored with write-offs only undertaken as a measure of last resort, and anticipated as being covered within the existing bad debt provision.
- 14. Civic Amenity Sites:** A favourable income variance of £35k continues to be forecast on the basis of the favourable prices for recovery of metal-based materials This income stream will continue to be closely monitored as the year progresses, given that metal prices have been highly volatile particularly over the last two years.

Community Safety: £35k Underspend (no change)

- 15.** The underspend represents savings on staffing due to maternity and sabbatical leave (£8k), and a saving on the Police ASB team, due to a favourable variance on pay costs (£27k).

Sports Culture and Leisure: £60k Pressure (no change)

Arts Service: Nil Variance (no change)

16. There is a pressure on income of £10k, which will be compensated for from Arts expenditure budgets.

Leisure: £60k Pressure (no change)

17. The service is reporting a £71k pressure due to the impact of the late opening of Botwell on the GLL management fee together with the associated delay in closing Hayes Pool, and a £9k pressure resulting from the need to pay security costs to undertake enforcement at car parks. This is being mitigated to a limited extent by savings in other budgets to achieve a net £60k pressure.

18. The Golf budgets were set to match the contracted income levels from Mack Trading, the contingency of £262k was set on the basis of the difference between the original budgeted income from Golf prior to the current arrangements. This budget is still required and will need to be allocated to the service, to ensure a balanced position.

Transportation & Planning Policy: Nil variance

Off-Street Parking: Nil variance

19. The reduced levels of Car Park income experienced during 2009/10 have continued into the first 2010/11, with the economic climate considered to be a significant factor. The income variance reflects a forecast based on trends to date. In order to achieve a nil variance it is being assumed that management action can be undertaken to reduce expenditure that will be sufficient to offset the anticipated income reduction.

Education and Children Services (E&CS)

Revenue: Nil variance (No change)

1. The Group is projecting a nil variance as at Month 5 for the 2010/11 financial year. This excludes the overall pressure on asylum funding and the cost of exhausted all appeals cases which are reported under exceptional items elsewhere in this report.
2. The projected variances at Month 5 are summarised in the following table:

Services		2010/11 (As at Month 5)	2010/11 (As at Month 5)	% Var of budget	Variances (+ adv/- fav)		
					Variance (As at Month 5)	Variance (As at Month 4)	Change from Month 4
		£'000	£'000		£'000	£'000	£'000
Resource, Policy & Performance	<i>Exp</i>	4,460	4,460	0%	0	0	0
	<i>Inc</i>	-2,389	-2,389	0%	0	0	0
	Total	2,071	2,071	0%	0	0	0
ECS Central Budget	<i>Exp</i>	18,994	18,994	0%	0	0	0
	<i>Inc</i>	-3,545	-3,545	0%	0	0	0
	Total	15,449	15,449	0%	0	0	0
Learning & School Effectiveness Service	<i>Exp</i>	18,997	18,997	0%	0	0	0
	<i>Inc</i>	-13,293	-13,293	0%	0	0	0
	Total	5,704	5,704	0%	0	0	0
Director's, Youth & Connexions	<i>Exp</i>	9,126	9,126	0%	0	0	0
	<i>Inc</i>	-913	-913	0%	0	0	0
	Total	8,213	8,213	0%	0	0	0
Children & Families		39,425	39,540	1%	+115	+115	0
		-5,889	-6,004	1%	-115	-115	0
	Total	33,536	33,536	0%	0	0	0
Asylum Services	<i>Exp</i>	14,490	9,939	-31%	-4,551	-4,551	0
	<i>Inc</i>	-13,936	-8,175	41%	+5,761	+5,784	-23
	Total	554	1,764	10%	+1,210	+1,233	-23
Total Exp	Exp	105,492	101,056	4%	-4,436	-4,436	0
Total Inc	Inc	-39,965	-34,319	14%	+5,646	+5,669	-23
Sub-Total Normal Activities		65,527	66,737	2%	+1,210	+1,233	-23

Schools: Nil variance (No change)

3. The Schools Budget is ring fenced and funded from the DSG. Schools' payroll and non-payroll expenditure is monitored quarterly with any forecast year-end deficits being the subject of detailed discussions with the schools concerned. Schools forecasting deficits are required to supply recovery plans identifying how they intend to eliminate their deficit, but these do not affect the general fund.

