

COUNCIL BUDGET - MONTH 8 2010/11

REVENUE AND CAPITAL MONITORING

Cabinet Member	Councillor Jonathan Bianco
Cabinet Portfolio	Finance, Property and Business Services
Report Author	Paul Whaymand/Christopher Neale, Finance and Business Services
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 8 (November). The in year revenue position is currently forecast as being £616k less net expenditure than budgeted on normal activities and a £1,717k pressure on exceptional items, an overall improvement of £69k on Month 7.</p> <p>Total forecast capital expenditure for the year is estimated to be £74,164k (Month 7, £83,126k), £31,609k below 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 current forecast budget position for revenue and capital as at Month 8.
2. Note the treasury update at Appendix B.
3. Approves the retaining of six agency staff, four in Planning, Environment and Community Services, one in Finance and Business Services and one in Adult Social Care, Health & Housing as detailed in Appendix C.
4. Approves the car parking fees and charges as set out in Appendix D to be effective from 31st January 2011

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.

Alternative options considered

2. There are no other options proposed for consideration.

SUMMARY

A) Revenue

3. The in year revenue monitoring position as at Month 8 (November) shows that current forecast net expenditure for the year 2010/11 is £1,101k more than the budget (an underspend of £616k on normal activities and a £1,717k overspend on exceptional items), an overall improvement of £69k on Month 7. Further action is being taken by all Directors to seek to reduce the exceptional pressures further. A moratorium on new discretionary expenditure is in place for the final quarter of the year and the month 9 report will include an assessment of what this is likely to deliver by the year end.
4. The demographic pressure on Older Peoples Services (£1,998k) is the most significant pressure contributing to the net overspend. The main reason for the £1,717k 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 (£1.8m), Housing and Planning Delivery Grant (£0.1m), LAA Reward Grant (£1.3m) and LABGI (£0.4m). The net impact of the reductions in grant on the Council's current year budget is £3.6m.
5. In addition pressures due to the economic downturn are now being highlighted as exceptional items, Commercial property rental (£166k), Stockley Park Golf Course (£91k) and Development Control (£35k). The amount for Development Control is in addition to the amount being provided for in contingency (£310k)
6. An in-year recovery plan is being developed that is seeking to recover the £3.6m through permanently reducing expenditure in areas previously funded by the grants being reduced or through accelerating BID efficiency proposals. To date around £2m has been identified but work is continuing with the aim of recovering the position further by the year end. The aim is to ensure an overall breakeven budget position by the year end and at least £17m in balances.
7. The budget position on contingency shows an adverse movement of £40k in the last month due to an increased pressure on vehicle fuel costs. There is however an additional potential pressure of £366k on the Asylum contingency provision due to the UKBA classifying 8 clients as ineligible for under 18 status. Officers are disputing this with UKBA so at this stage the potential pressure is not factored into the year end projections.
8. Capital financing costs are projected to underspend by £1.75m due to budgets set aside in advance for schools capital financing and other priority projects which will not be needed in this financial year (£1m) and through a revised projection for the Minimum Revenue Provision (MRP) required to be set aside this year and the impact of recent debt restructuring which will produce a saving of £550k in the current year. There is also favourable variance of £200k due to reappportioning capital financing costs between the HRA and the General Fund.

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 £15,863k as a result of the budgeted drawdown from balances (-£1,500k), the current forecast in-year overspend (-£1,101k) and after the transfer from earmarked reserves (+£719k).

B) Capital

10. Total forecast capital expenditure for the year is estimated to be £74,164k (Month 7, £83,126k), £31,609 below the revised 2010/11 budget. This represents a £8,962k reduction in the forecast outturn position primarily due to capital schemes being rephrased into 2011/12 (particularly schools capital including primary capital where £5,844k has been rephrased).

11. Whilst there has been a significant reduction in forecast outturn funded from Council resources, there is a corresponding reduction in the forecast level of General Fund Capital receipts to £1,500k (Month 7, £5,935k) necessitating an additional call on unsupported borrowing and offsetting an element of the revenue savings generated from rephrasing of works into 2011/12.

A) Revenue

12. 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 8)		% Var of budget	Variances (+ adv/- fav)		
			Current Budget	Forecast		Variance (As at Month 8)	Variance (As at Month 7)	Change from Month 7
			£'000	£'000		£'000	£'000	£'000
223,425	9,342	Directorates Budgets on normal activities	232,767	233,901	0%	+1,134	+1,173	-39
-27,731	-9,342	Corporate Budgets on normal activities	-37,073	-38,823	5%	-1,750	-1,750	0
195,694	0	Sub-total Normal Activities	195,694	195,078	0%	-616	-577	-39
		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
		Development Control		35		+35	+65	-30
		Commercial property rental		166		+166	+166	0
		Golf Stockley Park		91		+91	+91	0
0	0	Sub-Total	0	1,717		+1,717	+1,747	-30
195,694	0	Total net expenditure	195,694	196,795	1%	1,101	1,170	-69
-	-		-	-				
194,194	0	Budget Requirement	194,194	-194,194		0	0	0
1,500	0	Net total	1,500	2,601		1,101	1,170	-69
-17,745		Balances b/f 1/4/010	-17,745	-17,745		0	0	0
		Transfer from earmarked reserves		-719		-719	-719	0
-16,245	0	Balances c/f 31/3/11	-16,245	-15,863		+382	+451	-69

Directorates' Forecast Expenditure Month 8

13. 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 8)	Directorate		2010/11 Forecast (as at Month 8)	% Var of budget	Variances (+ adv/- fav)		
							Variance (As at Month 8)	Variance (As at Month 7)	Change from Month 7
£'000	£'000	£'000			£'000		£'000	£'000	£'000
279,115	764	279,879	Adult Social Care, Health & Housing	<i>Exp</i>	284,909	2%	+5,030	+4,408	+622
-185,595	-3,250	-188,844		<i>Inc</i>	-191,281	1%	-2,437	-1,815	-622
93,521	-2,485	91,035		Total	93,628	3%	+2,593	+2,593	0
98,326	-6,095	92,232	Planning, Environment & Community Services	<i>Exp</i>	91,992	0%	-240	-247	+7
-49,523	5,458	-44,064		<i>Inc</i>	-43,614	-1%	+450	+457	-7
48,804	-636	48,168		Total	48,378	0%	+210	+210	0
313,819	14,322	328,141	Education & Children's Services	<i>Exp</i>	327,876	0%	-265	-61	-204
-261,246	-5,880	-267,126		<i>Inc</i>	-266,861	0%	+265	+61	+204
52,573	8,442	61,016		Total	61,016	0%	0	0	0
28,759	11,711	40,470	Central Services	<i>Exp</i>	40,250	-1%	-220	-646	+426
-12,792	-7,690	-20,482		<i>Inc</i>	-20,797	2%	-315	+190	-505
15,967	4,021	19,988		Total	19,453	-3%	-535	-456	-79
10,760	0	10,760	Developments Contingency Growth to be allocated		9,626	-11%	-1,134	-1,174	+40
1,800	0	1,800			1,800	0%	+0	0	+0
223,425	9,341	232,767	Sub-Total Normal Activities		233,901	0%	+1,134	+1,173	-39

14. **Adult Social Care, Health & Housing** are projecting a **pressure of £2,593k (no change)** as at Month 8. The demographic trends are now indicating further additional pressures in Learning (£737k) and Physical disability (£543k) services on top of existing pressures in Older People (£1,998k) and Mental Health services (£668k). As a result the management team have put in place an in year recovery plan to mitigate these pressures, without which the forecast would have adversely moved by £1.2m. 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.

15. **Planning, Environment & Community Services** are projecting a **pressure of £210k (no change)** as at Month 8. The most significant ongoing pressures of £595k relate to the corporate landlord service. Within the service the main pressures are on Fleet Management (£195k) and Corporate facilities and property (£340k) and Leisure (£60k). Public Safety & environment are showing a favourable variance of £85k. There is also a pressure due to the economic downturn at Stockley Park Golf Course (£91k) which is highlighted as an exceptional item as is the additional pressure (£35k) on Development Control over and above the contingency provision. Other pressures are on Development Control (£310k), Golf

(£262k), Waste Disposal Levy (£1,528k), Recycling services (£150k), Highways Maintenance (£500k) and Vehicle Fuel costs (£120k), which are all provided for within contingency.

