

## REPORT TO CABINET

Title: **SERVICE MONITORING REPORT**

Date: 18 December 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 £323k (last month: £557k) more than the approved estimate of £86,022k (last month: £85,949k). Balances at year end are projected to be £5.441M (last month £5.280m).
- 1.3 The approved capital programme has increased by £58k since last month to £37.531m, which is funded by grants and contributions. Variances are -£376k (last month -£434k). Slippage has increased to £4.545m (last month: £2.665m).

### 2. RECOMMENDATION: That:

- i) **The provisional revenue and capital outturn figures be noted.**
- ii) **The capital programme variances and slippage identified in Appendix C be approved.**
- iii) **That Directors work with Lead Members to develop proposals to contain expenditure within current budget limits.**

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 30 November 2008, total service expenditure for 2008/9 is expected to be £86,345k (down £161k from last month's £86,506k).

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 £124k (down £259k from last month) on its approved estimate of £48,457k (last month's approved estimate was £48,409k).

Children's Services are expected to be overspent by £483k, an increase of £32k on last month. Home to school transport costs have increased as a travel operator's contract has been extended to cover an additional route.

Adult Social Care is expecting to underspend by £279k (down £291k from an expected overspend last month of £12k). It is anticipated that the Concessionary Fares scheme will underspend by £200k. Income has increased and spot placement expenditure decreased on elderly and physical disability residential and nursing care.

The approved estimate has been increased by £50k to cover the cost of pension enhancements charged to the in-house homecare budget.

3.5 **The Director of Community Services reports a variance of £105k (same as last month) from the approved estimate of £22.810m (last month £22,785k).**

**Building Control and Planning incomes are lower (£30k), offset by some additional Building Control staff savings (-£10k). Expected loss of rental income on a void property (£45k) has been offset by a potential saving on the delays to a Fire, Health & Safety works project (-£65k).**

**The Public Protection & Sustainability approved estimate has increased by £25k after Cabinet approved a contribution to the 2M Group costs for a judicial review into BAA's plans to build an additional runway at Heathrow.**

3.6 The Chief Executive reports that Corporate Services expenditure is expected to be £94k higher (last month: £69k higher) than the approved estimate of £14,755k (same as last month).

Projected income levels for the Guildhall have been reduced by £25k. The Guildhall was closed for eight weeks during May and June for repairs, but subsequent income has not compensated for the loss.

The decline in income from Local Land Charges has flattened off slightly since last month, but the impact of the downturn in the housing market continues to be monitored closely.

#### 4. CHANGES TO VALUE-ADDED TAX STANDARD RATE

The Cabinet meeting on 27<sup>th</sup> November considered the Chancellor of the Exchequer's announcement on 24<sup>th</sup> November that the rate of VAT would fall to 15% with effect from 1<sup>st</sup> December 2008.

Cabinet agreed to implement the changes in VAT rates as soon as possible and that authority be delegated to the Head of Finance, in consultation with the Lead Member for Finance and the Chief Executive, to amend the published Fees and Charges where appropriate. There is a separate report on the impact of the VAT changes.

#### 5. OVERALL POSITION

Appendix A summarises the projected outturn position and shows projected year-end reserves to have increased by £161k to £5.441m from the previous month. This is made up of £73k supplementary estimates, referred to above, and a reduction in variances of £234k.

#### 6. CAPITAL

##### 6.1 Overall Gross Expenditure Budget

Total capital expenditure for 2008/09 is expected to be £32.610m, which is £4.921m below the approved budget. This is made up of £376k variances and £4.545m slippage and is summarised as follows:-

	<b>Exp £'000</b>	<b>Inc £'000</b>	<b>Net £'000</b>
Approved Budget October 2008	37,531	-24,357	13,174
Variances identified	-376	60	-316
Slippage to 2009/10	-4,545	2,318	-2,227
Projected capital programme 2008/2009	<b>32,610</b>	<b>-21,979</b>	<b>10,631</b>

##### 6.2 Approved Capital Budget Changes

The £58k increase in the capital budget is because of S106 claims for Larchfield School (£15k) and Holyport Primary School (£16k), an accounting adjustment for Oak Lodge Day Centre (£16k) and a Travel Plan Grant for Alwyn & Ellington Primary Schools (£11k).

