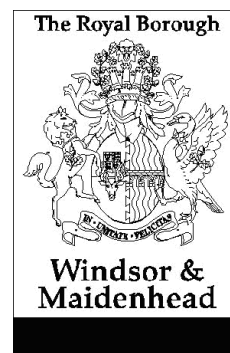


Report for ACTION
Item Number: 4



<b>Contains Confidential or Exempt Information</b>	No - Part I
<b>Title</b>	<b>Financial Update</b>
<b>Responsible Officer(s)</b>	Andrew Brooker, Head of Finance, 01628 796341
<b>Contact officer, job title and phone number</b>	Richard Bunn, Chief Accountant, 01628 796510
<b>Member reporting</b>	Councillor Dudley, Lead Member for Finance
<b>For Consideration By</b>	Cabinet
<b>Date to be Considered</b>	29 October 2015
<b>Implementation Date if Not Called In</b>	29 October 2015
<b>Affected Wards</b>	All
<b>Keywords/Index</b>	Service Monitoring

1. This report provides an update to members on the Council's financial performance. Services are currently projecting a £849k overspend.
2. There are some non-service variances including an increase in the expected level of education services grant (£55k) and Revenue Support Grant (£45k). There is also an underspend on the pay reward budget (£112k) and NNDR income which has in-part been transferred to the Development Fund leaving a variance of (£824k) in the General Fund. This makes an overall projected underspend of £187k.
3. It recommends that Strategic Directors in consultation with Lead Members implement proposals that address the predicted service overspend before the year end.
4. The Council remains in a strong financial position with healthy reserves. The Council's Development Fund currently has a balance of £2.213m. Overall our combined General Fund Reserves sit at £6.954m in excess of the £5.43m recommended minimum level set at Council in February 2015.

<b>If recommendations are adopted, how will residents benefit?</b>	
Benefits to residents and reasons why they will benefit	Dates by which they can expect to notice a difference
1. Assurance that the Council is making effective use of its resources.	29 October 2015
2. Assurance that budgets are being reviewed regularly.	29 October 2015

## 1. Details of Recommendations

### RECOMMENDED: That Cabinet:

- i) **Notes that Strategic Directors in consultation with Lead Members will implement proposals that address the predicted overspend.**
- ii) **Approves the use of £248k of S106 receipts to fund the expansion of All Saints junior school (see paragraph 4.7).**
- iii) **Approves a £61k S106 funded capital budget to be added to £261k existing budget for Meadow Lane car park (see paragraph 4.8).**

## 2. Reason for Decision and Options Considered

<b>Option</b>	<b>Comments</b>
As this is a monitoring report decisions are normally not necessary but may be required for some budget movements.	Requests for budget movements are included in this report in the recommendations above.

## 3. Key Implications

Defined Outcomes	Unmet	Met	Exceeded	Significantly Exceeded	Date they should be delivered
General Fund Reserves Achieved	Below £5.4m	£5.4m-£5.49m	£5.5m-£5.7m	Above £5.7m	31 May 2016

The General Fund Reserve is £4.741m and the balance on the Development Fund is £2.213m. The combined General Fund and Development Fund reserves now sit at £6.954m. The 2015-16 budget report recommended a reserve level of £5.43m or more to cover known risks for 18 months.

## 4. Financial Details

- 4.1. The **Director of Children's Services** reports a projected year-end overspend of £80k against the net controllable budget of £18.185m. This is a slight increase on the £77k reported to Cabinet in September. As previously reported, the cost pressures relating to social care agency staff in key vacant posts and to changes in the needs of mainly high needs pupils requiring transport continue to be felt, but as before, these pressures are largely being covered by cost savings from high cost residential placements (mainly those for children with disabilities) and

fostering placements which are running at a lower level than forecast. This month has seen a number of new cost pressures relating to:

- high cost placement changes of individual children in care including one new high cost secure unit placement
- children leaving care
- difficulties in meeting income targets in the youth service,

These are being offset by new cost savings resulting from staff vacancies, fewer than expected internal fostering placements, in addition to those described above.

- 4.2. The **Director of Adults Culture and Health** reports an overspend of £901k. This month's reported position £256k above that reported last month.

Cabinet, at its meeting on 24 September recommended to Council that an additional budget of £500k be vired to the Directorate's budget in respect of the pressure it was reporting on the Adult Social Care budget. This request will be considered by Council at its next meeting, on 15 December 2015. If agreed this virement would reduce the budget overspend of the Directorate to £401k.

