

NOTICE
OF
MEETING



CORPORATE SERVICES OVERVIEW AND SCRUTINY PANEL

will meet on

TUESDAY, 25TH OCTOBER, 2016

at

6.30 PM

in the

COUNCIL CHAMBER - TOWN HALL,

TO: MEMBERS OF THE CORPORATE SERVICES OVERVIEW AND SCRUTINY PANEL

COUNCILLORS JOHN BOWDEN, DAVID BURBAGE (VICE-CHAIRMAN),
DR LILLY EVANS, LYNNE JONES, ROSS MCWILLIAMS, EILEEN QUICK AND
COLIN RAYNER (CHAIRMAN)

SUBSTITUTE MEMBERS

COUNCILLORS MALCOLM BEER, GERRY CLARK, DAVID EVANS,
MARIUS GILMORE, JESSE GREY, JOHN LENTON, JOHN STORY AND
SIMON WERNER

Karen Shepherd
Democratic Services Manager
Issued: 17/10/2015

Members of the Press and Public are welcome to attend Part I of this meeting.

The agenda is available on the Council's web site at www.rbwm.gov.uk or contact the
Panel Administrator

Fire Alarm - In the event of the fire alarm sounding or other emergency, please leave the building quickly and calmly by the nearest exit. Do not stop to collect personal belongings and do not use the lifts. Congregate in the Town Hall Car Park, Park Street, Maidenhead (immediately adjacent to the Town Hall) and do not re-enter the building until told to do so by a member of staff.

Recording of Meetings – The Council allows the filming, recording and photography of public Council meetings. This may be undertaken by the Council itself, or any person attending the meeting. By entering the meeting room you are acknowledging that you may be audio or video recorded and that this recording will be available for public viewing on the RBWM website. If you have any questions regarding the council's policy, please speak to the Democratic Services or Legal representative at the meeting.

AGENDA

PART I

<u>ITEM</u>	<u>SUBJECT</u>	<u>WARD</u>	<u>PAGE NO</u>
1.	<u>APOLOGIES</u> To receive any apologies of absence.		-
2.	<u>DECLARATIONS OF INTEREST</u> To receive any declarations of interest.		5 - 6
3.	<u>MINUTES</u> To approve the Part I minutes of the meeting held on 19 th September 2016.		7 - 12
4.	<u>6 MONTH UPDATE ON THE ECONOMIC DEVELOPMENT STRATEGY ACTION PLAN</u> Presentation by Jennifer Gunn.		Verbal Report
5.	<u>COUNCIL TAX EXEMPTION</u> To comment on the Cabinet report.		13 - 20
6.	<u>FUTURE PROVISION OF DEBT</u> To comment on the Cabinet report.		To Follow
7.	<u>FINANCIAL UPDATE</u> To comment on the Cabinet report.		21 - 40
8.	<u>TRUST REPORT</u> To consider the report.		To Follow
9.	<u>LOCAL GOVERNMENT ACT 1972 - EXCLUSION OF THE PUBLIC</u> To consider passing the following resolution:- "That under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the remainder of the meeting whilst discussion takes place on items 10 and 11 on the grounds that it involves the likely disclosure of exempt information as defined in Paragraphs 1-7 of part I of Schedule 12A of the Act"		

PART II

<u>ITEM</u>	<u>SUBJECT</u>	<u>WARD</u>	<u>PAGE NO</u>
10.	<u>MINUTES</u> To approve the Part II minutes of the meeting held on 19th September 2016. <i>(Not for publication by virtue of Paragraph 1 of Part 1 of Schedule 12A of the Local Government Act 1972)</i>		41 - 44
11.	<u>FINANCIAL UPDATE</u> To note the Part II appendix. <i>(Not for publication by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972)</i>		45 - 46
ii.			