4. Any underspend or overspend of the Schools Budget in 2010-11 would be carried forward into 2011-12 and would have no effect on the General Fund.

Learning & School Effectiveness: Nil variance (No change)

5. An emerging issue is an estimated pressure in excess of £500k due to a whole round of redundancies which are currently in the consultation process at Northwood, Mellow Lane and Hedgewood schools.

Children and Families: Nil variance (No change)

6. The Children & Families is projecting a break even position as at Month 5.
7. There has been an increase in the reported pressure within SEN transport in respect of new routes and fuel costs of £150k. This increase has been offset by savings generated through the re-tendering of routes. Therefore the previously reported pressure of £316k remains an issue. In the previous financial years, this pressure has been offset by one off savings in other areas within the service.

Asylum Service £1,210k (£23k Improvement)

8. The Asylum service is reporting a budget pressure of £1,210k in the 2010/11 financial year, a £23k improvement on Month. The pressure is due to the ongoing demand for the service and the continued under-funding by the Government.
9. The previously reported pressure for both Exhausted All Appeals and ineligible clients of £892k and Naturalised clients of £74k remains same.
10. The service has been working on reducing indirect costs due to the limits on the amount of expenditure that can be recovered by grant.

Central Services

Revenue: £223k underspend (£223k improvement)

1. The forecast position for the central services revenue budget as at month 5 is an underspend of £223k, an improvement of £223k from the month 4 projections.

Service		2010/11 (As at Month 5)		% Var of budget	Variances (+ adv/- fav)		
		Current Budget	Forecast		Variance (As at Month 5)	Variance (As at Month 4)	Change from Month 4
		£'000	£'000		£'000	£'000	£'000
Deputy Chief Executive's Office	<i>Exp</i>	11,322	10,974	-3%	-348	-208	-140
	<i>Inc</i>	-3,517	-3,388	-4%	+129	+130	-1
	Total	7,805	7,586	-3%	-219	-78	-141
Finance & Business Services	<i>Exp</i>	37,041	36,655	-1%	-386	-21	-365
	<i>Inc</i>	-25,247	-24,865	-2%	+382	+267	+115
	Total	11,794	11,790	0%	-4	+246	-250
Recovery plan savings	<i>Exp</i>		0	0%	0	-168	+168
	Total	0	0	0%	0	-168	+168
Total Exp	<i>Exp</i>	48,363	47,629	-2%	-734	-397	-337
Total Inc	<i>Inc</i>	-28,764	-28,253	-2%	+511	+397	+114
Group total	Total	19,599	19,376	-3%	-223	0	-223

Finance & Business Services: £4k underspend (£250k improvement)

2. The Finance & Business Services Directorate budgets are projecting an underspend of £4k, an improvement of £250k from the month 4 projections. This comprises of a projected underspend of £386k on expenditure budgets (an improvement of £365k on the month 4 projections), due to the financial outcomes of the various BID workstreams affecting Finance and Business Services having now been fully assessed and incorporated into the projected outturn for the current year.
3. The underspend of £386k on expenditure is due to, an underspend of £536k on salary budgets across the Department (£87k in Accounting Services, £308k in Passenger Services, £73k in Building Control and £68k in ICT), where posts are being held vacant as part of the BID Workstreams, and an underspend of £40k on the cost of Audit fees, due to the cessation of the CAA Audit. This is netted down by an overspend of £170k on ICT Licence and software payments and an overspend of £20k on Fleet maintenance costs.
4. The shortfall of £382k in income streams relates to an under recovery of £400k on Passenger Services and Fleet Management Income and an under recovery of £65k on Building Control Income, netted down by surplus income from Bereavement services of £50k, and one off income from external sources totalling £33k

Deputy Chief Executive's Office: £219k underspend (£141k improvement)

5. The Deputy Chief Executive's Office budgets are projecting an underspend of £219k in month 5, an improvement of £141k on the month 4 projections, of which there is a projected underspend of £348k on expenditure budgets (an improvement of £140k on the month 4 projections), due to a the incorporation of projected underspends on Members Allowances and Voluntary Sector Grants where the budgetary provisions are in excess of projected commitments.
6. The underspend of £348k on expenditure budgets relates to a number of variances as follows:

- An underspend of £209k on staffing costs across the service, primarily due to a number of vacant posts that exist, as each post is being reviewed and held vacant pending the outcomes of the BID Workstreams.
- An underspend of £55k on the Voluntary Sector Grants budget, where the grants budget is £55k in excess of the grants that have been awarded.
- An underspend of £45k on Members' Allowances where the budget provision is £45k in excess of the projected cost for Special Responsibility allowances for the current administration.
- An underspend of £39k on the cost of printing in the Communications team.