Pressures continue to impact on the social care budget, arising from a number of issues as outlined below:

- Increased demand for people requiring mental health services
- The numbers of residents requiring a "Deprivation of Liberty Safeguarding" (DOLS) intervention.
- The additional number of high cost and complex of care packages giving rise for the need additional of legal advice.
- Additional complexity of need and number of residents eligible for homecare.
- Higher than forecast numbers of residential and nursing care placements of older people.

At this mid point stage in the financial year a detailed review of the Directorate's budget is being carried out in order to update the outturn projections. This work is underway and the following months budget monitoring report will be informed by this work, and a revised financial position will be available at that time.

- 4.3. The **Director of Corporate Services** reports a projected year end underspend of £32k for Corporate Services against an approved net budget of £5.737m. This is a slightly worsening position of £23k compared to last month due to the costs of recruitment of a new director. The Directorate Management Team is to carry out a mid year review of its budget to ensure that it delivers a balanced position for the Directorate and starts to contribute towards the corporate overspend.
- 4.4. The **Strategic Director of Operations** reports an improved position of £100k projected underspend on the directorate 2015-16 approved budget of £18.963m.

This has been achieved despite a budget pressure acquired when ICT transferred into the directorate on 1st September.

The improvement delivered in Highways & Transport results from more efficient use of external grant, from cross-funding of technical and project resources, and recognition in one of the borough's key car parks of a negotiated utility rebate anticipated from billing system errors.

Work is continuing across the business to identify and deliver additional savings and income to maintain the downward trend of under budget service delivery.

#### 4.5. Revenue budget movements this month:

	£000
<b>Approved Budget as at 31 August 2015</b>	<b>80,903</b>
Carers Timeout Membership of Leisure Centres	38
Development & Regeneration restructure	(16)
Software maintenance – Business objects	2
<b>Service Expenditure Budget this Month</b>	<b>80,927</b>

#### 4.6. Capital Programme

A summary of the capital programme is shown in Appendix B. In order to make it easier to monitor scheme progress, schemes that are continuing from previous years are shown separately from new schemes approved for 2015-16.

The approved 2015-16 capital estimate is £39.645m; the projected outturn for the financial year is £39.638m. A summary of the capital budget is available below with further details in Appendix B.

	<b>Exp</b>	<b>Inc</b>	<b>Net</b>
	£'000	£'000	£'000
<b>Approved Estimate</b>	39,645	(26,320)	13,325
Variances identified	(7)	48	41
Slippage to 2016-17	0	0	0
<b>Projected Outturn 2015-16</b>	39,638	(26,272)	13,366

#### Overall capital programme status

	<b>Report to October 2015 Cabinet</b>
<b>Number of Schemes in Programme</b>	<b>383</b>
Yet to Start	14%
In Progress	62%
Completed	18%
Ongoing Programmes e.g. Disabled Facilities Grant	6%
Devolved Formula Capital Grant schemes budgets devolved to schools	0%

#### 4.7. **Capital Budget change - All Saints Junior School**

A scheme to expand All Saints Junior School was approved by the Lead Member and Director for Children's Services in May 2014, following delegation by cabinet on 28 November 2013. The scheme is now underway, so permission is requested to use funding from the South West Maidenhead subarea Section 106 pot for the expansion project budget. Monies that have been collected into this pot are for expansions at Primary schools in this area. The cost of this phase is £1.032m, and it is requested that the £248k S106 receipts collected so far are used to fund the budget rather than an equivalent amount of basic need grant.

#### 4.8. **Capital Budget change - Meadow Lane Car Park**

A £61k, S106 funded capital budget is requested to be added to £261k budget for Meadow Lane car park.

The additional S106 funding will mean that RBWM can install a standard pay on foot system. This would provide a seamless entry and exit system for season ticket holders as well as removing the need for general users to estimate their stay length. This system would be in line with current manifesto requirements.

- 1 x entry station
- 1 x entry barrier
- 1 x exit station
- 1 x exit barrier
- 2 x pay stations
- 1 x ANPR solution

This approval will result in a gross budget of £322k, net £261k.

#### 5. **Legal**

In producing and reviewing this report the Council is meeting legal obligations to monitor its financial position.

#### 6. **Value for Money**

Service monitoring ensures a constant review of budgets for economy, efficiency and effectiveness.

#### 7. **Sustainability Impact Appraisal**

N/A

#### 8. **Risk Management**

Risks	Uncontrolled Risk	Controls	Controlled Risk
None			

#### 9. **Links to Strategic Objectives**

Residents can be assured that the Council is providing value for money by delivering economic services.