This page is intentionally left blank

MEMBERS' GUIDANCE NOTE

DECLARING INTERESTS IN MEETINGS

DISCLOSABLE PECUNIARY INTERESTS (DPIs)

DPIs include:

- Any employment, office, trade, profession or vocation carried on for profit or gain.
- Any payment or provision of any other financial benefit made in respect of any expenses occurred in carrying out member duties or election expenses.
- Any contract under which goods and services are to be provided/works to be executed which has not been fully discharged.
- Any beneficial interest in land within the area of the relevant authority.
- Any license to occupy land in the area of the relevant authority for a month or longer.
- Any tenancy where the landlord is the relevant authority, and the tenant is a body in which the relevant person has a beneficial interest.
- Any beneficial interest in securities of a body where
 - a) that body has a piece of business or land in the area of the relevant authority, and
 - b) either (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body **or** (ii) the total nominal value of the shares of any one class belonging to the relevant person exceeds one hundredth of the total issued share capital of that class.

PREJUDICIAL INTERESTS

This is an interest which a reasonable fair minded and informed member of the public would reasonably believe is so significant that it harms or impairs your ability to judge the public interest. That is, your decision making is influenced by your interest that you are not able to impartially consider only relevant issues.

DECLARING INTERESTS

If you have not disclosed your interest in the register, you **must make** the declaration of interest at the beginning of the meeting, or as soon as you are aware that you have a DPI or Prejudicial Interest. If you have already disclosed the interest in your Register of Interests you are still required to disclose this in the meeting if it relates to the matter being discussed. A member with a DPI or Prejudicial Interest **may make representations at the start of the item but must not take part in discussion or vote at a meeting.** The term 'discussion' has been taken to mean a discussion by the members of the committee or other body determining the issue. You should notify Democratic Services before the meeting of your intention to speak. In order to avoid any accusations of taking part in the discussion or vote, you must move to the public area, having made your representations.

If you have any queries then you should obtain advice from the Legal or Democratic Services Officer before participating in the meeting.

If the interest declared has not been entered on to your Register of Interests, you must notify the Monitoring Officer in writing within the next 28 days following the meeting.

This page is intentionally left blank

Agenda Item 3

CORPORATE SERVICES OVERVIEW AND SCRUTINY PANEL

MONDAY, 19 SEPTEMBER 2016

PRESENT: Councillors Stuart Carroll, Lyne Jones, Ross McWilliams, Eileen Quick and Colin Rayner (Chairman).

Also in attendance: Cllr Jack Rankin and Lisa Targowska

Officers: Terry Baldwin, Alison Alexander, Rob Stubbs, David Scott, Chris Hilton, Hillary Hall and David Cook.

APOLOGIES

Apologies for absence were received by Cllr L Evans, Cllr Burbage, and Cllr McWilliams reported he would be late.

Lead Members Cllr Dudley (Leader) and Cllr N Airey (Children's Services) and deputy Lead Member Cllr Gilmore (for Manifesto Delivery) gave apologies for not being able to attend and present their reports.

DECLARATIONS OF INTEREST

Councillor Carroll declared a Prejudicial Interest in item 6 (Maidenhead Golf Club) due to his role as Deputy Lead Member for communications, he left the room for the duration of the discussion and voting on the item.

Councillor C Rayner declared that during his role as Major he had attended social events with Mr Shanley and he and his wife had supported Burchetts Green CE Infants School, as his interest was not Prejudicial he remained in the meeting.

MINUTES

Resolved unanimously: That the Part I minutes of the meeting held on 23rd August 2016 were approved as a true and correct record.

FINANCIAL UPDATE

The Panel reviewed the Cabinet report regarding the Council's financial performance to date in 2016-17. The Panel were informed that there was a projected £418k underspend on the General Fund. The Council had a Development Fund balance of £1.104m bring reserves to £6.198m which was above the minimum £5.27m set by Council. Details of performance by directorate were included in section 4 of the report.

The Panel were informed that the report also contained a recommendation to approve a £113k S106 capital project for Porny School and the removal of £195k capital budget no longer required for the satellite grammar school feasibility project.