7. The shortfall of £129k on income streams relates to a number of budgets as follows:

- A projected shortfall of £128k in Legal services relating to services provided to Hillingdon Homes. An action plan is being put in place to mitigate this, although due to the timing of some of the proposed action, it is unlikely that this will fully cover the shortfall in this year.
- Under-recovery of income from the Hillingdon Business forum and Uxbridge Town Centre of £12k.
- A shortfall of £9k on the buy back of Payroll services by schools, where three schools have decided not to renew their contract this year.
- An over recovery of £20k from schools purchasing the Occupational Health Service.

Recovery Plan Savings:

8. Both Senior Management teams have put in place a range of options to address the relevant variances within their department, all of these have now been implemented and built into the base budget, which has removed the target in month 5, thus reducing the target from month 4 by £168k.

Contingency Items

9. The Corporate Contingency holds a number of budgets relating to exceptional items linked to the downturn in the economy which had severely impacted the housing market and has continued to depress a number of income streams. The net position after the application of the contingency is shown in the table below.

Contingent Item	Gross Pressure	Gross Pressure	Movement Month 4 to 5	Contingency	Net Pressure
	Month 5 £'000	Month 4 £'000		£'000	£'000
Building Control	225	225	0	135	+90
Land Charges (volume pressures)	774	774	0	715	+59
Self Insurance Fund	420	420	0	420	0
Total	1,419	1,419	0	1,270	+149

Building Control Income: £225k Gross Pressure (no change)

10. The forecast for Building Control income is a gross pressure of £225k. The fees for the first 5 months of 2010/11 are down by 5% on the same period in 2009/10, and 14% below the 3 year average.

Land charges: £774k Gross Pressure (no change)

11. Land charge income has moved to a cost recovery basis due to statutory changes in regulations enacted in December 2008. The figures also include the forecast relating to the impact of the recent Ministry of Justice (MOJ) decision to revoke the charging of a fee for personal searches, which relates to guidance previously issued from the Information Commission Office (ICO). The guidance proposed that the majority of property search data is Environmental Information and that Local Authorities are therefore obliged to allow inspection of this information at no charge. The instruction from the MOJ came into force on 17th August, and will be backdated to when the Environment Information Regulations came into force in January 2005. The part year effect of not being able to charge for personal searches in 2010/11 is a pressure of £85k (the full year effect equating to £145k). A detailed assessment of the financial impact of the requirement to apply the legislation back to January 2005, is currently being undertaken.

Self Insurance Fund: £420k Gross Pressure (no change)

12. The Corporate Risk Contingency holds a budget of £420k to cover the costs of insurance claims, where the Council is liable for the excess, which currently stands at £100k. Based on current projections this contingency sum will be fully required to cover the costs of the excess payments made in 2010/11.

Capital Programme: £17,231k Underspend (£5,602k improvement)

53. The Capital Programme is reporting an underspend of £17,231k (£11,629k Month 4).

54. Expenditure for the whole capital programme is £15,895k which equates to 15% of the revised programme. Further detail is provided below for each individual department.

Groups	Original Budget	Revised Budget	Capital Spend Month 5	Actual Spend % of Revised Budget	Forecast outturn	Variance (Forecast)
	£'000	£'000	£'000	%	£'000	£'000
Adult Social Care, Health & Housing	4,960	4,853	1,036	21%	4,436	-417
Education & Children's Services	27,241	27,280	4,045	15%	24,187	-3,093
Planning, Environment and Community Services	25,392	26,791	1,897	7%	19,137	-7,654
Finance & Resources	1,378	1,572	352	22%	1,572	0
Deputy Chief Executive	300	300	62	21%	300	0
Major Construction Projects	15,215	21,225	5,769	27%	18,894	-2,331
Partners - LAA Reward Grant	670	755	0	0%	749	-6
Group Total	75,156	82,776	13,161	16%	69,275	-13,501
Recovery from Contingency					0	0
Programme Contingency	1,500	1,500	0	0%	0	-1,500
Contingency	500	500	0	0%	0	-500
Contingency Total	2,000	2,000	0	0%	0	-2,000
HRA	22,568	22,362	2,734	12%	20,632	-1,730
Total	99,724	107,138	15,895	15%	89,907	-17,231