16. **Education & Children's Services** are forecasting a **nil variance (no change)** as at Month 8. This excludes the pressure on asylum and Exhausted All Appeal cases, which are being treated as contingency items. As at Month 8 the pressure of £1,200k on asylum is £10k less than the sum provided for within contingency (£1210k). However there is a potential pressure of £366k which is mainly due to UKBA classifying 8 clients as ineligible for under 18 status. This is in addition to the cost of in-house fostering being under forecasted in previous months. Although the group is forecasting a break even position there are pressures that need containing. There is pressure of up to £588k due to redundancies, which have now been agreed for Northwood, Mellow Lane and Hedgewood schools. This is partially offset by an improvement in the E&CS central budget (£130k) and a net underspend in Access & Inclusion (£211k), recovery plan savings of £212k have been put in place to cover the remaining pressure.
17. **Central Services** are forecasting a **£535k underspend (£79k improvement)** as at Month 8. Finance & Business Services are projecting an underspend of £199k, no change on the Month 7 projection. The Deputy Chief Exec's office is forecasting a £336k underspend an improvement of £79k on Month 7. There is a projected underspend on expenditure budgets (£399k) primarily on staffing costs as a result of the BID reviews. This is offset by a £63k net shortfall on income streams. There are also pressures on Building Control (£71k), Land Charges (£715k) income and the Self Insurance fund (£420k) which are all provided for within contingency.

Development & Risk Contingency: £1,134k underspend (£40k adverse)

18. £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 8.

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		120	+40
Asylum non-EAA monitoring pressure	850		326	-524
Asylum Exhausted All Appeals	360		874	+514
Self insurance fund	420		420	0
Local Development Framework (LDF) legal & consultancy fees	100		0	-100
Local Land Charges Income (volume pressures)	715		715	0
Development Control Income	310		310	0
Building Control Income	135		71	-64
Golf Courses Income	262		262	0
Total net contingency	10,760		+9,626	-1,134

19. 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 £1,134k on the contingency budget.

20. The budget position on contingency shows an adverse movement of £40k in the last month due to an adverse movement on vehicle fuel costs.

21. The forecast asylum spend is £1,200k which is £10k less than the net sum provided for within contingency (£1,210k). However there is a potential pressure of £366k due to UKBA

classifying 8 clients as ineligible for under 18. This is being disputed with UKBA so is not built into the year end forecasts at this stage.

22. 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.
23. Development control income is forecast as a gross pressure of £345k (£30k improvement on month 7). The element over and above the contingency provision of £310k relates to the economic downturn continue and is now being highlighted as an exceptional item (£35k). This is due to a further downward 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 is still in line with the contingency provision with a gross pressure of £715k. The forecast for building control income is a gross pressure of £71k, £64k less than provided for within contingency.
24. At month 8 the fuel pressure is £120k (an adverse movement of £40k) due to a continuing upward trend in fuel costs.
25. In addition there is a forecast pressure of £420k for the self insurance fund, £150k for the Recycling service, £500k for Highways winter maintenance, and £262k on Golf income, all of which are expected to be required in full at this stage.

Priority Growth: Nil variance (no change)

26. £1m was included in the 2010/11 budget for priority growth and £800k for HIP Initiatives (including £300k for waste & recycling projects).
27. 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.
28. 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		300		
Heritage		144		
Environmental projects		132		
HIP Initiatives unallocated balance	800	576	0	224
Unallocated non specific growth	1,000			
Library refurbishment		65		
Balance of unallocated growth	1,000	65	0	935
Total	1,800	641	0	1,159

29. HIP Steering group have approved £276k 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 Ruislip Lido toilet block (£20k) are being funded from the Environmental Assets capital budget.
30. The sum of £300k allocated to Waste and recycling will now be drawn down in 2010/11. The budget will remain going forward into 2011/12 and will be broadened to become an environmental initiatives budget.
31. December cabinet agreed the £65k to be allocated from priority growth to fund the cost of extended opening hours for refurbished libraries. This has reduced the priority growth budget from £1m to £935k.
32. There is an estimated £224k remaining from the HIP initiatives budget and £935k of unallocated non-specific priority growth budget. The Month 8 forecast assumes that remaining £1,159k unallocated budgets will be spent in full.

Corporate Budgets' Forecasts: £1,750k underspend (no change)

33. Table 5 shows budget, forecast and variance now reported on corporate budgets as at Month 8.

Table 5

2010/11 Original Budget	Budget Changes	2010/11 Current Budget (as at Month 8)	Corporate Budgets	2010/11 Forecast Outturn (as at Month 8)	Variances (+ adv/- fav)		
					Variance (As at Month 8)	Variance (As at Month 7)	Change from Month 7
					£'000	£'000	£'000
-2,564	2,164	-400	Unallocated savings	-400	0	0	0
10,109	-42	10,067	Financing Costs	8,317	-1,750	-1,750	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	-38,823	-1,750	-1,750	0

34. Financing costs show a forecast underspend of £1,750k at Month 8, no change from month 7. This is due to a £200k reapportionment of Capital financing costs between the HRA and the general fund, a favourable variance of £550k due to a recent debt restructuring exercise and an updated projection for Minimum Revenue Provision (MRP) required to be set aside this year and also the £1,000k being set aside for capital financing for schools or other priority projects which is not likely to be needed in 2010/11.
35. A summary of treasury management activity is attached at Appendix B.

B) Capital

Current Year Expenditure

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

Table 6

Groups	Original Budget	Revised Budget	Capital Spend Month 8	Actual Spend % of Revised Budget	Forecast outturn	Variance (Forecast)
	£'000	£'000	£'000	%	£'000	£'000
Adult Social Care, Health & Housing	4,960	4,853	1,888	39%	4,352	-501
Education & Children's Services*	27,241	23,240	7,882	34%	14,214	-9,026
Planning, Environment and Community Services	14,031	15,946	3,073	19%	12,998	-2,948
Finance & Business Services	1,378	1,699	1,048	62%	1,346	-353
Deputy Chief Executive	300	300	131	44%	300	0
Major Construction Projects	26,576	33,841	7,985	24%	22,563	-11,278
Partners – LAA Reward Grant	670	755	0	0%	749	-6
Group Total	75,156	80,634	22,007	27%	56,522	-24,112
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	23,139	7,112	31%	17,642	-5,497
Total	99,724	105,773	29,119	28%	74,164	-31,609

* Actual spend of £7,882k shown above includes schools' returns for the first two quarters only.

37. The latest Capital outturn shows a variance of £31,609k against revised budgets as at Month 8 (Month 7, £23,368k), Most of this variance is caused by the planned rephasing of projects into the next financial year but does include £2,971k of potential pressures noted in table 7 below. However funding strategies are in place to manage these pressures.

Table 7

Scheme	Funding Strategy	Revised Budget	Actual Spend (incl accruals)	Forecast Outturn	Variance 2010/11	Total Project Variance
		£'000	£'000	£'000	£'000	£'000
Manor Farm	Contingency	0	1	55	+55	+55
Botwell Green Leisure Development	Council	627	1,870	3,005	+2,378	+2,675
Farm Barns	Council	250	4	350	+100	+100
Hillingdon Sport & Leisure Centre	Council	1,266	423	1,537	+271	+271
Property Enhancements Contingency	Council	0	5	5	+5	+5
Purchase of Vehicles	Council	471	482	482	+11	+11
Breakspear Crematorium	Revenue	0	0	29	+29	+29
Children's Centres Phase 2	Revenue	626	367	728	+102	+102
Hillingdon Cemetery & Chapel	Revenue	264	9	284	+20	+20
Total		3,504	3,161	6,475	+2,971	+3,268

38. Revenue contributions are available to cover forecast overspends on the final three projects listed above and have been factored into the revenue monitoring position reported within this report.