With regards to usable / unusable split Cllr Carrol requested that the amount of unusable reserves and what they are used for be sent to the Panel.

Cllr Quick questioned the budget pressure on Home to School Transport and was informed that now the school term had started the amount of budget pressure will be available by the end of September 2016.

The Chairman raised concern that the Planning, Development and Regeneration Service continued to be performing poorly with a projected £77k overspend and he was disappointed

that no representative from Planning had attended the meeting. The Chairman mentioned that issues such as staffing continued to be a problem for the service. Members were informed that there was currently a restructure for the department and that there had been difficulties recruiting the right calibre of staff for the Borough Local Plan.

Cllr Jones raised concern that there had been continued restructure of the Planning Department over the last five years resulting in a lot of skilled officers leaving the Council and that we were now playing catch up.

The Chairman questioned when was the planning department going to make an application for funding to deal with the Lower Thames Strategy planning application. As this could lead to over spends in future financial quarters.

The Chairman questioned why there was a variance of £35k for Communities and Economic Development and was informed that a briefing note would be circulated to the Panel.

Cllr Carroll mentioned that given to the Government statement regarding Grammar School it was prudent to remove the budget line, however he questioned why there was a £5k variance. The Panel were informed that this was due to the initial work undertaken on the project.

Resolved unanimously: That The Corporate Services O&S Panel reviewed the Cabinet report regarding the latest financial update and unanimously endorsed the recommendations; but had many reservations and thus the endorsement was subject to the following concerns been addressed by Cabinet. A major concern was raised that the Planning Department continued to be performing financially poorly for yet another quarter and that the Lead Member was not in attendance again to explain the overspend of his portfolio.

The Chairman questioned when was the planning department going to make an application for funding to deal with the Lower Thames Strategy planning application. As this could lead to over spends in future financial quarters.

BUDGET 2017-18 - INITIAL SAVINGS PROPOSALS

The Panel considered the Cabinet report showing proposed savings for the 2017-18 budget. The report highlighted that the Medium Term Financial Plan had identified the need to make savings of £5.6m in 2017-18. Some of the proposed savings would be subject to further reports to Cabinet for approval. The final savings proposals would form part of the budget build and be presented to Council.

Councillor Jones raised concern that report summary point three and the recommendations implied that officers and Lead Members would be able to implement saving proposals without any formal scrutiny processes. Members of Overview and Scrutiny should be able to judge the viability of proposals in Appendix A and thus she could not agree to support the recommendations.

The Chairman mentioned that at previous meetings it had been mentioned that saving proposals would go via Council and Cabinet for all Members to consider. The Panel were informed that the larger saving proposals coming due to Delivering Differently had been to Cabinet and would be coming back to Cabinet and thus scrutiny prior to being implemented.

Cllr Rankin reported that the report was a statement of intent with the budget being signed off by Council. It allowed Members to get an early look and say on areas being considered.

Cllr Quick reiterated concern raised that the second recommendation suggested that after this report had been approved by Cabinet that saving proposals could be implemented.

The Panel felt that there was not enough information in the report to enable them to make informed comments on any of the saving proposals. The Panel were informed that detail behind proposals would be in future Cabinet reports that would be subject to scrutiny.

(Cllr McWilliams joined the meeting)

The Panel made alternative recommendations, as detailed below, and asked Cabinet to consider changing the reports recommendations accordingly.

Resolved unanimously: The Corporate Services O&S Panel reviewed the Cabinet report regarding Initial Savings in Respect of 2017-18 Budget. The Panel endorsed the need to identify saving proposals but felt that the report lacked detail behind the individual proposals and thus could not endorse the recommendations being put to Cabinet. The Panel request Cabinet consider and to adopt the following alternative recommendations:

- (i) Note the savings listed in Appendix A for submission to Council in the 2017-18 budgets and authorise officers to undertake work on proposed schemes where approval would be subject of any subsequent reports to Cabinet between October 2016 and January 2017 to allow them to be included in the 2017-18 Budget report to Council and to full debate by Councillors.**
- (ii) Authorises Strategic Directors in agreement with Lead Members to develop requirements for the implement savings proposals.**

If Cabinet were minded to approve the proposed recommendations it should be noted that point five in the report summary be amended accordingly. The Panel felt it would also have been useful to add to the report where a proposed scheme is subject to Cabinet approval or where a scheme had already been approved for implementation.

