

REPORT TO CABINET

Title: **SERVICE MONITORING REPORT**

Date: 27 November 2008

Member Reporting: Councillor Hilton

Contact Officer(s): Andrew Brooker, Head of Finance, x6341

Wards affected: All

1. SUMMARY

- 1.1 This service monitoring report provides a monthly update on service delivery with emphasis on the impact on the council's financial position.
- 1.2 Services are currently projecting expenditure £557k (last month: £646k) more than the approved estimate of £85,949k (last month: £85,883k). Balances at year end are projected to be £5.280M (last month £5.381m).
- 1.3 The approved capital programme has increased by £320k since last month to £37.473m, which is funded by grants and contributions. Variances are -£434k (last month -£91k) and slippage remains at £2.665m.

2. RECOMMENDATION

- 2.1 **That Cabinet notes the provisional revenue and capital outturn figures**
- 2.2 **That Cabinet approves the capital programme variances and slippage identified in Appendix C**
- 2.3 **That Directors work with Lead members to develop proposals to contain expenditure within current budget limits**
- 2.4 **That Members note that a contribution of up to £25k has been approved by Directors' Group towards a judicial review into BAA's plan to build an additional runway at Heathrow. A supplementary estimate will be added to Community Services revenue budget from next month.**

What will be different for residents as a result of this decision?

The Council is responsible for ensuring that it has put in place the proper arrangements to secure economy, efficiency and effectiveness in its use of resources. If the management of services and their budgets are not regularly reviewed, any and all services for residents could be adversely affected and Council Tax levels may be affected.

3. SUPPORTING INFORMATION

3.1 Background

3.2 As at 31 October 2008, total service expenditure for 2008/9 is expected to be £86,506k (down £23k from last month's £86,529 k).

3.3 Summaries of the Council's provisional outturn Revenue and Capital financial reports are contained in Appendices A and B respectively. The revenue report includes income and expenditure statements together with a short Directorate report drawing members' attention to key activities affecting the current and future years.

3.4 The Director of Learning & Care reports that its 2008-9 costs are projected to be overspent by £383k (down £48k from last month) on its approved estimate of £48,409k (last month's approved estimate was £48,343k).

Children's Services are expected to be overspent by £451k, a reduction of £40k on last month. Two placements ended earlier than expected.

Adult Social Care is expecting to overspend by £12k (down £8k from last month). A slight increase in spot purchase prices within External Homecare (£4k) and additional pay-related costs in In-House Homecare (£21k) have been more than offset by additional contributions for residential and nursing placements (-£33k).

The Children's Services budget increased by £30k after early retirement costs were agreed by the employment panel. The Adult Social Care budget increased by £34k after an allocation for the pump priming grant for smoking cessation.

3.5 The Director of Community Services reports a variance of £105k (down £45k from last month's £150k) from the approved estimate of £22,785k.

A £35k reduction in expected income within Planning Services has been more than offset by additional savings from staff vacancies (£60K across the Development Control, Planning Policy and Building Control units). The expected shortfall in car parking income has increased by £10k to £180k. Windsor Leisure Centre anticipates a £30k saving from professional support for a feasibility study.

3.6 The Chief Executive reports that Corporate Services expenditure is expected to be £69k higher than the approved estimate of £14,755k (up £4k from last month).

A further £50k reduction in income is expected from land charges. Additional agency staff costs to complete the Audit Plan (+£36k) and provide cover within the CSC (+£17k) and Council Tax & Business Rates Collection team (+£15k) have been offset by savings within Democratic Services (£41k), Corporate Performance (£15k) and HR (£15k). Some internal audit costs can be re-charged to the pension fund (£20k) and some additional income from schools (£11k) and legal (£12k) is anticipated.

4. CORPORATE SAVINGS

The Procurement and Efficiency unit reports that the forecast savings for the year have reduced by £158k. Some plans for domiciliary care savings have been deferred (£75k). A programme of works for quick wins will be implemented but with a reduced forecast.

Working with Hampshire CC under a shared service arrangement has proved to be less fruitful than was originally thought in the area of commodity goods savings(17k).

Following detailed analysis it is anticipated that the original forecast for waste collection will not now be achieved (£12k).

The BPSSU programme of activity is being reviewed by Berkshire Efficiency Champions, however confidence is not high that they will achieve the savings they are currently forecasting (£60k).

Stationery savings are slightly higher than originally expected (-£2k).