Current Year Financing

39. Table 8 shows the financing of the budget and 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	29,802	8,595	999	4,036	44,774	13,821	3,746	105,773
Outturn 2010/11	20,577	1,500	1,556	2,800	35,781	9,046	2,904	74,164
Variance	-9,225	-7,095	557	-1,236	-8,993	-4,775	-842	-31,609

40. The level of required unsupported borrowing forecast as at Month 8 is £20,577k (Month 7 £18,013k), taking total unsupported borrowing to £57,022k. The rephasing of projects to 2011/12 has helped enable the Council to defer approximately £30,000k borrowing originally planned for the current financial year, thus leading to short term revenue savings in the 'cost of carry' of borrowing.

41. The savings being realised by rephasing projects into 2011/12 is offset by delays in generating General Fund Capital Receipts, with additional MRP costs of approximately £285k impacting on 2011/12 revenue budgets.

42. The low level of Capital Receipts forecast for 2011/12 will present difficulties in the financing of the latest projected outturn of £6,923k on Council resourced programmes of works, as the nature of these programmes renders them unsuitable for Prudential borrowing under the Prudential Code.

43. HRA capital receipts previously earmarked to finance new build projects in 2011/12 are to be applied in 2010/11, avoiding any need for HRA borrowing in the current financial year.

44. The majority of grants, HRA funding sources and other contributions not being utilised in the current financial year are expected to be rephased into 2011/12 and have been factored into the latest Capital Medium Term Financial Forecasts.

CORPORATE CONSULTATIONS CARRIED OUT

Financial Implications

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

CORPORATE IMPLICATIONS

Corporate Finance

46. This is a Corporate Finance report.

Legal

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

BACKGROUND PAPERS

48. Monitoring report submissions from Groups.

APPENDIX A – Detailed Group Forecasts

Adult Social Care, Health & Housing

Revenue: **£2,593k Pressure** (no change)

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 is indicating additional pressures in Learning and Physical disability services and as a result the management team put in place an in year recovery plan. This forecast assumes that the individual actions which have been allocated to the Service budgets are delivered.
2. The action taken to date designed to mitigate pressures include accelerating the implementation of reablement which will reduce reliance on residential care, and increase achievable savings from the new WLA Homecare framework agreement. In addition recruitment and the use of agency staff has been reviewed and decisions taken to further reduce this expenditure.
3. In summary the department is reporting an adverse position of £2,593k on a £279m gross budget.

Services		2010/11 (As at Month 8)		% Var of budget	Variances (+ adv /- fav)		
		Current Budget	Forecast		Variance (As at Month 8)	Variance (As at Month 7)	Change from Month 7
		£'000	£'000		£'000	£'000	£'000
Older Peoples Services	<i>Exp</i>	+39,373	+43,379	10%	+4,005	+3,617	+388
	<i>Inc</i>	-8,153	-10,160	25%	-2,007	-1,845	-162
	Total	+31,221	+33,219	6%	+1,998	+1,773	+225
Physical & Sensory Disability Services	<i>Exp</i>	+9,272	+10,139	9%	+867	+826	+41
	<i>Inc</i>	-881	-1,204	37%	-324	-283	-41
	Total	+8,392	+8,935	6%	+543	+543	0
Learning Disability Services	<i>Exp</i>	+31,454	+31,809	1%	+355	+846	-491
	<i>Inc</i>	-12,242	-11,860	-3%	+382	-366	+748
	Total	+19,212	+19,949	4%	+737	+481	+256
Mental Health Services	<i>Exp</i>	+5,703	+6,300	10%	+597	+617	-20
	<i>Inc</i>	-402	-331	-18%	+71	+71	0
	Total	+5,300	+5,968	13%	+668	+688	-20
Housing Benefits	<i>Exp</i>	+148,963	+149,393	0%	+430	-500	+931
	<i>Inc</i>	-145,961	-147,150	1%	-1,189	0	-1,189
	Total	+3,002	+2,243	-25%	-760	-500	-260
Housing Needs Services	<i>Exp</i>	+19,651	+18,908	-4%	-742	-511	-232
	<i>Inc</i>	-17,261	-16,608	-4%	+653	+610	+43
	Total	+2,390	+2,300	-4%	-89	+99	-188
ASCH&H Other Service	<i>Exp</i>	+25,463	+24,982	-2%	-482	-488	+7
	<i>Inc</i>	-3,945	-3,968	1%	-23	-3	-21
	Total	+21,519	+21,014	-2%	-505	-491	-14
Total Expenditure		+279,879	+284,910	2%	+5,030	+4,408	+624
Total Income		-188,844	-191,282	1%	-2,438	-1,815	-623
ASCH&H Total		+91,035	+93,628	3%	+2,593	+2,593	0

Older People Services: £1,998k adverse (£225k adverse)

4. This service is currently forecasting a £1,998k adverse position due to the effect of residential and nursing placements which although slowing in terms of new placements remains under pressure as a result of a slowing down in the number of clients no longer requiring a service. The forecast has been adjusted to reflect this and the indications that the winter period maybe harsher than the norm bringing added pressures to this area of the budget.
5. This forecast also assumes that the £760k can be drawn down from the Earmarked Reserve held for Older People Services reducing the pressure from £2,758k to £1,998k as reported in this forecast.

Physical Disabilities: £543k adverse (no change)

6. This service is currently forecasting a £543k adverse position due to increasing pressures to support people to live independently and increases in the cost of individual residential care packages following care reviews.

Learning Disability: £737k adverse (£256k adverse)

7. This service is currently forecasting an adverse outturn of £737k due to increasing pressures to support people to live independently; increases in the cost of individual residential care packages following care reviews; and the cost of children transferring from E&CS. The movement from the month 7 position is primarily due to 4 clients transferring to LBH following a Continuing Health Care review undertaken by the PCT which established that they are no longer responsible for their funding.
8. The forecast assumes that the £2,300k corporate contingency held for transitional children are received thereby reducing the pressure from £3,037k to the £737k reported.

Mental Health: £668k adverse (£20k improvement)

9. Previous reports have referred to the likelihood of 24 clients that are subject to an 'ordinary residence' claim becoming the financial responsibility of the council. During negotiations with the other party about this matter in which Officers are rigorously defending against this attempt to transfer these clients, this number has been reduced to 18. At the present time negotiations and legal opinion is being sought regarding any potential liability, the total liability relating to these cases could in total be in the region of £0.75m.
10. The small improvement from last month relates to a number of small movements across this service area. This forecast also assumes that the £1,250k corporate contingency held for Mental Health Services is received reducing the pressure from £1,918k to the £668k reported.

Housing Benefits: £760k favourable (£260k improvement)

11. This service is currently forecasting a £760k favourable outturn on a gross budget of £138m which is primarily based on the favourable outcome of the external audit of the £150.6m claim relating to 2009/10. The previous month 7 monitoring report referred to having received positive feedback from the auditors which allowed a £500k reduction in the provision being held against claw back by the DWP. Officers have now received the audit letter and as a result have sufficient confidence to reduce this provision by a further £250k.

Housing Need Services: £89k favourable (£188k improvement)

12. Previous reports have referred to management action being taken to mitigate early year pressures which have proved to be successful and as a result are continuing in view of the overall pressure on the departments budget.

Other ASCH&H Services: £505k favourable (£14k improvement)

13. The small improvement from last month relates to a number of small movements across this service area. The primary reason for this favourable variance relates to the in-year action plan on recruitment and the use of agency staff which is being critically reviewed on an on-going basis to further reduce expenditure.

Contingent Items: Gross Pressure £2,020k (no change)

14. The Authority's 2010/11 contingent budget contains provision for areas of expenditure or income for which there is a greater degree of uncertainty. The net position after the application of the contingency is shown in the table below.