##### 6.3 Projected Variances and Slippage

Community Services report that in comparison to the approved budget, there will be a net under spend of £392k (last month £450k). Learning and Care reports the same expected overspend of £16k as per last month.

**The main changes are from Traffic Management Schemes (+£67k), Transport Assessment for Sites (+£35k) and Construction of New Footways (-£48k. See appendix C for further details.**

Slippage has increased by £1.880m since last month to £4.545m. The most significant projects to have slipped are the Quality & Access Programme for Early Year (£550k), Children’s Centre Phase 3 (£300k), Council Building Rewiring/Re-Cabling (£250k), Guildhall and Theatre Royal (£179k), Office Accomodation (£157k), Customer Service Centre software (£150k), Modernisation of School Dining Facilities (£100k) and Town Hall Replacement Heating Piperwork (£100k). Full details are in appendix C.

**Overall Programme Status**

**The project statistics show the following position:**

Number of Schemes in Programme	466
Yet to Start	8%
In Progress	52%
(Of which Ongoing Annual Programmes e.g.. Disabled Facilities Grant)	6%
Completed	26%
Devolved Formula Capital Grant schemes (Data not available on budgets devolved to schools)	14%

**7. OPTIONS AVAILABLE AND RISK ASSESSMENT**

**7.1 Options**

	<b>Option</b>	<b>Comments</b>	<b>Financial Implications</b>
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
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

## 7.2 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.

## 8. CONSULTATIONS CARRIED OUT

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

## 9. 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

10. 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: 18<sup>th</sup> December 2008

## PURPOSE

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

## BACKGROUND

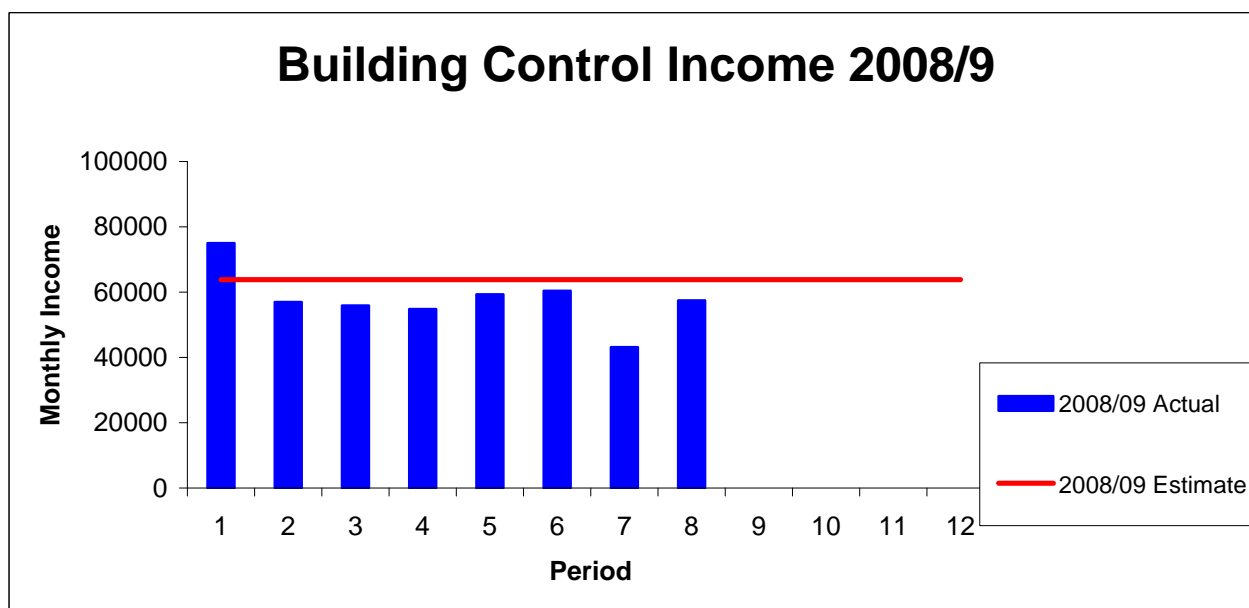
The key issues identified in this month's Budget Monitoring Report are:

- 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 as previously reported, with no significant change. Planning income is marginally below budget, and Building Control income continues to show a decline due to market conditions.**
- 2. 24, High St Windsor is due to be 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.
5. All other areas of income are being closely monitored, with no major variations to date.