5. INTEREST ON BALANCES

Changes in rates of investment interest remain volatile. The Head of Finance continues to keep this situation under review.

6. BAA JUDICIAL REVIEW

The Leader of Wandsworth Council has approached the Leaders of Hillingdon, Hounslow, Ealing and RBWM requesting that they make a contribution of up to £25k, as part of the 2M Group, towards a Judicial Review into BAA's plans to build an additional runway at Heathrow.

The Directors have agreed in principle to the funding, from reserves, subject to clarification on the legal basis of the 2M Group and also whether or not Wandsworth has been, or needs to be, officially appointed as the accountable authority.

A supplementary estimate will be raised next month, changing the budget in Community Services.

7. OVERALL POSITION

Appendix A summarises the projected outturn position and shows projected year-end reserves to have decreased by £101k to £5.280m.

8. CAPITAL

8.1 Overall Gross Expenditure Budget

Total capital expenditure for 2008/09 is expected to be £34.373m (last month £34.412m), which is £3.099m below the approved gross budget of £37.472m (up £320k since last month's £37.152m). This is made up of -£434k variances and £2.665m slippage, summarised as follows: -

	Exp £'000	Inc £'000	Net £'000
Approved Budget October 2008	37,472	-24,299	13,173
Variances identified	-434	60	-374
Slippage to 2009/10	<u>-2,665</u>	<u>1,291</u>	<u>-1,374</u>
Projected capital programme 2008/2009	34,373	-22,948	11,425

8.2 Approved Capital Budget Changes

The increase of £320k in the capital budget is because of a harnessing technology grant (£27k), Information System for Parents and Providers (£20k), schools feasibility (£30k), Charters School (£170k), promotion of sustainability issues (£10k) and refurbishment of recycling banks (£64k).

8.3 Projected Variances and Slippage

Community Services report that in comparison to the approved budget, there will be a net under spend of £450k (last month -£91k). The main change is to do with the £300k budget for Lease Vehicle Replacement Programme going unused, as it is still cheaper to lease than buy. Learning & Care reports, as per last month, a net overspend of £16k in Schools (other). See appendix C for further details.

There is no change to the slippage identified last month of £2.665m. Details are in appendix C.

9. OPTIONS AVAILABLE AND RISK ASSESSMENT

9.1 Options

	Option	Comments	Financial Implications
1.	Accept the report	Directors have a responsibility for managing their Services within the Budget approved by Council. Cabinet has limited power to vary those budgets within the overall budget and policy framework or to re-define the priorities agreed when the budget was approved. Cabinet does however have responsibility for considering the impact on future year's budgets of the decisions taken.	Revenue Capital

	Option	Comments	Financial Implications
2.	Reject the report	This is not an option as The Local Government Act 2003 requires the Royal Borough to monitor its financial position	Revenue Capital

9.2 Risk assessment

Risk assessments are carried out as a matter of course for the delivery of individual services. The main Financial risks are included on the Council's Risk Register . paragraphs 3.8 to 3.15 discuss the risks associated with the current economic downturn.

The Councils Financial Strategy outlines the measures available to it in the event of a series of events that lead to significant projected budget variances being reported.

10. CONSULTATIONS CARRIED OUT

No specific consultation is carried out as this is a regular monitoring report

11. COMMENTS FROM THE OVERVIEW AND SCRUTINY PANEL

Relevant components of this report will be considered by each of the four scrutiny panels as part of their next round of meetings.

IMPLICATIONS

12. The following implications have been addressed where indicated below.

Financial	Legal	Human Rights Act	Planning	Sustainable Development	Diversity & Equality
✓	✓	N/A	N/A	N/A	N/A

Background Papers: Cabinet 24 July 2008 – Monitoring report.

MONITORING REPORT FROM DIRECTOR OF COMMUNITY SERVICES

DATE: 27th November 2008

PURPOSE

To update members on activity within the Community Services Directorate during the period to October 2008.