Division of Service	Gross Pressure Month 8	Gross Pressure Month 7	Change from Month 7	Contingency	Net Pressure
Increase in Transitional Children	2,300	2,300	0	2,300	0
Social Care Pressures	800	800	0	800	0
Homelessness Budget - Reduction in DWP Funding	800	800	0	800	0
Increase in Mental Health Packages	450	450	0	450	0
ASCH+H – Total	4,350	4,350	0	4,350	0

Housing Revenue Account (HRA)

15. This service is currently forecasting a favourable outturn of £2.3m; a £1.3m improvement from the Month 8 position. The table below now reflects the return of Hillingdon Homes Ltd and its incorporation as Hillingdon Housing Services.

2010/11 Current Budget (as at Month 8) £000	Division of Service	Variance (as at Month 8) £000	Variance (as at Month 7) £000	Change from Month 7 £000
+15,487	General and Special Services	-1,197	-717	-480
+10,853	Repairs Services	0	0	0
+11,040	Subsidy Payment to Government	+273	+273	0
+9,746	Capital Funded from Revenue (RCCO)	-700	-500	-200
+4,314	Other Expenditure	-783	-360	-423
-53,330	Income	+74	0	+74
-1,890	In Year (Surplus) / Deficit	-2,333	-1,304	-1,029

16. A detailed review of the HRA has been undertaken as part of the preparation for the HRA rent setting process and this has resulted in an overall favourable improvement in the variance for Month 8. For General and Special Services the Hillingdon Homes closing of accounts balance has been firmed up at £1m and is an improvement of £300k from that envisaged at month 7. The other £180k is accounted from a combination of favourable variances including energy costs, corporate recharges and staffing savings. Capital Funded from Revenue is showing a further slippage of £200k for roof works. The favourable improvement in Other Expenditure is a result of reduced revenue expenditure on the New Build Programme which is due to the associated slippage in the capital expenditure; a reduced call for contingency and, further reduction in capital charges due to favourable interest rates. A slight variance in income is due to a revision of expected charges from leaseholders for capital works.

Planning Environment and Community Services (PECS)

Revenue: **£210k Pressure (no change)**

1. At Month 8, the Group is forecasting an adverse variance of £210k no change from month 7. The forecast variances are expressed net of any contingency provisions, which are detailed within the report.

Services		2010/11 as at Month 8		% Var of budget	Variances (+ adv/- fav)		
		Current Budget	Current Forecast		Variance (As at Month 8)	Variance (As at Month 7)	Change from Month 7
		£'000	£'000		£'000	£'000	£'000
Corporate Landlord	<i>Exp</i>	35,014	36,747	0%	55	48	7
	<i>Inc</i>	-21,853	-21,893	-2%	540	547	-7
	Total	13,160	14,853	4%	595	595	0
Public Safety & Environment	<i>Exp</i>	47,811	47,216	-1%	-295	-295	0
	<i>Inc</i>	-18,062	-18,152	0%	-90	-90	0
	Total	29,749	29,064	-1%	-385	-385	0
Planning, Trading Standards & Environmental Protection	<i>Exp</i>	4,831	4,831	0%	0	0	0
	<i>Inc</i>	-2,005	-2,005	0%	0	0	0
	Total	2,825	2,825	0%	0	0	0
Transportation & Planning Policy	<i>Exp</i>	4,576	4,576	0%	0	0	0
	<i>Inc</i>	-2,143	-2,143	0%	0	0	0
	Total	2,433	2,433	0%	0	0	0
Total Expenditure		92,232	93,370	0%	-240	-247	7
Total Income		-44,064	-44,194	-1%	450	457	-7
		48,168	49,176	0%	210	210	0

Exceptional Items: **Gross Pressure £602k (£30k favourable)**

2. The table below shows those items that have been considered as exceptional due to the downturn in the economy.

Division of Service	Gross Pressure Month 8	Gross Pressure Month 7	Change from Month 7	Contingency	Net Pressure
Development Control	345	375	-30	310	35
Commercial Property Rental	166	166	0	0	166
Golf Stockley Park	91	91	0	0	91
P&CS – Total	602	632	-30	310	292

3. The forecast for Development Control income is a gross pressure of £345k, the net position after the application of the contingency is a adverse variance of £35k.

4. The forecast position for Development Control Income has improved from Month 7. The forecast position for Development Control Income has improved from Month 7 this is due to 4 “Minor Major” Applications that had not been expected. 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 5 months. Minor applications are at 89% (month 2 100%) of the 4 years average, and Other applications are at 91% which is very close to the same level as month 2, compared to the 4 year average.
5. 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 bad debt provisions), 192 High Street, where premises have remained vacant (£16k) and a vacant unit in the Uxbridge Market (£14k). There has been little movement on these service areas during the year, with the pressures considered to be influenced by the uncertain economic situation.
6. The lease for Stockley Park Golf course has been reassigned to a new operator as of the beginning of October 2010. This was a result of the previous operator UK Golf going into administration earlier in the year. The immediate impact is a pressure of £22k that relates to a part year reduced income level for the remaining 6 months of 2010/11. There was also a write off agreed via the Month 7 Budget Monitoring report to Cabinet for the outstanding rent of £69k relating to UK Golf. These 2 figures combine to give the full exceptional cost of £91k.

Contingent Items: Gross Pressure £2,060k (£40k adverse)

7. The Authority’s 2010/11 contingent budget contains provision for areas of expenditure or income for which there is a greater degree of uncertainty. The net position after the application of the contingency is shown in the table below.

Division of Service	Gross Pressure	Gross Pressure	Change from	Contingency	Net Pressure
	Month 8	Month 7	Month 7		
Waste Disposal Levy	1,528	1,528	0	1,528	0
Recycling Services	150	150	0	150	0
Vehicle Fuel	120	80	40	80	40
Golf	262	262	0	262	0
P&CS – Total	2,060	2,020	40	2,020	40

8. The Council’s 2010/11 contingent budget contains sums relating to the Waste Disposal Levy, 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.
9. The bulk diesel purchase price has shown an increase since the beginning of October, after having been relatively stable for the first six months of the year. A further duty increase of 0.75p per litre is planned in January and commentators are raising concerns about potential increases in oil prices.
10. Although it is difficult to be precise about the extent of any further increase, the evidence of the recent price increases, plus the current industry commentaries suggest a worsening position. The modelling of the planned increase in duty would now suggest that the pressure will be at

least the £40k that had been previously considered a possibility, and could further increase if fuel prices rise follow the potential increases in oil prices that are being muted.

Corporate Landlord: £595k pressure (no change)

11. The Corporate Landlord position now incorporates the Fleet Management service area which transferred into group in Month 6. The reported pressure at this point was £195k, and remains at this level for month 8. Further pressures have been highlighted on this service area primarily through increasing maintenance and lease costs. These issues are linked to the increasing age of the fleet. A service wide review of “transport needs” has now started and this will try and address the in-year pressure, so as to reduce it.

12. Corporate Facilities and Property are reporting a series of ongoing pressures that total £340k. These are listed below.

- There is a projected shortfall of £72k on income from the hire of the Middlesex Suite, due to a general slow down in demand set against a challenging income target. A review of the marketing approach to this service has now commenced, this will look at identifying opportunities to improve the position going forward.
- 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. Block A was decommissioned during November, and the anticipated savings are reflected in the position. Further rationalisation and income generation possibilities are also being examined, in order to mitigate the position.

Off-Street Parking: Nil variance (no change)

13. The reduced levels of Car Park income experienced during 2009/10 continued into the first half of 2010/11, with the economic climate considered to be a significant factor. The 3rd quarter has suggested a more positive trend, and the income levels achieved during the Christmas period are expected to have a key influence on whether an improvement can be achieved. 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.

Leisure: £60k Pressure (no change)

14. 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.

15. 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. The Operator has recently requested a rent reduction which the Corporate Landlord is looking at.
16. The operator for the Gym at Minet has formally requested a reduction in its annual rent from £200k to £100k backdated to September 2009. The operator has been struggling to achieve its original projections for membership growth against the economic backdrop and increased competition from Botwell. The request if agreed would create an in year pressure of £115k against income targets for the site.