## REVENUE BUDGET MONITORING STATEMENT

SUMMARY	Budget	2008/09	
		Approved Estimate	Variance
	£000	£000	£000
<b>Learning &amp; Care</b>			
Children & Young People - DSG funded	73,160	73,041	299
Dedicated Schools Grant	(73,432)	(73,269)	(299)
Children & Young People - LA funded	13,280	16,052	483
Adult Social Care	29,143	29,505	(279)
Director's Office	393	291	0
Strategy & Resources	1,897	2,422	(60)
Housing	908	949	(20)
Specific Government Grants	(1,835)	(534)	0
<b>Total Learning &amp; Care</b>	<b>43,514</b>	<b>48,457</b>	<b>124</b>
<b>Community Services</b>			
<b>Highways &amp; Engineering</b>	<b>3,540</b>	<b>3,890</b>	<b>(5)</b>
<b>Streetcare &amp; Operations</b>	<b>4,215</b>	<b>4,215</b>	<b>0</b>
<b>Planning Services</b>	<b>2,291</b>	<b>2,291</b>	<b>(20)</b>
<b>Public Protection &amp; Sustainability</b>	<b>9,767</b>	<b>9,924</b>	<b>0</b>
<b>Asset Management</b>	<b>(760)</b>	<b>(732)</b>	<b>(20)</b>
Leisure Services	2,563	2,606	(30)
Libraries, Information, Arts & Heritage	2,902	2,917	0
<b>Parking Services</b>	<b>(2,812)</b>	<b>(2,772)</b>	<b>180</b>
<b>Corporate Management</b>	<b>512</b>	<b>471</b>	<b>0</b>
<b>Total Community Services</b>	<b>22,218</b>	<b>22,810</b>	<b>105</b>
<b>Corporate Services</b>			
Corporate Management	651	650	0
Democratic Services	2,818	2,791	4
Legal Services	1,049	1,065	82
Corporate Performance and Development	875	1,256	(65)
Business Improvement	2,753	2,716	60
Customer Service Centre	1,115	1,209	34
Finance	2,932	2,984	44
Human Resources	1,696	1,696	(65)
Procurement	347	388	0
<b>Total Corporate Services</b>	<b>14,236</b>	<b>14,755</b>	<b>94</b>
<b>TOTAL EXPENDITURE</b>	<b>79,968</b>	<b>86,022</b>	<b>323</b>
Contribution from Earmarked Reserve	0	(625)	0
Contribution to Capital Reserve	0	200	0
Corporate Initiatives	(376)	(331)	202
Levies-			
Environment Agency	130	130	0
Capital Financing inc Interest Receipts	5,414	5,414	(700)
<b>NET REQUIREMENTS</b>	<b>85,136</b>	<b>90,810</b>	<b>(175)</b>
Less - Special Expenses	(1,075)	(1,075)	0
Transfer (from)/ to balances	0	(489)	175
<b>GROSS COUNCIL TAX REQUIREMENT</b>	<b>84,061</b>	<b>89,246</b>	<b>0</b>
Working Balances	5,735	5,755	5,266
Transfer from/to balances	0	(489)	175
	<u>5,735</u>	<u>5,266</u>	<u>5,441</u>

\* With effect from 1st April 2008, area based grants are treated as general grants and are used to fund the overall gross council tax requirement. The approved estimate has been adjusted to reflect this requirement, and the £5,188k is now incorporated with formula grant and non-domestic rates income in order to achieve a balanced budget. The transfers to and from the balances have been adjusted accordingly.