BACKGROUND

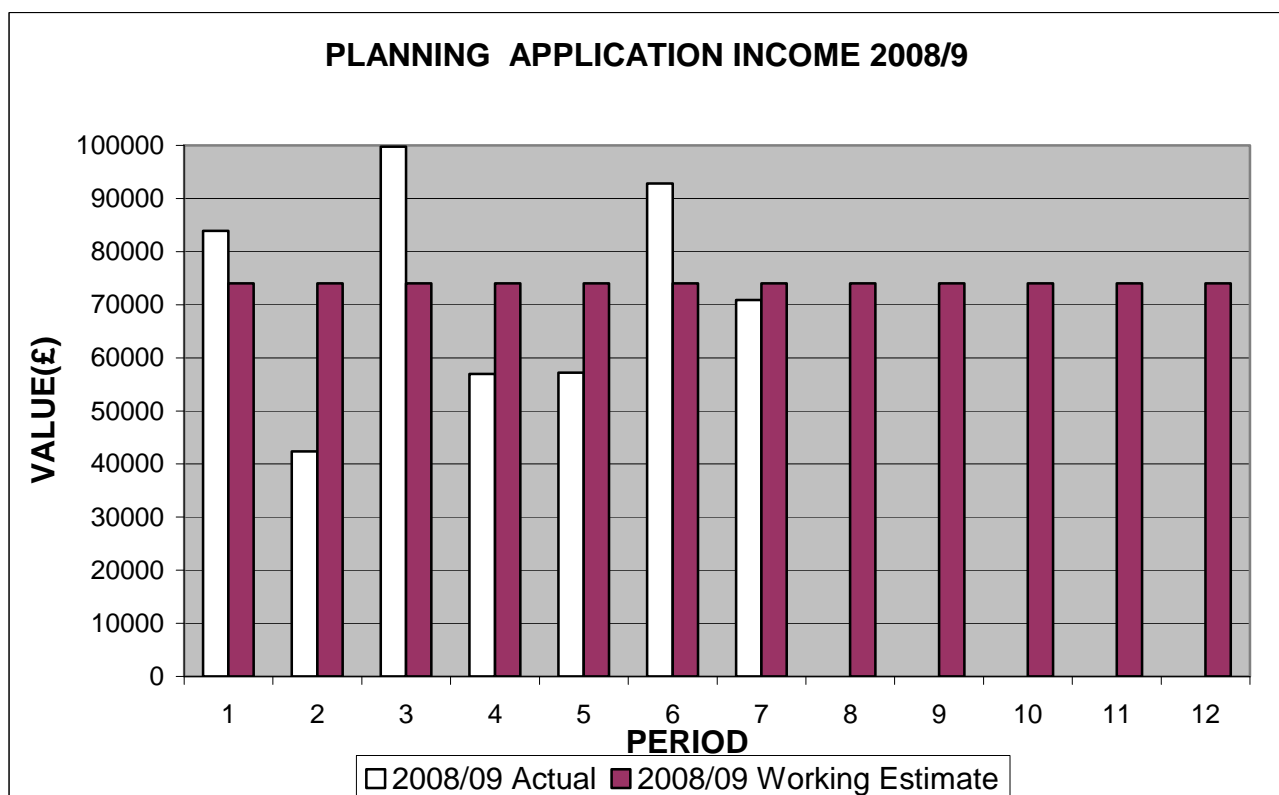
The key issues identified in this month's Budget Monitoring Report are:

- Continual review by the directorate on income levels in the light of economic outlook

