

Report for: INFORMATION
Item Number: 7viii



Contains Confidential or Exempt Information	No – Part I
Title	Financial Update
Responsible Officer(s)	Andrew Brooker, Head of Finance, 01628 796341
Contact officer, job title and phone number	Richard Bunn, Chief Accountant, 01628 796510
Member reporting	Councillor Dudley
For Consideration By	Cabinet
Date to be Considered	26 Sept 2013
Implementation Date if Not Called In	26 Sept 2013
Affected Wards	“All”
Keywords/Index	Service Monitoring
Report Summary	
<ol style="list-style-type: none"> 1. This report provides a financial update to members on any significant service budget issues. Services are currently reporting a £432k overspend. This is offset by a reduction in planned Capital Financing Costs resulting in a £54k projected underspend overall. 2. It recommends that Strategic Directors in consultation with Lead Members implement proposals that address the predicted overspend. Savings proposals for 2014-15 were reported to Cabinet in August. Early delivery of those proposals will help to bring the current overspend back within budget. 3. Overall the Council remains in a strong financial position with healthy reserves. 	

If recommendations are adopted, how will residents benefit?	
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 it’s resources.	On publication of the report.
2. Assurance that budgets are reviewed regularly.	On publication of the report.

1. Details of Recommendations

RECOMMENDED:

- i) That the Strategic Directors in consultation with Lead Members implement proposals that address the predicted overspend.
- ii) That a £222k grant funded budget is added to the capital programme, in respect of expansion work to Furze Platt Junior School. Further details in paragraph 4.8.
- iii) That the Children's Services capital programme be revised according to details contained in paragraph 4.9.

2. Reason for Decision and Options Considered

Option	Comments
Add a £222k grant funded budget to the capital programme in respect of expansion work to Furze Platt Junior school.	Recommended option To accommodate the expansion in pupils. Contractors will commence work in October 2013 in order to accommodate the expansion by September 2014. Further details in paragraph 4.8.

3. Key Implications

Defined Outcomes	Unmet	Met	Exceeded	Significantly Exceeded	Date they should be delivered
To meet Annual Plan target of £1m underspend.	Fail to achieve target underspend by £200k reserves increase to £6.780m	Achieve target underspend, reserves increase to £6.980m	Exceed target underspend by £200k reserves increase to £7.180m	Exceed target underspend by £400k reserves increase to £7.380m	31 March 2014

The General Fund Reserve is currently projected to be £5.890m.

4. Financial Details

- 4.1. The **Director of Children's Services** reports a projected year-end overspend of £37k, against an approved net controllable budget of £16.045 million. This is no change on the projected overspend of £37k reported to Cabinet in August, and reflects cost pressures in relation to

a shortfall of grant income for Education Services Grant and to high placement costs in Safeguarding, offset by underspends in Education and Childcare mainly relating to the costs of Speech and Language services now being funded from Dedicated Schools Grant, and savings in respite provision.

- 4.2. The **Adult and Community Services Directorate** reports a projected £4k overspend on its direct cost budget of £38.9m. This is unchanged from the position reported to August Cabinet in the Integrated Performance Monitoring Review (IPMR).
- 4.3. The Managing Director projects an underspend of £122k on the **Corporate Services** 2013/14 budget of £10,324k, down £20k on last month. This underspend relates to reduced external audit fees and additional savings from restructuring of Finance, Procurement and Business Development teams. The reduction in underspend this month arises largely from delays to operational reviews in HR/Back office services.

The budget pressures in Planning and Property have not changed: £25k in Planning development control from delayed achievement of staff savings, and £25k in Admin buildings from anticipated heating and utility costs.

- 4.4. The Strategic Director of **Operations** projects an overspend of £513k on the directorate budget of £15,688k. The increase of £79k from last month derives from increased pressure on the waste disposal budgets, offset by a marginal improvement in Highways and Transport budgets.

Waste budgets are now projected to overspend by £160k primarily because of regulatory changes requiring all street sweepings to be land-filled. This means the borough has to pay the landfill rate per tonne rather than the significantly lower green-waste disposal rate. Pressures which can be ameliorated are low food waste tonnages and misuse at bring sites forcing contaminated recyclate into landfill. These pressures are being actively addressed by high-impact marketing campaigns, lobbying for redressed regulatory position, and increased monitoring and enforcement at bring sites.

The Parking Service maintains its projected shortfall of £50k on its net income budgets of £(3,166)k. Compared to the same period last year, on- street income is the same and in line with targets. However, whilst off-street income is up compared to last year it is still below target. The level of income from Penalty Charge Notices (PCNs) is down compared to last year, reflecting a 5 year downward trend. July saw a significant increase in the number of car park users compared to last year. So far this year numbers have increased by 5% in Windsor and by 1% in Maidenhead.