MAIDENHEAD GOLF CLUB

The Panel considered the Cabinet Regeneration Sub Committee report regarding the next steps necessary to be undertaken to progress the development of Maidenhead Golf Course.

Cllr Rankin informed he would be presenting the report to the sub-committee and would be requesting £250,000 to cover property and technical consultancy fees as well as initial legal advice. He informed the Panel that a key point was identifying the required infrastructure and that this was the first stage of a planned approach.

Cllr Quick reported that it was a prudent approach to ensure we got the development right but questioned how the £250k figure was reached. The Panel were informed that this was detailed in section 4.1 of the report and was based on previously tendered development management submissions.

The Chairman questioned if the development of the site would be undertaken by one contractor or if due to its size it would be split into a number of development site with sufficient infrastructure in place. He also requested that Cabinet be mindful of VAT implications when selling the land for development.

Resolved unanimously: that the Corporate Services O&S Panel reviewed the Cabinet report and fully endorsed the recommendations but with a lot of

reservations and subject to the follow mater being attended to by Cabinet. The Panel felt it was important that financial advice be sought regarding VAT implications on expenditure as it may not be recoverable if the land which may be developed is sold without VAT. This could increase this budget by 20%.

(Cllr Carroll left the meeting during consideration of this item and did not vote on the matter)

COUNCIL MANIFESTO TRACKER

The Panel considered the report that provided the detail of progress that had been made against the Council's 137 Manifesto Commitments. The covering report provided the analysis whilst the appendix provided the detail for each commitment.

(Cllr Carroll joined the meeting)

The Chairman mentioned that the administration had only met 21 commitments and questioned if future delivery would be effected by future savings. The Panel were informed that the report detailed where savings had already been met and where progress was on target to be met; there were also details of the three commitments that would not be met.

Resolved unanimously that: The Corporate Services O&S Panel reviewed the Cabinet report regarding progress being made on the administrations manifesto commitments and fully endorsed the recommendations. Subject to that items highlighted in 'red' are fully explained by the Lead Member reporting why these manifesto promises cannot be archived by this Council.

The Panel requested that where commitments were not being met that the Lead Member attends Panel meetings to explain why and what remedial action was proposed. There were concerns with the budget savings having to be made that they might lead to some of the manifesto comments not being honoured.

Cllr Bateson was congratulated on achieving 50% of Manifesto Commitments already.

IPMR - HR INDICATORS

The Panel considered the report responding to the request for further information regarding the Integrated Performance Management Report adverse HR indicators reported in quarter 1 2016/17 and the measures in place to address them.

The report detailed the working days lost per full time equivalent and showed that the top five reasons for absence are:

- Stress, depression, anxiety, mental health and fatigue.
- Other.
- Muscular skeletal.
- Infection.
- Stomach, liver, kidney and digestion.

The Panel were informed that the average number of days lost in the public sector was 7.9 per full time equivalent whilst at RBWM it was currently just above 9 days. There was a difference between directorates where staff working with vulnerable people where not expected to work if ill.

The report also provided detail of the level of agency staff used and the cost of employing agency staff.

Cllr Carroll mentioned that he was concerned about the statistics mental health but pleased to see remedial action was being undertaken. The Panel were informed that the Council had worked with our Public Health colleagues and were in discussions with Cabinet about bring forward some of the planned actions.