**10. Equalities, Human Rights and Community Cohesion**

This is a monitoring report with no actions related to staff or service provision. An Equality Impact Assessment (EQIA) has not, therefore, been completed for the production of this report. An EQIA would be required should this report generate any changes to policy.

**11. Staffing/Workforce and Accommodation implications:**

None

**12. Property and Assets implications:**

None

**13. Any other implications:**

None

**14. Consultation**

Overview & Scrutiny meetings are scheduled prior to this Cabinet. Any comments from those meetings will be reported verbally to Cabinet.

**15. Timetable for Implementation**

N/A

**16. Appendices**

Appendix A Revenue budget summary  
 Appendix B Capital budget summary  
 Appendix C Capital variances

**17. Background Information**

Background Papers: Budget Report to Council February 2015

**18. Consultation (Mandatory)**

<b>Name of consultee</b>	<b>Post held and Department</b>	<b>Date sent</b>	<b>Date received</b>	
<b>Internal</b>				
Corporate Management Team (CMT)	Managing Director, Strategic Directors, Heads of Legal Services and Policy & Performance.	29/09/2015		Changes included in final report.
Cllr Dudley	Lead Member for Finance	29/09/2015		Changes included in final report.
Cllr Burbage	Leader of the Council	29/09/2015		Changes included in final report.
Christopher Targowski	Cabinet Policy Manager	29/09/2015		Changes included in

				final report.
<b>External</b>				
None				

### 19. Report History

<b>Decision type:</b>	<b>Urgency item?</b>
For information	No

Full name of report author	Job title	Full contact no:
Richard Bunn	Chief Accountant	01628 796510

SUMMARY	2015/16		
	Budget	Approved Estimate	Projected Variance
	£000	£000	£000
Maintained Schools	53,544	48,655	0
Early Years Provision	7,351	6,150	0
De Delegated Schools Budget	548	563	0
Admissions and Services for Schools and Early Years	1,460	1,157	0
High Needs and Alternative Provision	12,671	12,869	0
Dedicated Schools Grant	(75,982)	(69,803)	0
<b>Total Children's Services - Schools Budget</b>	<b>(408)</b>	<b>(409)</b>	<b>0</b>
Education Central Costs	151	151	0
Educations Standards	699	706	(20)
Sufficiency and Access	2,003	2,008	210
Strategy, Commissioning & Performance	1,503	1,526	48
Early Help & Safeguarding Central Costs	501	501	0
Early Help and First Response	1,708	1,741	200
Early Help-Youth Support	1,090	1,121	90
Safeguarding and Children in Care	2,110	2,117	142
Children and Young People Disabilities Service	2,153	2,164	(236)
Resources and Placements	5,589	5,611	(379)
Berkshire Adoption Service	72	74	0
Children's Services Management	522	522	25
<b>Total Children's Services - Non Schools Budget</b>	<b>18,101</b>	<b>18,242</b>	<b>80</b>
<b>CHILDREN'S SERVICES - ELECTIONS</b>	<b>351</b>	<b>352</b>	<b>0</b>
<b>Total Children's Services</b>	<b>18,044</b>	<b>18,185</b>	<b>80</b>
Better Care Fund	1,384	1,401	0
Adult Social Care	31,606	31,699	864
Public Health	0	5	0
Housing	2,021	2,027	0
Library Information	2,266	2,284	0
Heritage & Arts	308	309	0
Adult Management	337	317	37
<b>Total Adult &amp; Community Services</b>	<b>37,922</b>	<b>38,042</b>	<b>901</b>
Director of Operations	66	83	0
Operational Transformation	161	146	0
Benefits & Business Services	808	823	(79)
Highways & Transport	(2,892)	(2,872)	(50)
Commissioning & Contracts	13,546	13,579	(415)
Neighbourhood & Streetscene Delivery Services	877	885	(20)
Community, Protection & Enforcement Services	2,442	2,493	274
Customer Services	937	940	90
Technology & Change Delivery	2,836	2,886	100
<b>Total Operations</b>	<b>18,781</b>	<b>18,963</b>	<b>(100)</b>
Director of Corporate Services	(28)	112	(52)
Development and Regeneration Service	(850)	(846)	(119)
Corporate Management	943	981	(107)
Communications	257	279	30
Policy and Performance	428	412	0
Democratic Services	1,702	1,780	15
HR	1,182	1,195	(20)
Legal	(2)	(32)	35
Finance	2,420	2,441	16
Building Services	41	18	0
Leisure Services	1,593	1,579	160
Leisure Centres	(2,182)	(2,182)	10
<b>Total Corporate Services</b>	<b>5,504</b>	<b>5,737</b>	<b>(32)</b>
<b>TOTAL EXPENDITURE</b>	<b>80,251</b>	<b>80,927</b>	<b>849</b>