Adult Social Care, Health and Housing (ASCH&H)

HRA: £1,730k Underspend (£1,500k improvement)

55. A summary of the programme for HRA is shown below :

Capital Schemes 2009/10	Original Budget	Revised Budget	Budget Released	Capital Spend Month 5	Actual % of Revised Budget	Forecast Outturn	Variance
	£' 000	£' 000	Y/N	£' 000	%	£' 000	£' 000
Capital Works	10,000	9,746	Y	1,550	16%	9,746	0
HRA - New Build - HRA Pipeline Sites Phase 1	7,508	7,348	Y	758	10%	6,848	-500
HRA - New Build - Extra Care Sites Phase 1 (Triscott House)	3,430	3,590	Y	330	9%	2,510	-1,080
Cash Incentive Scheme	150	150	Y	0	0%	0	-150
HRA - Estates Improvements	1,280	1,502	Y	96	6%	1,502	0
Other Projects	200	0	N	0		0	0
Townfield Community Centre	0	26	Y	0	0%	26	0
HRA – Total	22,568	22,362		2,734	12%	20,632	-1,730

56. The outturn of HRA is £20,632k out of a revised budget of £22,362k.

57. The £500k underspend on Phase 1 of the HRA Pipeline Sites is due to delays resulting from issues at one site causing works to slip into 2011/12. There is a potential pressure of £65k on design costs in 2011/12 which is currently being investigated.

58. The £1,080k underspend reported on Triscott House new build project is based on a revised profile of expenditure from the contractor. The project is still expected to complete on budget to the original timetable of September 2011.

Adult Social Care, Health and Housing: £417k Underspend (£387k improvement)

59. A summary of the programme for Adult Social Care, Health and Housing is shown below :

Capital Schemes 2009/10	Original Budget	Revised Budget	Budget Released	Capital Spend Month 5	Actual % of Revised Budget	Forecast Outturn	Variance
	£' 000	£' 000	Y/N	£' 000	%	£' 000	£' 000
100% Grant Funded							
PSRSG for WL Empty Property Grant	1,100	1,100	Part	229	21%	900	-200
Mental Health – Mead House	114	250	Y	92	37%	250	0
ASC,H&H (Non HRA – 100% Grant Funded) – Total	1,214	1,350		321	24%	1,150	-200
Non-Grant Funded							
Disabled Facilities Grants	3,000	2,823	Y	442	16%	2,636	-187
Private Sector Renewal Grants	450	450	Y	67	15%	420	-30
Colne Park Caravan Sites	296	230	Y	206	90%	230	0
ASC,H&H (Non HRA – Non Grant Funded) – Total	3,746	3,503		715	20%	3,286	-217
ASC,H&H – Total	4,960	4,853		1,036	21%	4,436	-417

60. The outturn position of ASCH&H is £4,823k out of a revised budget of £4,853k.

61. It is anticipated that the Empty Property Grant funding will be reduced by £200k during October so 2010 spending on this scheme has been curtailed.

62. As a result of the Council's financial situation a review of cases has slowed down referrals for the Disabled Facilities Grant, reducing the outturn forecast and council borrowing in the current year by £187k.

Education and Children's Services: £2,932k Underspend (£161k improvement)