Digital Media Service (DMS) is currently projected to meet its adjusted budget target. Ongoing management review has identified annual budget savings up to £150k.

Housing Benefit budgets are under pressure from high levels of activity (which are largely being contained), from difficulty in recovering overpayments (being prioritised as part of a revised strategy), and from the inability to recover the full cost of benefit payments that relate to Bed and Breakfast and temporary accommodation placements.

Highways and Transport are projecting minor pressures from high workloads in highways development control and anticipated non-achievement of highway advertising income targets, mitigated by vacancies and contract savings.

4.5. Revenue budget movements this month:

	£000
Approved budget as at 1 st July 2013	81,328
Redundancy costs funded by provision created at the end of 2012/13	189
Service Expenditure Budget this month	81,517

4.6. Capital Programme

A summary of 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 2013-14.

The approved 2013-14 capital budget stands at £34.768m, with a projected outturn of £34.210m.

A summary of the capital budget is available below with further details in Appendices B and C.

	Exp	Inc	Net
	£'000	£'000	£'000
Approved Budget	34,768	(23,515)	11,253
Variances identified	(54)	34	(20)
Slippage to 2014/15	(504)	504	0
Projected Outturn 2013/14	34,210	(23,114)	11,233

1.1.1

4.7. Overall capital programme status

	Report to September Cabinet
Number of Schemes in Programme	648
Yet to Start	15%
In Progress	40%
Completed	28%
Ongoing Programmes e.g. Disabled Facilities Grant	8%
Devolved Formula Capital Grant schemes budgets devolved to schools	8%

4.8. Addition to the capital programme.

A grant funded supplementary estimate is requested in respect of the expansion to Furze Platt junior school. There is already a £300k budget in the 2013-14 capital programme and an additional £400K planned for 2014-15. Although the cost of the scheme, now estimated to be £522k, is lower than anticipated, pupil numbers for the local area have increased a year early so the expansion is needed for September 2014. An additional £222k budget funded by Basic Need grant is therefore recommended in this report.

4.9. Changes to the Children's Services capital programme

Project	Budget	Change	New Budget	Comment
St Edmund Campion expansion	113	0	113	Approval to change the funding stream of part of the scheme (£59k) from Basic need grant to S106 contributions.
Additional classroom for Maidenhead or Windsor.	200	-80	120	This budget to be renamed – Lowbrook classroom - and the budget to be reduced to £120k to be funded by s106 monies. £80k Basic Need grant transferred below.
Preparation for future expansion schemes	30	80	110	Budget to increase to £110k to cover feasibilities for Dedworth Green, Homer and Datchet St Mary bulge classes, schemes previously approved by cabinet. March '13.
Trevelyan Electrical Rewire & Fire Alarm Replacement	534	0	534	} Change of funding stream required £53K - funding to be used to help enhance the environment for youngsters with learning difficulties at Trevelyan.
Aiming High	139	0	139	

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
The proposals in this report have no impact on sustainability objectives.

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 or service delivery.

11. Staffing/Workforce and Accommodation implications:
None.

12. Property and Assets implications:
None.

13. Any other implications:
None.

14. Consultation
Overview and Scrutiny Panels will review this report after Cabinet has met. Comments have not therefore been included.

15. Timetable for Implementation
This section is not applicable.

16. Appendices
Revenue budget summary Appendix A
Capital budget summary Appendix B
Capital variances and slippage Appendix C

17. Background Information

Background Papers: Budget Report to Council February 2013

18. Consultation (Mandatory)

Name of consultee	Post held and Department	Date sent	Date received	See comments in paragraph:
Internal				
Corporate Management Team (CMT)	Managing Director, Strategic Directors, Heads of Legal Services and Policy & Performance.	28 Aug. 2013	28 Aug 2013	Changes included in final Cabinet report.
Cllr Dudley	Lead Member for Finance	28 Aug. 2013	28Aug 2013	
Cllr Burbage	Leader of the Council	28 Aug. 2013	28 Aug 2013	
External				
None				