In response to questions about reporting sickness the Panel were informed that the employee had to phone their line manager, a text or email was not acceptable, and if they did not call their line manager would be expected to contact them. It was noted that sick pay was used and that employees could self certificate for 7 days. The Chairman mentioned that by law you did not have to pay sick leave for the first three days.

Cllr Targowska mentioned that the authority were looking at positive measures to reduce absence before they considered punitive measures and questioned the chairman's statement regarding sick leave.

In response to further questions the Panel were informed that the Employment Panel received reports focused on action plans and that HR Business Partners reported to a team management level. There were also measures in place regarding the impact of the transitional programme.

Resolved unanimously: that the report be noted.

LOCAL GOVERNMENT ACT 1972 - EXCLUSION OF THE PUBLIC

RESOLVED UNANIMOUSLY: That under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the remainder of the meeting whilst discussion takes place on items 8-9 on the grounds that they involve the likely disclosure of exempt information as defined in Paragraphs 1-7 of part I of Schedule 12A of the Act.

The meeting, which began at 6.30 pm, finished at 9.05 pm

CHAIRMAN.....

DATE.....

This page is intentionally left blank

Report for: ACTION



Contains Confidential or Exempt Information	NO - Part I
Title	Change to Council Tax Empty and Unfurnished Exemption
Responsible Officer(s)	Simon Fletcher, Strategic Director of Operations and Customer Services
Contact officer, job title and phone number	Andy Jeffs, Head of Revenues and Benefits and Deputy Director of Operations and Customer Services, 01628 796527
Member reporting	Cllr Hill
For Consideration By	Cabinet
Date to be Considered	27 October 2016
Implementation Date if Not Called In	1 April 2017
Affected Wards	All

REPORT SUMMARY

1. From 1 April 2013, the council used new statutory powers to reduce the 100% empty and unfurnished exemption from six months to one month. The proposals in the report seek to refine that change.
2. The proposal in this report is to remove the one-month, 100% empty and unfurnished exemption in line with many other local authorities with effect from 1 April 2017.
3. The amount of collectable Council Tax will increase by £325,000, of which £267,000 would be retained by the Council. The cost of Council Tax administration would also reduce by £25,000.
4. If agreed this recommendation will also need to be put before full Council on 13 December 2017.

If recommendations are adopted, how will residents benefit?

Benefits to residents and reasons why they will benefit	Dates by which residents can expect to notice a difference
1. Additional Council Tax revenue of £325,000, of which, the council would retain £267,000 providing the council with additional income to fund council services	31 March 2018

2. Reduction in cost of administering Council Tax by £25,000

31 March 2018

1. DETAILS OF RECOMMENDATIONS

RECOMMENDATION: That Cabinet:

- i. **Endorses the principle of removing the one-month Council Tax exemption for empty and unfurnished properties (previously known as Class C discount), with effect from 1 April 2017, and recommends this to Council for a final decision.**
- ii. **Grants delegated authority subject to approval by Council to the Strategic Director of Operations and Customer Service, in conjunction with the Lead Member for Customer & Business Services (including IT), to take all appropriate steps to implement and administer the preceding recommendation in accordance with statutory requirements.**

2. REASON FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

- 2.1 As part of delivering differently a review of all Council Tax discounts and exemptions currently offered by the council was completed, including comparing them to those offered by other councils.
- 2.2 A large number of other councils have already decided to remove the exemption and the table below provides the position with regard to a number of neighbouring or close authorities:

Council	Empty and Unfurnished Exemption
Chiltern & South Bucks	100% 3 months
Wokingham	100% 1 month (reviewing)
South & Vale	100% 1 month
West Berks	0%
Northampton	0%
Reading	0%
Oxford	100% 1 month
Slough	0%
Bracknell	0%

- 2.3 The government introduced new discretion for local authorities around certain categories of property exemptions for Council Tax, with effect from 1 April 2013.
- 2.4 The council determined that it would utilise the new powers in order to make changes to empty property exemptions. Before 1 April 2013, an empty and unfurnished property could be totally exempt from Council Tax for up to six months. The period of exemption was reduced to a maximum of 1 month, during which a 100% exemption (e.g. nothing to pay) could be applied.
- 2.5 In 2015-16 the value of exemptions in Council Tax for the one-month empty and unfurnished exemption totalled £325,000 of which, £267,000 was the direct cost

(loss of Council Tax revenue) to the council. In addition, it is estimated that the annual cost of administering the exemption is £25,000 per annum.