Capital Schemes 2009/10	Original Budget	Revised Budget	Budget Released	Capital Spend Month 5	Actual % of Revised Budget	Forecast Outturn	Variance
	£' 000	£' 000	Y/N	£' 000	%	£' 000	£' 000
100% Grant/Externally Funded							
Early Years Foundation Stage – Surestart	1,169	1,379	0	21	2%	1,379	0
Extended Schools	251	485	Part	307	63%	485	0
Formula Capital Devolved to Schools	3,876	3,207	N/A	359*	21%	2,245	-962
Guru Nanak - Expansion 2010	5,710	6,843	Y	1,439	21%	6,843	0
Pathfinder (Playgrounds)	598	598	Part	338	57%	598	0
Pinkwell	0	189	Y	0	0%	189	0
Primary School Expansions Phase I	1,942	258	Part	300*	0%	258	0
Primary School Expansions Phase II	5,150	5,150	N	0	0%	5,150	0
Rosedale College - S106 only	0	26	N	0	0%	26	0
School travel Plans	0	127	Y	16	13%	86	-41
Schools Kitchens	4,928	4,346	Part	1,048	24%	4,346	0
Specialist Schools	0	12	Y	2	17%	12	0
Surestart - AHDC short breaks	365	55	Y	4	7%	55	0
Vehicle Workshops - West Drayton Young Peoples Centre	0	40	N/A	0	0%	40	0
Investment in Young People's Facilities	167	84	Part	0	0%	84	0
Island U - Virtual School Project	0	60	N	0	0%	60	0
Total 100% Grant/Externally Funded	24,156	22,859	0	3,834	224%	21,856	-1,003
Non Grant Funded							
Expansion Haydon	0	14	Y	0	0%	14	0
Urgent Building Condition Projects (Modernisation)	1,985	2,837	Part	46	2%	1,986	-851
School Places Provision (Basic Needs)	0	92	Part	0	0%	92	0
Building Schools for the 21st Century	1,000	1,000	0	0	0%	0	-1,000
Schools Access Programme	100	478	Part	72	15%	239	-239
Total 100% Non Grant Funded	3,085	4,421		118	3%	2,331	-2,090
E&CS – Total	27,241	27,280		3,952	14%	24,187	-3,093

63. The outturn position of E&CS is £24,187k (Month 4 £25,222k) out of a budget of £27,280k (Month 2 £28,895k).

64. The forecast outturn for the Schools Access Programme has been reduced by £161k reflecting the lower than anticipated level of uptake from Schools and resulting in the underspend of £239k.

Planning, Environment and Community Services: £7,654k Underspend (£1,617k improvement)

Capital Schemes 2009/10	Original Budget	Revised Budget	Budget Released	Capital Spend Month 5	Actual % of Revised Budget	Forecast Outturn	Variance
	£' 000	£' 000	Y/N	£' 000	%	£' 000	£' 000
100% Grant/Externally Funded							
S106/S278 Schemes	0	361	Part	99	27%	361	0
Safer Stronger Communities Fund	50	50	N	43	86%	50	0
Botwell Multi Use Games Area	100	242	Part	228	94%	242	0
BSP funded by Transport for London	4,000	3,585	Part	0	0%	3,585	0
Total 100% Grant/Externally Funded	4,150	4,238		370	9%	4,238	0
Non Grant Funded							0
South Ruislip Development	4,661	4,661	Part	25	1%	2,100	-2,561
Highgrove Pool Phase II	4,100	4,100	Part	0	0%	550	-3,550
Hayes End Library Development	2,600	2,600	N	0	0%	800	-1,800
Winston Churchill Hall Refurbishment	430	430	Y	0	0%	430	0
Manor Farm Stables Development	371	451	N	0	0%	451	0
Willow Tree Centre	300	300	N	0	0%	300	0
William Byrd Pool	250	250	N	0	0%	250	0
North Hillingdon Adult Education Centre Roof Replacement	155	155	Part	0	0%	155	0
Manor Farm	0	0	Y	1		257	257
Property Enhancements Programme	500	500	N	10	2%	495	-5
Property Enhancements Programme Contingency	0	0	N	5		5	5
Youth Offending Team consolidation into Link 1A / cashiers	0	30	Y	9	30%	30	0
Civic Centre Security Improvements	0	107	Y	46	43%	107	0
Civic Centre Enhancements	1,590	1,590	Part	24	2%	1,590	0
Libraries Refurbishment	622	1,037	Y	332	32%	1,037	0
Harmondsworth Dog Free Mini Football Area	0	5	Y	0	0%	5	0
Ruislip Lido Toilets	0	100	Y	11	11%	100	0
CCTV Programme	230	230	N	0	0%	230	0
Chrysalis Programme	1,000	955	Y	15	2%	955	0
Town Centre Initiative	525	525	N	90	17%	525	0
Highways Improvements	1,100	1,100	Part	935	85%	1,100	0
Highways Localities Programme	258	258	N	0	0%	258	0
Road Safety	250	250	Part	0	0%	250	0
Street Lighting	300	300	Part	24	8%	300	0
Environmental Assets	2,000	2,000	N	0	0%	2,000	0
Fassnidge Park adiZone	0	148	N	0	0%	148	0
Purchase of Vehicles	0	471	Y	0	0%	471	0
Total Non Grant Funded	21,242	22,553		1,527	7%	14,899	-7,654
PE&CS – Total	25,392	26,791		1,897	7%	19,137	-7,654

65. The forecast outturn position of PECS is £19,137k out of a budget of £26,791k

66. The South Ruislip Development is projecting to underspend by £2,561k (increase of £1,633k from £928k in Month 4) in the current year due to additional rephasing into 2011/12. The planned date for completion remains July 2011.