**CAPITAL PROGRAMME 2008/2009**

Monitoring as at 12/11/08

	2008/2009 ORIGINAL BUDGET			2008/2009 APPROVED ESTIMATE			PROJECTIONS - GROSS EXPENDITURE					
	Gross (£'000)	Income (£'000)	Net (£'000)	Gross (£'000)	Income (£'000)	Net (£'000)	Gross Actual (£'000)	2008/09 Gross Expenditure Projected (£'000)	2009/10 SLIPPAGE Projected (£'000)	TOTAL Gross EXPENDITURE Projected (£'000)	VARIANCE Projected (£'000)	VARIANCE Projected (%)
<b>Portfolio Summary</b>												
<b>Corporate Services</b>												
Business Improvement	1,196	0	1,196	1,300	0	1,300	803	1,250	50	1,300	0	0
CSC	154	0	154	320	(59)	261	62	170	150	320	0	0.0
Other	225	(10)	215	347	(16)	331	301	285	62	347	0	0.0
<b>Total Corporate Services</b>	<b>1,575</b>	<b>(10)</b>	<b>1,565</b>	<b>1,967</b>	<b>(75)</b>	<b>1,892</b>	<b>1,166</b>	<b>1,705</b>	<b>262</b>	<b>1,967</b>	<b>0</b>	<b>0.0</b>
<b>Community Services</b>												
<b>Local Transport Plan</b>	<b>4,534</b>	<b>(1,540)</b>	<b>2,994</b>	<b>4,828</b>	<b>(1,603)</b>	<b>3,225</b>	<b>1,275</b>	<b>4,758</b>	<b>116</b>	<b>4,874</b>	<b>46</b>	<b>1.0</b>
<b>Operations</b>	<b>685</b>	<b>(25)</b>	<b>660</b>	<b>967</b>	<b>(25)</b>	<b>942</b>	<b>196</b>	<b>609</b>	<b>58</b>	<b>667</b>	<b>(300)</b>	<b>(31.0)</b>
<b>Public Protection</b>	<b>760</b>	<b>(510)</b>	<b>250</b>	<b>842</b>	<b>(554)</b>	<b>288</b>	<b>470</b>	<b>842</b>	<b>0</b>	<b>842</b>	<b>0</b>	<b>0.0</b>
<b>Planning</b>	<b>147</b>	<b>(11)</b>	<b>136</b>	<b>165</b>	<b>(31)</b>	<b>134</b>	<b>33</b>	<b>196</b>	<b>0</b>	<b>196</b>	<b>31</b>	<b>18.8</b>
Library & Information Service	1,584	(470)	1,114	2,094	(696)	1,398	341	1,115	979	2,094	0	0.0
Leisure Centres	595	(225)	370	626	(225)	401	337	546	80	626	0	0.0
<b>Outdoor Facilities</b>	<b>2,285</b>	<b>(2,250)</b>	<b>35</b>	<b>2,901</b>	<b>(2,851)</b>	<b>50</b>	<b>817</b>	<b>2,565</b>	<b>336</b>	<b>2,901</b>	<b>0</b>	<b>0.0</b>
<b>Asset Management</b>	<b>1,647</b>	<b>0</b>	<b>1,647</b>	<b>1,826</b>	<b>0</b>	<b>1,826</b>	<b>251</b>	<b>831</b>	<b>986</b>	<b>1,817</b>	<b>(9)</b>	<b>(66.7)</b>
<b>Car Park Schemes</b>	<b>1,585</b>	<b>(1,485)</b>	<b>100</b>	<b>1,398</b>	<b>(1,298)</b>	<b>100</b>	<b>262</b>	<b>588</b>	<b>650</b>	<b>1,238</b>	<b>(160)</b>	<b>(11.4)</b>
<b>Total Community Services</b>	<b>13,822</b>	<b>(6,516)</b>	<b>7,306</b>	<b>15,647</b>	<b>(7,283)</b>	<b>8,364</b>	<b>3,982</b>	<b>12,050</b>	<b>3,205</b>	<b>15,255</b>	<b>(392)</b>	<b>(89.4)</b>
<b>Learning &amp; Care</b>												
Adult Social Care	146	(80)	66	137	(59)	78	(4)	137	0	137	0	0.0
Children & Young People - General	0	0	0	2,561	(1,178)	1,383	1,220	1,711	850	2,561	0	0.0
Children & Young People - Schools (Form)	3,180	(3,180)	0	3,578	(3,577)	1	2,408	3,578	100	3,578	0	0.0
Children & Young People - Schools (Other)	10,922	(9,080)	1,842	11,300	(9,934)	1,366	3,606	11,216	100	11,316	16	0.1
Housing	1,764	(1,724)	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	174	128	302	0	0.0
<b>Total Learning &amp; Care</b>	<b>16,183</b>	<b>(14,185)</b>	<b>1,998</b>	<b>19,917</b>	<b>(16,999)</b>	<b>2,918</b>	<b>7,273</b>	<b>18,855</b>	<b>1,078</b>	<b>19,933</b>	<b>16</b>	<b>0.1</b>
<b>Total Committed Schemes</b>	<b>31,580</b>	<b>(20,711)</b>	<b>10,869</b>	<b>37,531</b>	<b>(24,357)</b>	<b>13,174</b>	<b>12,421</b>	<b>32,610</b>	<b>4,545</b>	<b>37,155</b>	<b>(376)</b>	<b>(1.0)</b>
<b>External Funding</b>	(£'000)			(£'000)				(£'000)				
Government Grants	(13,470)			(15,705)				(14,677)				
Developers' Contributions	(6,829)			(8,240)				(6,891)				
Other Contributions	(412)			(412)				(411)				
<b>Total External Funding Sources</b>	<b>(20,711)</b>			<b>(24,357)</b>				<b>(21,979)</b>				
<b>Total Corporate Funding</b>	<b>10,869</b>			<b>13,174</b>				<b>10,631</b>				