Public Safety & Environment: £385k favourable (no change)

Waste Services: £340k favourable (no change)

17. Street Cleansing: The month 8 forecast is a £60k adverse expenditure variance which represents no change on the month 7 position.
18. Recycling Costs: At month 8 the forecast overspend is £144k, which can be offset by release of the £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 income trends for recyclable materials and the green waste rebates are similar to the previous financial year.
19. 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. The trend for the first 5 months of 2010/11 was a marginal decrease on the 2009/10 levels. Since September the actual tonnage levels have been higher than this trend suggested which highlights the potential variability of tonnages and forecasts. A continuation of this trend into the final quarter gives a potential pressure on this budget.
20. Trade Waste: Income streams continue to be relatively robust for Trade Waste. The favourable income variance of £65k is considered a prudent forecast. The expectation is that there will not be a requirement for any significant debt write-offs in the current financial year, and existing levels of bad debt provision will be sufficient to meet any required write-offs and requirements going forward.
21. 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. Metal prices have remained buoyant during 2010/11 to date but continue to be monitored. There is a pressure from a backdated NNDR revaluation, however this can be contained if metal income is maintained at current levels over the remainder of the financial year.
22. There is a £300k underspend being reported against waste and recycling initiatives which is currently offsetting variances elsewhere in the Directorate.

Arts Service: Nil Variance (no change)

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

Education and Children Services (E&CS)

Revenue: Nil variance (no change)

1. The Group is projecting a nil variance as at Month 8 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 8 are summarised in the following table:

		2010/11 (As at Month 8)		% Var of budget	Variances (+ adv/- fav)		
		Current Budget	Current Forecast		Variance (As at Month 8)	Variance (As at Month 7)	Change from Month 7
		£'000	£'000		£'000	£'000	£'000
Schools & Central DSG	<i>Exp</i>	228,529	228,529	0%	0	0	0
	<i>Inc</i>	-227,197	-227,197	0%	0	0	0
	Total	1,332	1,332		0	0	0
Resource, Policy & Performance	<i>Exp</i>	4,128	4,133	0%	5	15	-10
	<i>Inc</i>	-2,174	-2,179	0%	-5	-15	10
	Total	1,954	1,954		0	0	0
ECS Central Budget	<i>Exp</i>	18,871	18,741	0%	-130	-130	0
	<i>Inc</i>	-3,546	-3,546	0%	0	0	0
	Total	15,325	15,195	1%	-130	-130	0
Learning & School Effectiveness	<i>Exp</i>	18,454	19,042	3%	588	588	0
	<i>Inc</i>	-13,374	-13,374	0%	0	0	0
	Total	5,080	5,668		588	588	0
Director's, Youth & Connexions	<i>Exp</i>	9,167	9,132	0%	-35	0	-35
	<i>Inc</i>	-1,010	-1,010	0%	0	0	0
	Total	8,157	8,122		-35	0	-35
Access & Inclusion – Children	<i>Exp</i>	5,927	5,687	4%	-240	-184	-56
	<i>Inc</i>	-2,211	-2,182	1%	29	29	0
	Total	3,716	3,505	5%	-211	-155	-56
Children & Families Services	<i>Exp</i>	28,565	28,324	0%	-241	-47	-194
	<i>Inc</i>	-3,677	-3,436	6%	241	47	194
	Total	24,888	24,888		0	0	0
Recovery Plan Savings			-212		-212	-303	91
Total Exp		313,641	313,376	0%	-265	-61	-204
Total Inc		-253,189	-252,924	0%	265	61	204
Total		60,452	60,452		0	0	0
Asylum Services	<i>Exp</i>	14,500	10,095	-30%	-4,405	-4,573	168
	<i>Inc</i>	-13,936	-7,965	42%	5,971	5,773	198
	Total	564	2,130	12%	1,566	1,200	366
Total contingency items		564	1,764		1566	1,200	366

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.

ECS Central Budget: £130k Underspend (no change)

5. The latest position on the Council's obligations under the Barnhill PFI contract indicate that there will be an underspend of £130k.

Learning & School Effectiveness: £588k Pressure (no change)

6. As reported previously due to redundancies agreed by governors and head teachers at Northwood, Mellow Lane and Hedgewood schools there is a pressure of £588k. It is hoped that the service will be able to identify one off savings elsewhere within the group to absorb the above pressure.

Director's, Youth & Connexions: £35k Underspend (£35k improvement)

7. The Youth & Connexions service is projecting an underspend of £35k as a result of making efficiency savings within non staffing budget.

Access & Inclusion – Children: £211k Underspend (£56k improvement)

8. The service has now identified one off savings of £338k mainly within Pupil & Family Support, Education Psychology and Parent support services. However, these one off savings have been already netted off against the £127k pressure within the Pupil Referral unit's income targets are not being achieved and as a result of increased home care costs within the Children with Disabilities team.

Children and Families: Nil variance (no change)

9. The Children & Families is projecting a break even position as at Month 8.
10. Currently the Children's Private and Voluntary spend is projecting an overspend of £322k, an improvement of £166k from last month, due to a Southwark Judgement for 16 year olds. These projections are based on period 8 activity levels. It should be noted however that activities can vary in both directions dependent upon children leaving or being added to the system. This could be a potential call on contingency.

Recovery Plan Savings: £212k target (£91k improvement)

11. An action plan is currently being implemented by the management group to identify and achieve additional savings to meet the budget pressure.

Contingent Items: Asylum Service Gross Pressure £1,200k (no change)

12. The Asylum service is reporting an unchanged position from Month 7. However, there is an emerging pressure of £366k from the previous period due to UKBA classifying 8 clients as ineligible for under 18 status and as a result of in-house fostering costs being under forecasted in the previous months.

13. UKBA initially rejected payments for 10 clients on they grounds they were accompanied children. However, following a challenge by the Authority, UKBA has now accepted 5 of these clients. In addition, UKBA has also rejected 3 clients due to difficulties in assessing their ages. The service is continuing to challenge UKBA's decision. If this challenge is unsuccessful there will be a financial pressure over and above the current contingency.

Division of Service	Gross Pressure Month 8	Gross Pressure Month 7	Change from Month 7	Contingency	Net Pressure
Asylum Services	1,200	1,200	0	1,210	-10
E &CS – Total	1,200	1,200	0	1,210	-10

14. The current reported pressure for Exhausted All Appeals and ineligible clients' amounts to £817k and for Naturalised clients is £57k.

Central Services

Revenue: £535k underspend (£79k improvement)

1. The forecast position for the central services revenue budget as at month 8 is an underspend of £535k, an improvement of £79k on the month 7 projections, due primarily to the Deputy Chief Executive's Office having a freeze on all non essential expenditure, including training costs.

Service		2010/11 (As at Month 8)		% Var of budget	Variances (+ adv/- fav)		
		Current Budget	Forecast		Variance (As at Month 8)	Variance (As at Month 7)	Change from Month 7
		£'000	£'000		£'000	£'000	£'000
Deputy Chief Executive's Office	<i>Exp</i>	11,322	10,923	-3.5%	-399	-278	-121
	<i>Inc</i>	-3,517	-3,454	+1.8%	+63	+21	+42
	Total	7,805	7,469	-4.3%	-336	-257	-79
Finance & Business Services	<i>Exp</i>	24,476	24,655	+0.7%	+179	+179	0
	<i>Inc</i>	-18,075	-18,453	-2.1%	-378	-378	0
	Total	6,401	6,202	-3.2%	-199	-199	0
Total Exp	<i>Exp</i>	35,798	35,578	-0.6%	-220	-99	-121
Total Inc	<i>Inc</i>	-21,592	-21,907	-1.5%	-315	-357	+42
Group total	Total	14,206	13,671	-3.8%	-535	-456	-79

Finance & Business Services: £199k underspend (no change)

2. Finance & Business Services continue to project an underspend of £199k, no change from the month 7 projection. This comprises of a projected overspend of £179k on expenditure budgets (no change on the month 7 projections) and a surplus of £378k on income (no change on the month 7 projections).
3. The overspend of £179k on expenditure budgets relates to a number of overspends, totalling £789k, netted down by underspends totalling £610k, which are as follows:

Overspends

- An overspend of £380k on SEN Transport, due to an historical increase in the number of SEN children requiring transport
- An overspend of £250k based on known and estimated redundancy costs.
- An overspend of £159k on ICT Licence and software payments.