Major Construction Projects: £2,331k underspend in 2010/11 (£1,937k favourable)

Capital Schemes 2009/10	Revised Budget £' 000	Budget Released Y/N	Capital Spend Month 5 £' 000	Actual % of Revised Budget %	Forecast Outturn 2010/11 £' 000	Forecast Outturn 2011/12 £' 000	Forecast Variance 2010/11 £' 000	Forecast Variance Total Project £' 000
Planning, Environment and Community Services								
Arundel Road Development HIP	3,018	Part	0	0%	18	0	-3,000	-3,000
Botwell Green (including Gymnastics Centre)	627	Y	1,651	263%	2,897	297	+2,270	+2,567
Boxing Club	0	N/A	0	No Budget	0	0	0	0
Brookfield – Second Floor	15	Y	1	7%	15	0	0	0
Farm Barns	250	Y	0	0%	280	0	+30	-125
Hillingdon Cemetery & Chapel - Insurance work	264	Insurance	0	No Budget	264	2,073	0	0
Hillingdon Sports and Leisure Centre	1,266	Y	362	29%	1,537	0	+271	+271
Minet Cycle Club	349	Part	237	68%	339	10	-10	0
New Years Green Lane Civic Amenity Site	3,973	Part	85	2%	1,900	2,073	-2,073	0
Queensmead Fitness Centre Refurbishment	28	Y	21	75%	28	0	0	0
Education and Children's Services – 100% Grant/Externally Funded								
Children's Centres – Phase 2	626	Y	276	44%	816	0	+190	+190
Children's Centres – Phase 3	3,243	Y	1,013	31%	3,243	0	0	0
Longmead - Laurel Lane	1,612	Y	892	55%	1,612	0	0	0
Merrifields fit out for short breaks	375	Y	263	70%	370	5	-5	0
Pinkwell New Classrooms	20	0	0	0%	20	0	0	0
Pinkwell School Hall	478	Y	301	63%	478	0	0	0
Education and Children's Services – Non Grant Funded								
Glebe Primary School	31	Y	0	0%	31	0	0	0
Heathrow Primary	18	Y	1	6%	18	0	0	0
New Young People's Centre	1,726	Y	584	34%	1,726	0	0	0
Primary Capital Programme (6 Schools)	1,684	Y	0	0%	1,684	0	0	0
Ruislip High School - Original Build	273	Y	50	18%	273	0	0	0
Targeted Capital - Oak Farm	388	Y	0	0%	388	0	0	0
Targeted Capital - Uxbridge High	32	Y	2	6%	32	0	0	0
Council Wide								
Project QS support	79	N	30	38%	75	0	-4	-4
Major Construction Project Fees	850	0	0	0%	850	0	0	0
Major Construction Projects – Total	21,225	0	5,769	27%	18,894	4,458	-2,331	-101

67. The outturn position of MCP is £18,894k out of a budget of £21,225k.

68. The forecast profile for New Year's Green Lane has been revised this month to reflect the delay in commencing works, the project is still planned to complete in 2011/12. £2,073k of costs has been rephased into 2011/12.

69. The Ruislip High School Sixth Form Expansion scheduled for 2011/12 is estimated to require £150k for consultants to progress the scheme in the current year. S106 funding has been

identified and should this applied to the scheme it will be possible to commence the project in 2010/11 at no additional cost to the council.

Central Services: £Nil Variance (Nil Variance)

Capital Schemes 2009/10	Original Budget £' 000	Revised Budget £' 000	Budget Released Y/N	Capital Spend Month 5 £' 000	Actual % of Revised Budget %	Forecast Outturn £' 000	Forecast Variance £' 000
Leader's Initiative	300	300	Part	62	21%	300	0
DCE – Total	300	300		62	21%	300	0
ICT Asset Management Strategy	1,378	1,572	Part	352	22%	1,572	0
F&R – Total	1,378	1,572		352	22%	1,572	0
Central Services - Total	1,678	1,872		414	22%	1,872	0

70. There has been no change to the final outturn position of Central Services, remaining at £1,872k out of a revised budget of £1,872k.