19. Report History

Decision type:	Urgency item?
For information	No

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

SUMMARY	2013/14		
	Budget	Approved Estimate	Projected Variance
	£000	£000	£000
Individual Schools Budget	62,079	63,018	(0)
De Delegated Schools Budget	471	473	18
Central Provision within Schools Budget	1,058	454	120
High Needs Pupils	12,913	12,730	(207)
Early Years	70	100	0
Dedicated Schools Grant	(76,996)	(77,183)	69
Total Children's Services - Schools Budget	(405)	(408)	(0)
Education & Childcare Services	3,570	3,295	(52)
Families & Young People	2,821	2,873	11
Safeguarding & Specialist Services	11,160	11,008	250
Children's Services Management	1,066	1,139	13
Specific Grant	(2,233)	(2,233)	186
Total Children's Services - LA Budget	16,384	16,082	408
Budget extracted in year	0	371	(371)
Total Children's Services	15,979	16,045	37
Adult Social Care	33,917	33,932	(58)
Public Health	0	0	0
Housing	2,171	2,171	62
Leisure Services	1,439	1,450	34
Leisure Centres	(1,483)	(1,473)	(34)
Library Information	2,222	2,222	0
Heritage & Arts	315	318	0
Adult Management	295	295	0
Budget extracted in year	0	0	0
Total Adult & Community Services	38,876	38,915	4
Director of Operations	135	133	(35)
Highways & Engineering	3,703	3,706	17
Streetcare & Operations	3,823	3,824	0
Parking Services	(3,166)	(3,186)	50
Public Protection & Sustainability	9,923	9,928	161
Central Services Group	1,270	1,631	320
Budget extracted in year	0	0	0
Total Operations	15,688	16,036	513
Director of Corporate Services	275	280	0
Corporate Management	1,055	1,058	(145)
Communications	267	267	0
Policy and Performance	788	808	0
Democratic Services	1,774	1,818	(8)
HR	1,119	1,233	64
Legal	116	119	(40)
Finance	2,536	2,510	(72)
Technology & Change Delivery	2,702	2,732	(4)
Planning	1,356	1,360	55
Property	(1,664)	(1,664)	28
Budget extracted in year	0	0	0
Total Corporate Services	10,324	10,521	(122)
TOTAL EXPENDITURE	80,867	81,517	432
Contribution from Development Fund	0	(18)	0
Pensions deficit recovery	1,218	1,218	0
Transfers from Provision for Redundancy Costs	0	(284)	0
Contribution to from ear marked reserve	(100)	(100)	0
Pay Inflation	120	120	0
Levies-			
Environment Agency	131	131	14
Capital Financing inc Interest Receipts	7,303	7,303	(500)
NET REQUIREMENTS	89,539	89,887	(54)
Less - Special Expenses	(951)	(951)	0
Transfer (from)/ to balances	0	(348)	54
GROSS COUNCIL TAX REQUIREMENT	88,588	88,588	0
Working Balances	5,980	6,184	5,836
Other transfers (from)/to balances	0	(348)	54
	<u>5,980</u>	<u>5,836</u>	<u>5,890</u>

CAPITAL PROGRAMME 2013-14
Schemes Approved in prior years

Portfolio Summary

Corporate Services

Asset Management	948	0	948
Planning & Development	804	(237)	567
Policy & Performance	152	0	152

Total Corporate Services

1,904 (237) 1,667

Operations

Business Improvement	453	0	453
CSC	46	0	46
Other	0	0	0
Local Transport Plan	755	(398)	357
Parking Schemes	1,187	(1,162)	25
Streetcare and Operations	147	(3)	144
Public Protection	351	(213)	138

Total Operations

2,939 (1,776) 1,163

Childrens

Non Schools	230	(226)	4
Schools - Non Devolved	3,276	(2,556)	720
Schools - Devolved Capital	1,164	(1,164)	0

Total Childrens

4,670 (3,946) 724

Adult

Adult Social Care	522	(345)	177
Housing	1,088	(1,039)	49
Social Care infrastructure	167	(117)	50
Community Facilities	14	0	14
Library & Information Service	864	(159)	705
Leisure Centres	353	(218)	135
Outdoor Facilities	332	(332)	0

Total Adult

3,340 (2,210) 1,130

Total Committed Schemes

12,853 (8,169) 4,684

PROJECTIONS - GROSS EXPENDITURE

2013/14 Projected	2014/15 SLIPPAGE Projected	TOTAL Projected	VARIANCE Projected	VARIANCE Projected
(£'000)	(£'000)	(£'000)	(£'000)	(%)
948	0	948	0	0%
804	0	804	0	0%
152	0	152	0	0%
1,904	0	1,904	0	0
453	0	453	0	0%
46	0	46	0	0%
0	0	0	0	0%
755	0	755	0	0%
1,187	500	1,687	500	42%
147	0	147	0	0%
351	0	351	0	0%
2,939	500	3,439	500	17
230	0	230	0	0%
3,276	0	3,276	0	0%
1,164	0	1,164	0	0%
4,670	0	4,670	0	0
522	0	522	0	0%
1,088	0	1,088	0	0%
167	0	167	0	0%
14	0	14	0	0%
864	4	864	0	0%
353	0	353	0	0%
332	0	332	0	0%
3,336	4	3,340	0	0
12,849	504	13,353	500	4