2.6 Removing the exemption would provide the council with an estimated £267,000 in additional Council Tax in 2017-18 and beyond, along with £25,000 in savings.

2.7 The following options have been considered:

Option	Comments
The current 1-month empty and unfurnished exemption could be left in place – Not recommended.	The additional £325,000 in Council Tax, of which £267,000k would be retained by the council, along with the reduction of £25,000 in the cost of administering collection would not be achieved.
The 1-month empty and unfurnished exemption could be reduced to a nominal figure of up to seven days – Not recommended.	Only £81,000 in additional Council Tax, of which, £67,000 would be retained by the council would be achieved, and there would be no reduction in the cost of administering Council Tax.
Remove the 1-month empty and unfurnished exemption from 1 April 2017- This is the recommended option.	This would provide additional Council Tax of £325,000 in 2017-18 and beyond, of which, the council would receive £267,000. In addition the cost of administering Council Tax would reduce by £25,000.

3. KEY IMPLICATIONS

3.1 The defined outcomes are:

Defined Outcomes	Unmet	Met	Exceeded	Significantly Exceeded	Date they should be delivered by
Increase in RBWM Council Tax by	<£267,000	£267,000	>£267,000 <£280,000	>£280,000	31 March 2018
Reduction in cost of Council Tax processing	<£25,000	£25,000	>£25,000 <£30,000	>£30,000	31 March 2018

4. FINANCIAL DETAILS

Financial impact on the budget

4.1 An additional amount of £325,000 in 2017-18 and ongoing will be paid into the Council Tax collection fund. Of this £267,000 will be the council's share.

4.2 In addition the cost of Council Tax administration would reduce by the following:

	2017/18	2018/19	2019/20
	Revenue	Revenue	Revenue
Addition	£0	£0	£0
Reduction	£25,000	£0	£0

5. LEGAL IMPLICATIONS

- 5.1 The council's power to amend the level of Council Tax discount payable in respect of certain classes of property derives from section 11A of the Local Government Finance Act 1992.
- 5.2 In accordance with section 67 of the Local Government Finance Act 1992, only full Council has authority to agree the recommendations in paragraph 1 of this report. The power is not delegable to a committee, sub-committee or officer.
- 5.3 If the recommendation is agreed by full Council it shall be published in at least one newspaper circulating in its area within 21 days of the agreement.

6. VALUE FOR MONEY

- 6.1 There is no additional cost associated with this recommendation. The council will increase Council Tax collection by £325,000 of which £267,000 will be retained by the Royal Borough. The cost of administrating Council Tax will reduce by £25,000 per annum.

7. SUSTAINABILITY IMPACT APPRAISAL

- 7.1 Include in this section details of the impact that your report proposals will have on sustainability objectives e.g. use of energy and physical materials. If none, say so.

8. RISK MANAGEMENT

- 8.1 The following risk has been identified:

Risks	Uncontrolled Risk	Controls	Controlled Risk
The council may not collect this amount in full from council tax payers	£267,000	The Council Collects 99.5% of Council Tax by utilising the recovery powers it has fairly and appropriately	£13,000

9. LINKS TO STRATEGIC OBJECTIVES

9.1 Putting Residents First

The council will have more Council Tax income so will be able to invest this in strategic priorities aligned to Putting Residents First such as major infrastructure investments, investment in council services, or improving the boroughs roads.

9.2 Value for Money

The removal of the 1-month empty and unfurnished exemption will reduce the cost of administering Council Tax by £25,000 per annum linking directly to the “all services, that we deliver for our residents, will be run cost effectively” strategic priority.