Partners: £6k favourable (Nil Variance)

Capital Schemes 2009/10	Original Budget £' 000	Revised Budget £' 000	Budget Released Y/N	Capital Spend Month 5 £' 000	Actual % of Revised Budget %	Forecast Outturn £' 000	Forecast Variance £' 000
LAA Reward Grant Share to Primary Care Trust	335	335	0	0	0%	333	-2
LAA Reward Grant Share to Community Safety Partnership	140	140	0	0	0%	140	0
LAA Reward Grant Share to BAA & Uxbridge College	130	130	0	0	0%	128	-2
LAA Reward Grant Share to Ground Work Trust	65	65	0	0	0%	63	-2
LAA Reward Grant Share to HAVS	0	85	0	0	0%	85	0
Partners - Total	670	755		0	0%	749	-6

71. There has been no change to the final outturn position for grants to partners, remaining at £749k out of a revised budget of £755k.

Capital Contingency: £2,000k underspend (Nil Variance)

Capital Schemes 2009/10	Original Budget £' 000	Revised Budget £' 000	Capital Spend Month 5 £' 000	Actual Spend % of Revised Budget %	Forecast Outturn £' 000	Variance £' 000
Purchase of Vehicles	1,500	1,500	0	0%	0	-1,500
General Contingency	500	500	0	100%	0	-500
Contingency - Total	2,000	2,000	0	100%	0	-2,000

72. The contingency is not currently forecasting any outturn due to the underspend in the main capital programme enabling overspends to be contained in the directorates or total programme.

APPENDIX B – Treasury Management Report

1. The following information is provided to update you on the activities on the Treasury function for the month of August 2010.
2. As at 31st August 2010 the Council's portfolio of deposits and debt were as follows (deposit balances can move substantially from day to day in line with cash flow requirements).

Outstanding Deposits - Average Rate of Return on Deposits: 0.87%

	Actual £m	Actual %	Bench- mark %
Up to 1 Month	14.5	30.79	65.00
1-2 Months	9.0	19.11	15.00
2-3 Months	5.0	10.62	10.00
3-6 Months	2.7	5.73	5.00
6-9 Months	2.0	4.25	5.00
9-12 Months	0.0	0.00	0.00
Subtotal	33.2	70.50	100
Unpaid Maturities	13.9	29.50	0.00
Total	47.1	100	100

3. With the exception of the unpaid Icelandic investments, deposits are held with UK institutions, which hold at a minimum, a Fitch AA- long-term credit rating.
4. Deposits are currently held with the following institutions; Henderson MMF, HSBC MMF, Invesco MMF, Royal Bank of Scotland, Standard Life MMF, Barclays Bank, Lloyds TSB Banking Group and Nationwide BS.
5. During August, fixed-term deposits matured in line with cash flow requirements. Cash movements throughout the month resulted in a net outflow from instant access accounts and a reduced balance at month end.

Outstanding Debt - Average Interest Rate on Debt: 3.57%

	Actual £m	Actual %
PWLB	120.9	71.7
Long-Term Market	48.0	28.3
Temporary	0.0	0.0
Total	168.9	100

6. Short term borrowing totalling £1m was taken and repaid during August. There were no early debt repayments or rescheduling opportunities during the month.

Prudential Indicators

7. There were no breaches of the prudential indicators during August.

Ongoing Strategy

8. The current strategy is to place all surplus cash in instant access accounts and if required place short-term fixed deposits to ensure funds are available to meet September's payment obligations. It has been identified there is a possibility that temporary short-term borrowing may be required during September.
9. During August the PWLB rates remained low and premiums stayed high. It therefore remained financially unviable to rescheduling debt.

APPENDIX C

Retaining of agency for Adult Social Care, Health, and Housing Services.

2 contract workers have been employed to undertake a range of duties to support the Commissioning Team including re-tendering of LD contracts and commissioning of the new Extra Care service. These posts are Joint Commissioning Team Manager (Post 1) and Joint Commissioning Manager Learning Disability Services (Post 2). Although the cost of each of these posts will exceed £50k in 2010/11 they are funded by vacancies held in the Contracts and Commissioning Teams pending the outcome of the common operating model. Post 1 will continue until the end of October 2010 and Post 2 will continue for the rest of this Financial Year.

The table below sets out the costs for these posts:

Roles	Cost
	£000's
Post 1	69
Post 2	84
Total	153