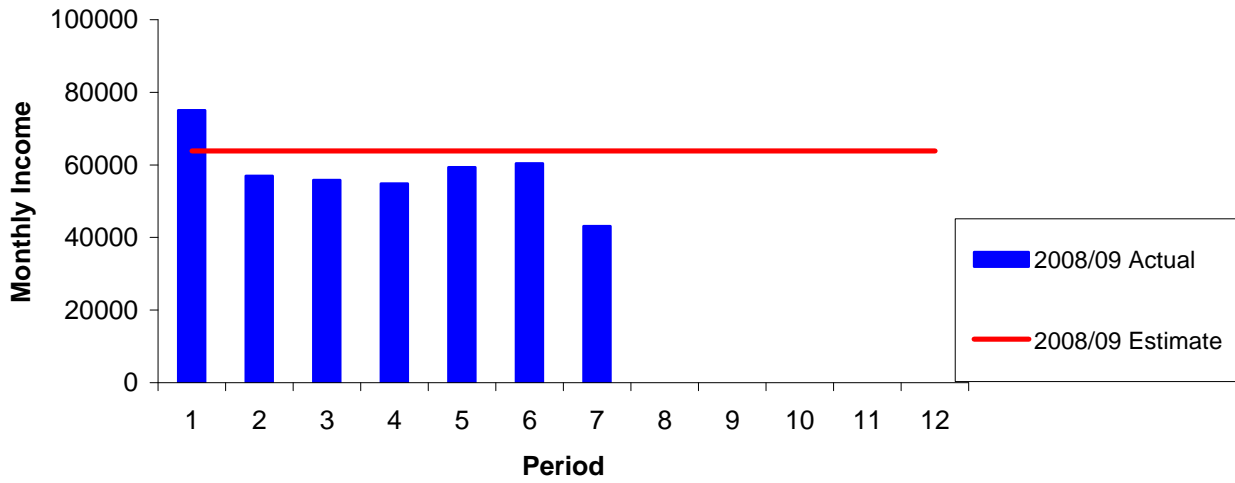
SPECIFIC AREAS FOR ATTENTION

Revenue

1. Car parking income continues to be below target due to downturn as demonstrated in reductions in tourist car parks in Windsor. Planning Income is marginally below budget, and Building Control income is also below target as shown in the graphs.
2. Service charges re Sainsbury's Car Park are currently in negotiation and the outcome will be reflected in future Budget Monitoring Statements.
3. There is now a strong likelihood of 24 High St Windsor being returned to the Council. Every effort will be made to find a new tenant, but until this happens there will be a budget pressure.
4. The measures to address some of these pressures are shown on the detailed budget monitoring sheets.



BUILDING CONTROL INCOME 2008/09



CORPORATE SERVICES DIRECTLY MANAGED COSTS	2008/09		Variance- Manager's Forecast	Notes
	Budget	Approved Estimate		
	£000	£000	£000	
CORPORATE MANAGEMENT				
Expenditure	651	650	0	
Income	0	0	0	
Net	651	650	0	
DEMOCRATIC SERVICES				
Expenditure	3,449	3,422	(21)	1,2,3,4,5
Income	(631)	(631)	0	
Net	2,818	2,791	(21)	
LEGAL SERVICES				
Expenditure	2,781	2,797	(75)	6,8,10
Income	(1,732)	(1,732)	157	7,9,10
Net	1,049	1,065	82	
CORPORATE PERFORMANCE & DEVELOPMENT				
Expenditure	1,427	1,621	(65)	11
Income	(552)	(365)	0	
Net	875	1,256	(65)	
BUSINESS IMPROVEMENT				
Expenditure	3,245	3,208	60	12
Income	(492)	(492)	0	
Net	2,753	2,716	60	
CUSTOMER SERVICE CENTRE				
Expenditure	1,284	1,378	34	13
Income	(169)	(169)	0	
Net	1,115	1,209	34	
FINANCE				
Expenditure	36,853	36,905	64	14,15,17
Income	(33,921)	(33,921)	(20)	16
Net	2,932	2,984	44	
HUMAN RESOURCES				
Expenditure	2,079	2,079	(65)	18,19
Income	(383)	(383)	0	
Net	1,696	1,696	(65)	
PROCUREMENT				
Expenditure	678	815	0	
Income	(331)	(427)	0	
Net	347	388	0	
TOTAL DIRECTLY MANAGED COSTS	14,236	14,755	69	