SUMMARY	2015/16		
	Budget	Approved Estimate	Projected Variance
	£000	£000	£000
<b>Total Service Expenditure</b>	80,251	80,927	849
Contribution to / (from) Development Fund	(41)	(94)	1,940
Estimated net NNDR income			(1,864)
Pensions deficit recovery	1,830	1,830	0
Pay reward	605	112	(112)
Transfer to/(from) Provision for Redundancy		(40)	0
Environment Agency levy	147	147	0
Capital Financing inc Interest Receipts	<u>6,471</u>	<u>6,433</u>	<u>(900)</u>
<b>NET REQUIREMENTS</b>	89,263	89,315	(87)
Less - Special Expenses	(956)	(956)	0
Variance on budgeted Education Services grant			(55)
Variance on Revenue Support Grant			(45)
Transfer to / (from) balances	<u>0</u>	<u>(52)</u>	<u>187</u>
<b>GROSS COUNCIL TAX REQUIREMENT</b>	<u>88,307</u>	<u>88,307</u>	<u>0</u>
<b>General Fund</b>			
Opening Balance	4,751	4,606	4,554
Transfers to / (from) balances	<u>0</u>	<u>(52)</u>	<u>187</u>
	<u>4,751</u>	<u>4,554</u>	<u>4,741</u>
NOTE Service variances that are negative represent an underspend, positive represents an overspend.			

Memorandum Item	
<b>Current balance on the Development Fund</b>	
	£000
Opening Balance	1,263
Transfer (to) / from other reserves	(896)
Transfer from General Fund - sweep	0
Transfer (to) / from General Fund - other initiatives	<u>1,846</u>
	<u>2,213</u>

	2015/16 Original Budget			New Schemes – 2015/16 Approved Estimate			Schemes Approved in Prior Years			Projections – Gross Expenditure				
	Gross £000's	Income £000's	Net £000's	Gross £000's	Income £000's	Net £000's	Gross £000's	Income £000's	Net £000's	2015/16 Projected (£'000)	2015/16 SLIPPAGE Projected (£'000)	TOTAL Projected (£'000)	VARIANCE Projected (£'000)	VARIANCE Projected (%)
<b>Portfolio Summary</b>														
<b>Corporate Services</b>														
Leisure Centres	800	(400)	400	800	(400)	400	(83)	88	5	717	0	717	0	0%
Outdoor Facilities	680	(265)	415	1,063	(600)	463	481	(135)	346	1,545	0	1,545	1	0%
Property Management	254	0	254	474	0	474	328	0	328	802	0	802	0	0%
Policy & Performance	673	0	673	656	0	656	441	0	441	1,097	0	1,097	0	0%
Regeneration & Economic Development	1,445	(890)	555	2,273	(890)	1,383	2,994	(846)	2,148	5,267	0	5,267	0	0%
<b>Total Corporate Services</b>	<b>3,852</b>	<b>(1,555)</b>	<b>2,297</b>	<b>5,266</b>	<b>(1,890)</b>	<b>3,376</b>	<b>4,161</b>	<b>(893)</b>	<b>3,268</b>	<b>9,428</b>	<b>0</b>	<b>9,428</b>	<b>1</b>	<b>0</b>
<b>Operations</b>														
Technology & Change Delivery	415	0	415	410	0	410	128	(8)	120	579	0	579	41	10%
Benefits & Business Services	0	0	0	21	0	21	93	0	93	114	0	114	0	0%
Customer Services	18	0	18	216	0	216	205	0	205	421	0	421	0	0%
Neighbourhood & Streetscene Delivery Services	30	0	30	30	0	30	14	0	14	44	0	44	0	0%
Highways & Transport	6,345	(3,230)	3,115	7,570	(4,030)	3,540	4,379	(3,558)	821	11,949	0	11,949	0	0%
Community, Protection & Enforcement Services	893	(682)	211	951	(736)	215	263	(114)	149	1,214	0	1,214	0	0%
Commissioning & Contracts	0	0	0	0	0	0	5	0	5	5	0	5	0	0%
<b>Total Operations</b>	<b>7,701</b>	<b>(3,912)</b>	<b>3,789</b>	<b>9,198</b>	<b>(4,766)</b>	<b>4,432</b>	<b>5,087</b>	<b>(3,680)</b>	<b>1,407</b>	<b>14,326</b>	<b>0</b>	<b>14,326</b>	<b>41</b>	<b>0</b>
<b>Children's</b>														
Non Schools	205	(130)	75	220	(130)	90	346	(338)	8	566	0	566	0	0%
Schools – Non Devolved	3,952	(3,952)	0	4,423	(4,423)	0	6,041	(6,041)	0	10,416	0	10,416	(48)	-1%
Schools – Devolved Capital	302	(302)	0	386	(386)	0	423	(423)	0	808	0	808	(1)	0%
<b>Total Children's</b>	<b>4,459</b>	<b>(4,384)</b>	<b>75</b>	<b>5,029</b>	<b>(4,939)</b>	<b>90</b>	<b>6,810</b>	<b>(6,802)</b>	<b>8</b>	<b>11,790</b>	<b>0</b>	<b>11,790</b>	<b>(49)</b>	<b>(0)</b>
<b>Adult</b>														
Adult Social Care	256	(256)	0	256	(256)	0	480	(448)	32	736	0	736	0	0%
Housing	1,000	(1,000)	0	1,000	(1,000)	0	1,532	(1,152)	380	2,532	0	2,532	0	0%
Library & Information Service	385	(371)	14	468	(381)	87	358	(113)	245	826	0	826	0	0%
<b>Total Adult</b>	<b>1,641</b>	<b>(1,627)</b>	<b>14</b>	<b>1,724</b>	<b>(1,637)</b>	<b>87</b>	<b>2,370</b>	<b>(1,713)</b>	<b>657</b>	<b>4,094</b>	<b>0</b>	<b>4,094</b>	<b>0</b>	<b>0</b>
<b>Total Committed Schemes</b>	<b>17,653</b>	<b>(11,478)</b>	<b>6,175</b>	<b>21,217</b>	<b>(13,232)</b>	<b>7,985</b>	<b>18,428</b>	<b>(13,088)</b>	<b>5,340</b>	<b>39,638</b>	<b>0</b>	<b>39,638</b>	<b>(7)</b>	<b>0</b>