Underspends

- A net underspend of £491k on salary budgets across the Department (£213k in Passenger Services, £126k in Building Control, £124k in ICT and £45k in Procurement, netted down by a pressure of £17k in Emergency Planning), where posts are being held vacant as part of the BID Workstreams.
- An overachievement of the in year savings target by £79k, which was identified as part of the Expenditure Review.
- An underspend of £40k on the cost of Audit fees, due to the cessation of the CAA Audit.

4. The surplus of £378k in income streams relates to a surplus on income from the Imported Food Unit of £320k, Bereavement services of £100k, and one off income from external sources totalling £398k (including the write on of Credit Balances in the Revenues service) This is netted down by an under recovery of £204k on Passenger Services Income, an under recovery of £132k on Building Control Income and an under recovery of £104k on Land Charges income, due partly to a change in regulations.

Deputy Chief Executive's Office: £336k underspend (£79k improvement)

5. The Deputy Chief Executive's Office are projecting an underspend of £336k in month 8, an improvement of £79k on the month 7 projections, due primarily to the service having a freeze on all non essential expenditure, including training costs. This comprises of a projected underspend of £399k on expenditure budgets (an improvement of £121k on the month 7 projections), and a shortfall of £63k on income (an adverse movement of £42k on the month 7 projections).
6. The underspend of £399k on expenditure budgets relates to a number of variances as follows:
- An underspend of £230k 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 Reviews.
 - An underspend of £94k on non staffing costs across the group due to having a freeze on all non essential expenditure
 - An underspend of £57k on Members' Allowances where the budget provision is £57k in excess of the projected cost for the current administration.
 - An underspend of £48k on the cost of printing in the Communications team.
 - A surplus of £30k relating to the Childcare Tax Credit Scheme
 - An underspend of £43k on training costs following a review of training courses.
 - An underspend of £22k on the Voluntary Sector Grants budget, where the grants budget is £48k in excess of the grants that have been awarded, netted down by an additional cost of £26k on Christmas Lights in Town Centres.
7. These are netted down by an anticipated cost on redundancy payments of £75k and an additional cost of £50k relating to the investment in key HR systems to support the delivery of future savings.
8. The shortfall of £63k on income streams relates to a number of shortfalls totalling £122k, netted down by over recovery of income totalling £59k, which are as follows:
- A projected shortfall of £72k 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.
 - A shortfall in the Hillingdon People income of £20k due to a downturn in the number of requests for advertising space, both internally and externally
 - Under-recovery of income from the Hillingdon Business forum and Uxbridge Town Centre of £17k
 - A shortfall of £13k 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 £28k from schools purchasing the Occupational Health Service.
 - An over recovery of £24k on Nationality Checking, Citizenship and Registration of Births, Deaths and Marriages.
 - A surplus of £7k on First Aid training income.

Contingency Items

9. The Corporate Contingency holds a number of budgets relating to exceptional items linked to the downturn in the economy which has 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 Month 8 £'000	Gross Pressure Month 7 £'000	Movement Month 7 to 8	Contingency £'000	Net Pressure £'000
Building Control	71	71	0	135	-64
Land Charges (volume pressures)	715	715	0	715	0
Self Insurance Fund	420	420	0	420	0
Total	1,206	1,206	0	1,270	-64

Building Control Income: £71k Pressure (no change)

10. The forecast for Building Control income is a gross pressure of £203k, however, a large proportion of this can be offset by an underspend on the salary and non-salary budgets of £132k, which would require only £71k being drawn down from the contingency.

Land Charges: £715k 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. Based on this, the projected shortfall on income is estimated to be £775k. However, due to the underspend across Finance & Business Services, the draw down from the contingency will be £715k, the remaining balance of £60k will be absorbed within the main revenue budget.
12. A further impact on the income is also included in the forecast, which relates to the impact of the Ministry of Justice (MOJ) decision to revoke the charging of a fee for personal searches. 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 2010, and will be backdated to when the Environment Information Regulations came into force in January 2005 (a detailed assessment of the financial impact of the requirement to apply the legislation back to January 2005, is currently being undertaken). 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). However, the regulations do allow for authorities to charge for assisted searches, which it is estimated will generate income of £41k in 2010/11 (the full year effect equating to £70k). For 2010/11 this results in a further pressure of £44k, where it has been decided that this can be absorbed within the Finance & Business Services revenue budget.

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

13. 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 varies depending on the type of insurance, but in the main 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

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

HRA: £5,497k Variance (Month 7 - £4,075 variance)

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

Capital Schemes 2010/11	Original Budget	Revised Budget	Budget Released	Capital Spend Month 8	Actual % of Revised Budget	Forecast Outturn	Variance
	£' 000	£' 000	Y/N	£' 000	%	£' 000	£' 000
Capital Works to Stock	10,000	9,849	Y	3,253	33%	9,149	-700
HRA - New Build - HRA Pipeline Sites Phase 1	7,508	7,096	Y	2,514	35%	5,100	-1,996
HRA - New Build - Extra Care Sites Phase 1 (Triscott House)	3,430	3,590	Y	1,095	31%	2,100	-1,490
HRA - New Build - LD Sites Phase 1	0	288	Part	0	0%	100	-188
HRA - New Build - HRA Pipeline Sites Phase 2	0	638	N	0	0%	191	-447
Cash Incentive Scheme	150	150	Y	0	0%	0	-150
HRA - Estates Improvements	1,280	1,502	Y	250	17%	1,002	-500
Other Projects	200	0	N	0		0	0
Townfield Community Centre	0	26	Y	0	0%	0	-26
HRA – Total	22,568	23,139		7,112	31%	17,642	-5,497

- £200k of roofing works on Capital Works to Stock have been rephased into 2011/12 to allow time for extended leaseholder consultation.
- Issues arising due to site access and adverse weather conditions have led to £496k of expenditure on the Phase 1 Pipeline sites being delayed until 2011/12.
- Weather conditions have also resulted in delays on the Triscott House project of a further 2-3 weeks, leading to £410k of expenditure being rephased into 2011/12.
- £188k of expenditure on New Build Learning Disability sites has been rephased into 2011/ due to additional lead in time being required for the Ascott Court project, as a result this project will now not complete until June 2011.
- An additional £128k of expenditure on the Pipeline Phase 2 project at Gilbert Road has been delayed and will take place in 2011/12, the Homes and Communities Agency are part-funding this project and have confirmed that grants will not be affected by the new completion date of July 2011.

Adult Social Care, Health and Housing: £501k Variance (Month 7 - £598k variance)

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

Capital Schemes 2010/11	Original Budget	Revised Budget	Budget Released	Capital Spend Month 8	Actual % of Revised Budget	Forecast Outturn	Variance
	£' 000	£' 000	Y/N	£' 000	%	£' 000	£' 000
PSRSG for WL Empty Property Grant	1,100	1,100	Part	365	33%	900	-200
Mental Health – Mead House	114	250	Y	93	37%	250	0
Disabled Facilities Grants	3,000	2,823	Y	976	35%	2,551	-272
Private Sector Renewal Grants	450	450	Y	228	51%	420	-30
Colne Park Caravan Sites	296	230	Y	226	98%	231	1
ASC,H&H – Total	4,960	4,853		1,888		4,352	-501

8. Forecast outturn on Disabled Facilities Grant has been increased by £97k to reflect a reduction in the lead in time on new cases, increasing the call on the Council Resources accordingly.