CAPITAL PROGRAMME 2008/2009

Monitoring as at 22/10/08

	2008/2009 ORIGINAL BUDGET			2008/2009 APPROVED ESTIMATE				PROJECTIONS – GROSS EXPENDITURE					
	Gross	Income	Net	Gross	Income	Net	Gross Actual	2008/09 Gross Expenditure Projected	2009/10 SLIPPAGE Projected	TOTAL Gross EXPENDITURE Projected	VARIANCE Projected	VARIANCE Projected	
	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(%)
Portfolio Summary													
Corporate Services													
Business Improvement	1,196	0	1,196	1,300	0	1,300	791	1,300	0	1,300	0	0	
CSC	154	0	154	320	(59)	261	48	320	0	320	0	0.0	
Other	225	(10)	215	347	(16)	331	215	285	62	347	0	0.0	
Total Corporate Services	1,575	(10)	1,565	1,967	(75)	1,892	1,054	1,905	62	1,967	0	0.0	
Community Services													
Local Transport Plan	4,534	(1,540)	2,994	4,828	(1,603)	3,225	1,193	4,698	150	4,848	20	0.4	
Operations	685	(25)	660	967	(25)	942	176	609	58	667	(300)	(31.0)	
Public Protection	760	(510)	250	842	(554)	288	411	842	0	842	0	0.0	
Planning	147	(11)	136	165	(31)	134	33	155	0	155	(10)	(6.1)	
Library & Information Service	1,584	(470)	1,114	2,094	(696)	1,398	339	1,115	979	2,094	0	0.0	
Leisure Centres	595	(225)	370	626	(225)	401	293	546	80	626	0	0.0	
Outdoor Facilities	2,285	(2,250)	35	2,901	(2,851)	50	603	2,515	386	2,901	0	0.0	
Asset Management	1,647	0	1,647	1,826	0	1,826	252	1,526	300	1,826	0	0.0	
Car Park Schemes	1,585	(1,485)	100	1,398	(1,298)	100	270	588	650	1,238	(160)	(11.4)	
Total Community Services	13,822	(6,516)	7,306	15,647	(7,283)	8,364	3,570	12,594	2,603	15,197	(450)	(48.1)	
Learning & Care													
Adult Social Care	146	(80)	66	121	(43)	78	(4)	121	0	121	0	0.0	
Children & Young People – General	0	0	0	2,638	(1,255)	1,383	1,192	2,639	0	2,639	0	0.0	
Children & Young People – Schools (Form)	3,180	(3,180)	0	3,534	(3,535)	(1)	2,454	3,534	0	3,534	0	0.0	
Children & Young People – Schools (Other)	10,922	(9,080)	1,842	11,222	(9,856)	1,366	2,993	11,238	0	11,238	16	0.1	
Housing	1,765	(1,725)	40	2,039	(1,999)	40	0	2,039	0	2,039	0	0.0	
Learning & Care – General	171	(121)	50	302	(252)	50	43	302	0	302	0	0.0	
Total Learning & Care	16,184	(14,185)	1,998	19,858	(16,941)	2,917	6,679	19,874	0	19,874	16	0.2	
Total Committed Schemes	31,581	(20,711)	10,869	37,472	(24,299)	13,173	11,303	34,373	2,665	37,038	(434)	(1.2)	
External Funding	(£'000)			(£'000)				(£'000)					
Government Grants	(13,470)			(15,680)				(15,680)					
Developers' Contributions	(6,830)			(8,208)				(6,857)					
Other Contributions	(412)			(411)				(411)					
Total External Funding Sources	(20,712)			(24,299)				(22,948)					
Total Corporate Funding	10,869			13,173				11,425					

**Appendix C - Overall Projected Expenditure and Slippage
To 31 October 2008**

Total capital expenditure for 2008/09 is expected to be £34.373m, which is £3.099m below the approved budget.

This is made up of £434k variances, £2.665m slippage and is summarised as follows:-

Community Services report that in comparison to the approved budget, there will be a net underspend of £450k as follows.

- 200 Nicholsons MSCP - As previously reported, waterproofing scheme under review.
- 20 Highways Surfacing Contract-Report to Cabinet Prioritisation Sub-Committee required to add in £20K S106 received.
Next phase of Programme to commence November 2008
- 10 Open Space audit. As previously reported, projected underspend
- 30 Decriminalised Parking Enforcement. As previously reported, Cabinet Report 24/7/08 approved additional phases of works.
Investigate possibility of funding excess from S106
- 300 Lease Vehicle Replacement Programme - There are currently no plans to spend this budget as it is still cheaper for the authority to lease vehicles rather than buy.
- 10 Health And Safety Car Parks - CCTV at Stafferton MSCP to be linked to Hines Meadow MSCP
This will generate Revenue savings in 2009/10.

-450

Community Services also report that schemes approved 24 July 2008 for CE64 Windsor Parking are in progress.
A further report will be presented In January 2009.

As previously reported, Learning & Care report that in comparison to the approved budget, there is likely to be a net overspend of £16k in the Schools (other) area as follows

- 11 Furze Platt Dance Studio- Additional expenditure to pay final disputed invoice.
- 13 Dedworth Green Rewire & Fire alarm - Final tender figures have increased from last month
- 20 Courthouse Junior - Heating Pipework Phase II- Reduced tender figure
- 8 Woodlands Park - Heating Pipework Replacement-Reduced tender figure
- 5 Waltham St Lawrence-Rewiring and New Fire Alarm-Higher tender figure
- 15 Wraysbury - Rewiring and New Fire Alarm-Final tender figures have increased from last month

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There are no variances to report for Resources

Slippage to 2009/10 is currently £2.665m. There is no additional slippage to report this month.