**Appendix C**  
**Anticipated Slippage to 2009/10 at November 2008**

	£'000	£'000	£'000	Detail
<b>Community</b>				
CF59	Traffic Management Schemes	16		See Report to Cabinet Prioritisation Sub-Committee 25th November 2008
CG08	Intelligent Traffic Systems	100		VMS signs to be delivered 2009/10
CE09	S106 King Street Maidenhead - Toilet Facilities	25		Toilet Facilities-Scheme under review. Fully S106 funded
CE51	River Street - PC Turnstile	10		Scheme under review
CE59	CCTV	23		See Report to cabinet 23.10.08
CL70	Library Management System Replacement	20		Linked to installation of RFID machines at Windsor Library 2009/10
CL77	Smith's Lane Community Project	600		Discussions with Health Partners to agree architect finalised. Awaiting conclusion of brief.
CR16	Heating/Ventilation Mhead Library	24		Design works still underway, due to necessity of English Heritage requirements
CR84	Maidenhead Library-Counter/RFID Self-Service	150		Counter/RFID Self-Service-Scheme reliant on success of Windsor self-service project
CR87	Windsor Library-Phased Improvements	185		Design works ongoing. Expected completion early 2009/10
CR57	Charters RC-Entrance, Car Parking and Signage	80		Other building works preventing this scheme from going ahead
CL30	P&OS-Purchase of Land re New Parks	120		Scheme dependant on Cox Green / Holyport Manor School project
CL31	P&OS-Thames-side Parks,Mhd: Guards Club etc	70		Not all S106 received in current year
CL36	P&OS-Fir Tree Walk Improvements	30		Scheme deferred as no funding
CL48	P&OS-Kidwells Parks Phases 2 + 3	116		Delays in S106 collection
CM10	Fire, H&S and Glazing Compliance	300		Undertaken by one Officer across all Council buildings including schools. The process is taking longer than envisaged.
CM12	Office Accommodation	157		Under active review - unlikely to be fully spent in 2008/9
CM18	Public Facilities	179		Awaiting further reports on Guildhall and Theatre Royal
CM37	Town Hall-Replace Heating Pipework	100		Under active review as part of overall maintenance / refurbishment plan
CM38	Council Buildings Re-wiring / Re-cabling	250		Under active review as part of overall maintenance / refurbishment plan
CE64	Additional Parking Provision for Windsor	650		Package of short term measures approved Cabinet 24/7/2008. Further Report in January 2009.
<b>Total Community</b>		<b>3,205</b>		
<b>Learning &amp; Care</b>				
CKSY	Quality & Access Programme	550		Three year programme will not start until 2009
CKSX	Childrens Centre Phase III	300		Three year programme will not start until 2009
CT18	IT Client Record Base	50		Programmes will not complete until March'10
CKSG	Modernisation of School Dining Facilities	100		Only able to complete work in summer holidays
CT34	Social Services IT	78		Programmes will not complete until March'10
<b>Total Learning &amp; Care</b>		<b>1,078</b>		
<b>Corporate</b>				
CN14	Information and Data Management	50		Remainder of project due to be completed 2009/10
CN06	Customer Service Centre	150		Software projects to be undertaken this year. Remaining budget to be spent next year.
CM60	Grants - Outside Organisations	62		Payment of grant to some organisations has been deferred pending approval of grant condition.
<b>Total Corporate</b>		<b>262</b>		
<b>Grand Total</b>			<b>4,545</b>	