Education and Children's Services: £9,026k Variance (Month 7 - £3,892k variance)

Capital Schemes 2010/11	Original Budget £' 000	Revised Budget £' 000	Budget Released Y/N	Capital Spend Month 8 £' 000	Actual % of Revised Budget %	Forecast Outturn £' 000	Variance £' 000
100% Grant/Externally Funded							
Early Years Foundation Stage – Surestart	1,169	145	0	21	14%	145	0
Extended Schools	251	485	Part	307	63%	485	0
Formula Capital Devolved to Schools	3,876	3,433	N/A	1,708	50%	2,471	-962
Guru Nanak - Expansion 2010	5,710	4,295	Y	2,866	67%	4,295	0
Pathfinder (Playgrounds)	598	338	Part	338	100%	338	0
Pinkwell	0	189	Y	0	0%	189	0
Primary School Expansions Phase I	1,942	0	Y	0	0%	0	0
Primary School Expansions Phase II	5,150	5,124	Part	0	0%	1,500	-3,624
Rosedale College S106 – only	0	26	N	0	0%	26	0
School travel Plans	0	127	Y	33	26%	86	-41
Schools Kitchens	4,928	4,366	Part	1,362	31%	2,081	-2,285
Specialist Schools	0	52	Y	43	83%	52	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	18,819	0	6,682	36%	11,907	-6,912
Non Grant Funded							
Expansion Haydon	0	14	Y	0	0%	14	0
Urgent Building Condition Projects (Modernisation)	1,985	2,837	Part	1,101	39%	2,051	-786
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	99	21%	150	-328
Total 100% Non Grant Funded	3,085	4,421		1,200	27%	2,307	-2,114
E&CS – Total	27,241	23,240		7,882	34%	14,214	-9,026

9. Forecast outturn on Primary School Expansions has been reduced by £3,624k to reflect the expected profile of expenditure on the Phase 1 expansions to completed for September 2011. The remaining grant funded budget will be rephased into 2011/12 to support the completion of these works.

10. As a result of a number of schools being unable to provide match funding for the Schools Kitchens grant, forecast expenditure in 2010/11 has been reduced by £2,285k. The deadline for use of this grant is August 2011, while officers are investigating options to fully utilise this grant, there is a risk that amounts may be repayable to the Department of Education in 2011/12.

Planning, Environment and Community Services: £2,948k Variance (Restated Month 7 - £1,135k variance)

Capital Schemes 2010/11	Original Budget	Revised Budget	Budget Released	Capital Spend Month 8	Actual % of Revised Budget	Forecast Outturn	Variance
	£' 000	£' 000	Y/N	£' 000	%	£' 000	£' 000
100% Grant/Externally Funded							
S106/S278 Schemes	0	558	Part	177	32%	535	-23
Safer Stronger Communities Fund	50	50	Y	50	100%	50	0
Botwell Multi Use Games Area	100	242	Part	228	94%	242	0
BSP funded by Transport for London	4,000	3,904	Part	138	4%	3,904	0
Total 100% Grant/Externally Funded	4,150	4,754		593	12%	4,731	-23
Non Grant Funded							0
Winston Churchill Hall Refurbishment	430	430	Y	0	0%	430	0
Manor Farm Stables Development	371	451	Y	0	0%	451	0
Willow Tree Centre	300	300	N	0	0%	0	-300
William Byrd Pool	250	250	N	0	0%	0	-250
North Hillingdon Adult Education Centre Roof Replacement	155	155	Part	0	0%	78	-77
Manor Farm	0	0	Y	1		55	55
Property Enhancements Programme	500	500	Part	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	77	5%	1,290	-300
Libraries Refurbishment	622	1,037	Y	369	36%	1,037	0
Harmondsworth Dog Free Mini Football Area	0	5	Y	0	0%	5	0
Ruislip Lido Toilets	0	302	Y	209	69%	302	0
CCTV Programme	230	230	N	0	0%	0	-230
Chrysalis Programme	1,000	955	Y	185	19%	955	0
Highways Improvements	1,100	1,100	Part	854	78%	1,100	0
Highways Localities Programme	258	258	N	0	0%	258	0
Road Safety	250	250	Part	16	6%	114	-136
Street Lighting	300	300	Part	35	12%	300	0
Town Centre Initiative	525	525	N	107	20%	525	0
Purchase of Vehicles	0	471	Y	482	102%	482	11
Environmental Assets	2,000	1,798	Part	0	0%	100	-1,698
Fassnidge Park adiZone	0	148	Y	75	51%	148	0
Total Non Grant Funded	9,881	11,192		2,480	22%	8,267	-2,925
PE&CS – Total	14,031	15,946		3,073	19%	12,998	-2,948

11. The comparative figure for Month 7 has been restated to reflect the South Ruislip Development, Highgrove Pool Phase II and Hayes End Library projects being reported in the Major Construction Projects table below, rather than in the above table as in previous months.

12. Delays in commencing works on Section 106 projects have led to the current year outturn being reduced by £23k, these delayed projects are due to be completed in 2011/12.

13. Planned changes to Transport for London projects are no longer taking place, resulting in the outturn being increased to match revised budget.
14. The North Hillingdon Adult Education Centre Roof Replacement project has now been completed and the final outturn shows a £77k underspend.
15. Officers have agreed the final account with the main contractor on the Manor Farm project. The £55k outturn included above is not currently funded and the Month 9 report will include a recommendation to fund from general contingency.
16. It is anticipated that the budgeted level of Road Safety works will no longer be achieved in the current year, an underspend of £136k against revised budget is now being reported.
17. An additional £11k is required to fund welfare buses as part of the Purchase of Vehicles, as this is a delegated invest-to-save scheme any additional borrowing costs arising from this variance will be funded through additional savings in fleet revenue budgets.
18. The outturn for Environmental Assets has been reduced by £1,698k since Month 7 to reflect a number of projects being rephased into 2011/12.

Major Construction Projects: £11,278k Variance in 2010/11 (Restated Month 7 - £11,280k variance)

Capital Schemes 2010/11	Revised Budget	Budget Released	Capital Spend Month 8	Actual % of Revised Budget	Forecast Outturn 2010/11	Forecast Outturn 2011/12 onwards	Forecast Variance 2010/11	Forecast Variance Total Project
	£' 000	Y/N	£' 000	%	£' 000	£' 000	£' 000	£' 000
Planning, Environment and Community Services								
Arundel Road Development HIP	3,018	Part	2	0%	18	0	-3,000	-3,000
Botwell Green (including Gymnastics Centre)	627	Y	1,870	298%	3,005	297	+2,378	+2,675
Brookfield – Second Floor	15	Y	1	7%	15	0	0	0
Farm Barns	250	Y	4	2%	350	155	+100	+100
South Ruislip Development	4,661	Part	83	2%	1,400	6,219	-3,261	0
Highgrove Pool Phase II	4,100	Part	2	0%	300	3,800	-3,800	0
Hayes End Library Development	2,600	Part	0	0%	600	2,000	-2,000	0
Hillingdon Sports and Leisure Centre	1,266	Y	423	33%	1,537	0	+271	+271
Minet Cycle Club	349	Part	335	96%	339	10	-10	0
New Years Green Lane Civic Amenity Site	3,973	Part	94	2%	1,900	2,073	-2,073	0
Queensmead Fitness Centre Refurbishment	28	Y	25	89%	28	0	0	0
Education and Children's Services								
Children's Centres – Phase 2	626	Y	367	59%	728	0	+102	+102
Children's Centres – Phase 3	4,109	Y	1,490	36%	4,109	0	0	0
Glebe Primary School	31	Y	2	6%	31	0	0	0
Heathrow Primary	18	Y	2	11%	18	0	0	0
Longmead - Laurel Lane	1,612	Y	938	58%	1,612	0	0	0
Merrifields fit out for short breaks	375	Y	338	90%	370	5	-5	0
New Young People's Centre	1,726	Y	815	47%	1,726	0	0	0
Pinkwell New Classrooms	304	Y	424	139%	304	0	0	0
Pinkwell School Hall	478	Y	0	0%	478	0	0	0
Primary Capital Programme (6 Schools)	1,684	Y	507	30%	1,684	0	0	0
Ruislip High School - Construction	273	Y	257	94%	273	0	0	0
Ruislip High School - Expansion	150	Y	0	0%	150	1,350	0	0
Targeted Capital - Oak Farm	388	Y	-41	-11%	388	0	0	0
Targeted Capital - Uxbridge High	32	Y	4	13%	32	0	0	0
Finance & Business Services								
Hillingdon Cemetery & Chapel - Insurance work	264	Insurance	9	3%	284	0	+20	+20
Council Wide								
Project QS support	34	N/A	34	100%	34	0	0	0
Major Construction Project Fees	850	N/A	0	0%	850	0	0	0
Major Construction Projects – Total	33,841		7,985	24%	22,563	15,909	-11,278	168

19. Year to date expenditure on MCP Projects of £7,985k includes £379k of fees, contributing towards the cost of architects, design and project management costs. Full year outturn on these fees is anticipated to be £1,072k, of which £396k is to be funded from Council Resources.