10. EQUALITIES, HUMAN RIGHTS AND COMMUNITY COHESION

10.1 The recommendation if agreed will have a financial impact on the persons owning premises as they will no longer receive a up to 1-month empty and unfurnished exemption. However, it is not possible to demonstrate that this impact bares any relevance to the Equality Duty, or that persons affected are impacted to any disproportionate degree on the basis of having protected characteristics. The proposals pertain to the time bound circumstances of residencies in the Royal Borough, rather than its residents.

10.2 The assessment therefore concludes that the recommendation to remove the empty and unfurnished exemption cannot be shown to affect people with protected characteristics or the Equality Duty, they are assessed as equality-neutral and a further Equality Impact Assessment is not required at this time.

11. STAFFING/WORKFORCE AND ACCOMMODATION IMPLICATIONS

11.1 If the 1-month empty and unoccupied exemption is removed this will lead to a reduction of 0.5 FTE in the Business Services team. This can be achieved without redundancy.

12. PROPERTY AND ASSETS

12.1 None.

13. ANY OTHER IMPLICATIONS

13.1 The Customer Service Centre will receive less telephone calls as a result of the recommendations in the paper being agreed.

14. CONSULTATION

14.1 Corporate Services Overview and Scrutiny Panel are yet consider this paper.

14.2 No external consultation has been carried out.

15. TIMETABLE FOR IMPLEMENTATION

15.1 The following table shows the stages and deadlines for implementing the recommendation:

Date	Details
27/10/2016	Recommendation to Cabinet for approval
13/12/2016	Recommendation to Council for approval
02/01/2017	Publish decision in local newspaper and web-site
01/04/2017	Removal of 1 month unoccupied and unfurnished exemption

16. APPENDICES

16.1 None

17. BACKGROUND INFORMATION

17.1 This is a statutory requirement

18. CONSULTATION (MANDATORY)

Name of consultee	Post held and Department	Date sent	Date received	See comments in paragraph:
Internal				
Cllr Hill	Lead Member	28/09/16	29/09/16	
Cllr Saunders	Lead Member Finance	29/09/16	29/09/16	
Simon Fletcher	Strategic Director Operations and Customer Services	21/09/16	27/09/16	
Alison Alexander	Managing Director & Strategic Director of Adult, Children and Health Services	29/09/16	29/09/16	

Name of consultee	Post held and Department	Date sent	Date received	See comments in paragraph:
Russell O'Keefe	Strategic Director of Corporate and Community Services	29/09/16	29/09/16	
Rob Stubbs	Head of Finance and Deputy Director of Corporate and Community Services	29/09/16	29/09/16	
Terry Baldwin	Head of HR	29/09/16	29/09/16	

REPORT HISTORY

Decision type:	Urgency item?	
Key decision	No	
Full name of report author	Job title	Full contact no:
Andy Jeffs	Head of Revenues & Benefits and Deputy Director of Operations and Customer Services	01628 796527

This page is intentionally left blank

Report for: INFORMATION



Contains Confidential or Exempt Information	Main paper - Part I, Appendix H part II (Not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972)
Title	Financial Update
Responsible Officer(s)	Russell O'Keefe, Strategic Director of Corporate and Community Services, 01628 796521
Contact officer, job title and phone number	Rob Stubbs, Head of Finance, 01628 796341
Member reporting	Councillor Saunders, Lead Member for Finance
For Consideration By	Cabinet
Date to be Considered	27 October 2016
Implementation Date if Not Called In	Immediate
Affected Wards	All

REPORT SUMMARY

1. This report sets out the Council's financial performance to date in 2016-17. In summary there is a projected £132k underspend on the General Fund. This is a decrease of £266k from the September financial monitoring report. This is due to an £86k decrease in the net underspend forecast in service budgets, details of which are included in section 4 and presenting the £180k reduction of the provision for the clearance of Shurlock Road as an approved estimate, details of which are in paragraph 4.7.
2. Consequently the Council remains in a strong financial position, with the Council's combined General Fund Reserves of £6.092m being in excess of the £5.27m recommended minimum level set at Council in February 2016.