New schemes Approved in 2013/14

	2013/14 ORIGINAL BUDGET			2013/14 APPROVED ESTIMATE			PROJECTIONS – GROSS EXPENDITURE					
	Gross	Income	Net	Gross	Income	Net	2013/14 Projected	2014/15 SLIPPAGE Projected	TOTAL Projected	VARIANCE Projected	VARIANCE Projected	
	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(%)	
Portfolio Summary												
Corporate Services												
Asset Management	2,160	0	2,160	750	(100)	650	750	0	750	0	0%	
Planning & Development	625	(25)	600	1,163	(563)	600	1,163	0	1,163	0	0%	
Policy & Performance	467	0	467	556	0	556	556	0	556	0	0%	
Total Corporate Services	3,252	(25)	3,227	2,469	(663)	1,806	2,469	0	2,469	0	0	
Operations												
Business Improvement	184	0	184	234	0	234	234	0	234	0	0%	
CSC	152	0	152	152	0	152	152	0	152	0	0%	
Other	0	0	0	1,590	0	1,590	1,590	0	1,590	0	0%	
Local Transport Plan	4,465	(3,250)	1,215	4,775	(3,520)	1,255	4,775	0	4,775	0	0%	
Parking Schemes	110	0	110	110	0	110	(390)	0	(390)	(500)	-455%	
Streetcare and Operations	225	(150)	75	227	(150)	77	227	0	227	0	0%	
Public Protection	726	(361)	365	762	(361)	401	762	0	762	0	0%	
Total Operations	5,862	(3,761)	2,101	7,850	(4,031)	3,819	7,350	0	7,350	(500)	-6	
Childrens												
Non Schools	70	(70)	0	112	(92)	20	112	0	112	0	0%	
Schools – Non Devolved	7,910	(7,910)	0	7,991	(7,981)	10	7,937	0	7,937	(54)	-1%	
Schools – Devolved Capital	376	(376)	0	411	(414)	(3)	411	0	411	0	0%	
Total Childrens	8,356	(8,356)	0	8,514	(8,487)	27	8,460	0	8,460	(54)	-1	
Adult												
Adult Social Care	256	(256)	0	360	(360)	0	360	0	360	0	0%	
Housing	0	0	0	882	(882)	0	882	0	882	0	0%	
Social Care infrastructure	0	0	0	0	0	0	0	0	0	0	0%	
Community Facilities	0	0	0	0	0	0	0	0	0	0	0%	
Library & Information Service	361	(1)	360	361	(1)	360	361	0	361	0	0%	
Leisure Centres	630	(250)	380	647	(267)	380	647	0	647	0	0%	
Outdoor Facilities	660	(483)	177	832	(655)	177	832	0	832	0	0%	
Total Adult	1,907	(990)	917	3,082	(2,165)	917	3,082	0	3,082	0	0	
Total Committed Schemes	19,377	(13,132)	6,245	21,915	(15,346)	6,569	21,361	0	21,361	(554)	-3	

	(£'000)	(£'000)	(£'000)
Portfolio Total	19,377	34,768	34,210
External Funding			
Government Grants	(11,909)	(19,656)	(19,122)
Developers' Contributions	(1,223)	(3,691)	(3,687)
Other Contributions	0	(168)	(168)
Total External Funding Sources	(13,132)	(23,515)	(22,977)
Total Corporate Funding	6,245	11,253	11,233

Capital Monitoring Report - September Cabinet 2013-14

At 31 August 2013, the approved Capital budget stood at £34.768m

	Exp	Inc	Net
	£'000	£'000	£'000
Approved Budget	34,768	(23,515)	11,253
Variances identified	(54)	34	(20)
Slippage to 2014/15	(504)	504	0
Projected Outturn 2013/14	34,210	(22,977)	11,233

Overall Projected Expenditure and Slippage

Projected outturn for the financial year is £34.210m

Variances are reported as follows

	Exp	Inc	Net	
	£'000	£'000	£'000	
Schools - Non Devolved				
CKVD South Ascot Village School - Additional Class	(54)	34	(20)	Tendered cost lower than budget. Savings can be removed from the budget to fund other school schemes.
	<u>(54)</u>	<u>34</u>	<u>(20)</u>	
As per last month, slippage is reported as follows				
CE64 Additional Parking Provision for Windsor	(500)	500	0	Development of a permanent park and ride at Royal Windsor Racecourse remains the only outstanding element of the Windsor Parking Strategy. This has been delayed due to extended negotiations seeking to secure a land agreement. Negotiations are continuing but it is likely that construction will not be complete during 2013/14, hence the request for financial rephasing.
CL87 Old Windsor Library-Improvements (2012/13)	(4)	4	0	
	<u>(504)</u>	<u>504</u>	<u>0</u>	