	(£'000)	(£'000)	(£'000)
<b>Portfolio Total</b>	<b>17,653</b>	<b>39,645</b>	<b>39,638</b>
<b>External Funding</b>			
Government Grants	(7,535)	(17,331)	(17,283)
Developers' Contributions	(2,149)	(7,068)	(7,068)
Other Contributions	(1,794)	(1,921)	(1,921)
<b>Total External Funding Sources</b>	<b>(11,478)</b>	<b>(26,320)</b>	<b>(26,272)</b>
<b>Total Corporate Funding</b>	<b>6,175</b>	<b>13,325</b>	<b>13,366</b>

**Capital Monitoring Report - September 2015-16**

At 30 September 2015, the approved estimate stood at £39.645m

	<b>Exp</b>	<b>Inc</b>	<b>Net</b>
	£'000	£'000	£'000
Approved Estimate	39,645	(26,320)	13,325
Variances identified	(7)	48	41
Slippage to 2016/17	0	0	0
Projected Outturn 2015/16	39,638	(26,272)	13,366

**Overall Projected Expenditure and Slippage**

Projected outturn for the financial year is £39.638m

Variances are reported as follows.

	<b>Exp</b>	<b>Inc</b>	<b>Net</b>	
	£'000	£'000	£'000	
Schools - Non Devolved				
CSFQ Eton Wick kitchen 2015-16	(50)	50	0	Lower than estimated final tender
CSFR Dedworth Middle School water supply 2015-16	2	(2)	0	Final cost
CSFZ Newlands School rewire-2015-16	152	(152)	0	Newlands school works combined into one contract
CSGA Newlands Girls' School water services-2015-16	(152)	152	0	
Technology & Change Delivery				
CN58 Smarter Working	41	0	41	Final invoice for construction costs
	<u>(7)</u>	<u>48</u>	<u>41</u>	

There is no slippage to report this month.

**Overall Programme Status**

The project statistics show the following position:

<b>Scheme progress</b>	<b>No.</b>	<b>%</b>
Yet to Start	57	14%
In Progress	197	62%
Completed	94	18%
Ongoing Programmes e.g.. Disabled Facilities Grant	34	6%
Devolved Formula Capital Grant schemes budgets devolved to schools	1	0%
<b>Total Schemes</b>	<u>383</u>	<u>100%</u>