20. As noted above, the inclusion of the South Ruislip Development, Highgrove Pool Phase II and Hayes End Library in this table, rather than the PE&CS table, accounts for the restatement of the Month 7 variance.

21. A potential overspend of £100k on the Farm Barns project has been forecast, a report will be presented to January Cabinet addressing the potential for reducing the scope of this project or identifying additional funding for the project.

22. The forecast overspend on Phase 2 Children's Centres has been reduced to £102k following a reduction of £88k in the disputed amounts currently under adjudication.

23. The insurance works at Hillingdon Cemetery & Chapel are now reporting an overspend of £20k with regard to additional betterment works not covered by the insurance contribution. It is anticipated that a revenue contribution will cover the costs of these additional works.

Central Services: £353k underspend (Month 7 - £382k underspend)

Capital Schemes 2010/11	Original Budget £' 000	Revised Budget £' 000	Budget Released Y/N	Capital Spend Month 8 £' 000	Actual % of Revised Budget %	Forecast Outturn £' 000	Forecast Variance £' 000
Leader's Initiative	300	300	Part	131	44%	300	0
DCE - Total	300	300		131	44%	300	0
Breakspear Crematorium	0	0	N/A	0	0%	29	29
ICT Asset Management Strategy	1,378	1,699	Part	1,048	62%	1,317	-382
F&R - Total	1,378	1,699		1,048	62%	1,346	-353
Central Services - Total	1,678	1,999		1,179	59%	1,646	-353

24. The £29k forecast outturn on Breakspear Crematorium relates to retention payments linked to the works completed in 2009/10, which are to be funded by a revenue contribution from the Breakspear Crematorium trading fund.

25. It is anticipated that the forecast outturn on the ICT Asset Management Strategy will be updated in the coming months to reflect the on-going review of this programme.

Partners: £6k favourable (Nil Variance)

Capital Schemes 2010/11	Original Budget £' 000	Revised Budget £' 000	Budget Released Y/N	Capital Spend Month 8 £' 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

26. There has been no change to the final outturn position for grants to partners, remaining at £749k out of a revised budget of £755k. Payments are due to be made to partner organisations in March 2011, upon receipt of the LAA Reward Grant by the Council.

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

Capital Schemes 2010/11	Original Budget £' 000	Revised Budget £' 000	Capital Spend Month 7 £' 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	0%	0	-500
Contingency - Total	2,000	2,000	0	0%	0	-2,000

27. As at Month 8 there have been no allocations from contingency, however this report requests that Cabinet agree to the allocation and release of £55k from the General Contingency to fund the overspend at Manor Farm.

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 October 2010.
2. As at 31st October 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: 0.84%

	Actual £m	Actual %	Bench- mark %
Up to 1 Month	52.2	69.23	70.00
1-2 Months	7.9	10.48	10.00
2-3 Months	0.0	0.00	10.00
3-6 Months	2.0	2.65	5.00
6-9 Months	0.0	0.00	5.00
9-12 Months	0.0	0.00	0.00
Subtotal	62.1	70.50	100
Unpaid Maturities	13.3	17.64	0.00
Total	75.4	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; Goldman Sachs MMF, Henderson MMF, HSBC MMF, Ignis MMF, Invesco MMF, Royal Bank of Scotland, Standard Life MMF, Barclays Bank, Clydesdale Bank, Lloyds TSB Banking Group and Nationwide BS.
5. During October, fixed-term deposits matured in line with cash flow requirements. £9.2m was placed in medium term deposits to enhance investment income. Other surplus funds were spread between instant access accounts and short-term fixed deposits in order to meet near term cash flow requirements and remain within counterparty limits. The significant increase in total deposits in October was a result of £21.8m being received in respect of a NNDR pool refund. A further dividend from Heritable of £600k was received in relation to our unpaid Icelandic investments. Dividends received now represent 45.39% of the total Heritable claim.

Outstanding Debt - Average Interest Rate on Debt: 3.57%

	Actual £m	Actual %
PWLB	115.1	70.57
Long-Term Market	48.0	29.43
Temporary	0.0	0.0
Total	163.1	100

6. There were no early debt repayments or rescheduling opportunities during the month.

Prudential Indicators

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

Ongoing Strategy

8. The current strategy is to place medium and long-term deposits, when cash flow allows. These deposits will enhance investment income for 10/11. Short-term balances are to be placed in instant access accounts and short-term fixed deposits to ensure funds are available to meet November's payment obligations.
9. During October the PWLB premiums remained too high to make rescheduling of debt financially viable.

APPENDIX C

Retaining of agency staff for Planning, Environment and Community Services.

- Post 1 - An agency worker needs to be retained following Cabinet approval on 16th December 2010 to accept the offer of gift funding from Inland Homes of £20k to assist in meeting the Council's reasonable and justifiable costs associated with the discharge of its planning function with regard to determining the pre-commencement conditions applications and the reserved matters application for the first phase of the redevelopment of the former National Air Traffic Services (NATS) site, Porters Way, West Drayton. The agency worker has been acting as the project officer for RAF Uxbridge and also dealt with the outline application for the NATS site. The extension to the post will not exceed the 'gift' of £20k, but given his previous agency work for the council, the estimated accumulative expenditure in 2010/11 inclusive of this extension will be around £60k.
- Posts 2 & 3 - 2 officers are employed on an agency basis via Matrix to support the HIP, Strategic Property Group and Capital Receipts programmes. These posts are The HIP & SPG Project Manager (Post 1), and a Surveyor specialising in managing consultants to support planning applications, and DDA compliance (Post 2). The cost of each of these posts will exceed £50k in 2010/11. They are funded by vacancies and within existing budget estimates. Both posts are planned to continue until the end of the financial year. The table below sets out the costs for these posts based on a three month extension:
- Post 4 – This relates to the extension of an existing temporary agency contract for a Senior Planning Officer to determine HRA Housing Planning Applications, crucial to addressing housing supply in the borough. A Matrix contract has been in place for almost one year and the post funding to date will exceed £50k in February 2011. This additional 8 week extension will cost £9k. The funding of this post is provided through HRA funding.

Retaining of agency for Finance and Business Services.

In accordance with BID plans for Procurement, the team structure has re-aligned to support a hub and spoke operation with Procurement resource now embedded within the Finance team for each Group. The retention of the agency worker currently covering a Procurement Manager position is required to lead specific activity in the following areas:

- ICT Managed Services project - the sourcing of services currently provided by Northgate, in support the ICT Single Development Plan
- Procurement support the MCP team in relation to the Primary Capital Programme
- Supporting the Head of Procurement with the implementation of the revised Procurement & Contract Standing Orders, the revised Procurement Strategy the development of Procurement Standard Operating Procedures (BID process re-engineering)

The cost of this extension is around £61k, for which funding exists within the existing service budget.

Roles	Service	Cost £000s	Funding
Post 1	Planning	20	Gift Funding
Post 2	Corporate Landlord	28	Vacant budgeted post
Post 3	Corporate Landlord	17	Vacant budgeted post
Post 4	Planning	9	HRA
Post 5	Procurement	61	Vacant budgeted post
Total		135	

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

A contract worker has been employed to undertake a range of duties to support the implementation of the departments Adult Social Care system which is critical to management of client information, payment to suppliers, billing to clients and management of the budget. The current approval arrangements will expire in mid February and permission is sought to continue this post to 31st March 2011 to ensure the full delivery of the ASC system.

By agreeing to this extension additional costs of £13k will be incurred resulting in a cost to 2010/11 of £78k. The cost of this post will be funded by vacancies held in the Access & Assessment Teams pending the outcome of the common operating model.