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
Assurance that the Council is making effective use of its resources and that budgets are being reviewed regularly.	27 October 2016

1. Details of Recommendations

RECOMMENDED: That Cabinet:

- i) **Notes the Council's projected outturn position.**
- ii) **Approves the inclusion of the £180k release of provision relating to the clearance of Shurlock Road as an approved estimate (see paragraph 4.7).**
- iii) **Authorises the Head of Finance, in consultation with the Lead Member for Finance, to accept the four year local government settlement and submit the efficiency statement in Appendix G. (Further details in paragraph 4.8)**

2. REASON FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

- 2.1 As this is a monitoring report decisions are normally not necessary but may occasionally be required.

3. KEY IMPLICATIONS

Defined Outcomes	Unmet	Met	Exceeded	Significantly Exceeded	Date delivered
General Fund Reserves Achieved	Below £5.0m	£5.0m-£5.49m	£5.5m-£6.0m	Above £6.0m	31 May 2017

- 3.1 The General Fund Reserve is £4.988m and the balance on the Development Fund is £1.104m, see appendix D for a breakdown of the balance on the Development Fund. The combined reserves are £6.092m. The 2016-17 budget report recommended a minimal reserve level of £5.27m to cover known risks for 18 months.

4. FINANCIAL DETAILS

- 4.1. The Strategic Director of **Adults, Children & Health Services** reports a projected outturn figure for 2016-17 of £57.622m against a controllable net budget of £57.310m, an overspend of £312k. This is an increase of £213k on the overspend reported to Cabinet in September.

The most significant changes since September cabinet are:

- A projected overspend of £343k on the home to school transport budget, due to the full year effect of the increase in high needs SEN pupils in the last academic year, and to the cost of new transport contracts for SEN pupils. The projections for the 2016/17 academic year are being compared to the 2015/16 position to clearly determine the underlying reasons for this increase. Following this analysis, the position will be reviewed in order to determine if appropriate mitigations can be identified.
- The budget for supporting residents into temporary accommodation is projecting an overspend of £470k. The projection is based on a detailed review of the housing benefit subsidy for those in temporary accommodation, and the potential impact of the ~~22~~ benefit cap which will be introduced from

November this year. Mitigation of this pressure will include increased effort to source temporary accommodation at a price that is close to the local housing benefit reference rate, and identification of those residents adversely affected by the benefit cap in order to provide them with individual advice and support.

- Additional saving of £200k is forecast in domiciliary care provision to older people arising from favourable terms in the council's contract for the provision of homecare services, and a reduction in demand for services following a prolonged period of higher than expected demand.
- A further £300k is available as mitigation following a national review of nursing care costs in nursing homes. The review is ongoing and the Department of Health has provided this additional funding on an interim basis. The council generally contracts for nursing care placements at a rate that includes all costs of provision and retains the DH funding as a contribution towards this cost.

There remain significant pressures and savings, as reported to Cabinet in September, that continue to impact on the budget position:

- Pressures continue in funding the provision of services to those with a learning disability and mental health problems - projected overspend of £416k, 2.5%, on a net budget of £17m. The pressure arises from the changing care requirements of a small number of residents with high needs, a delay in the de-registration of homes, and a Secretary of State adjudication of an Ordinary Residence dispute.
- Overspends mainly due to the additional cost of agency staff in key posts across Quality Assurance (£42k), the Pods (£39k), the MASH (£356k) and Children's disability teams (£30k). As expected, projected costs in these teams have reduced by around £109k in the last month, as a result of recent initiatives to recruit permanent social workers and team managers. They are expected to reduce further over the rest of the year.
- An underspend of £619k in the care costs of children with disabilities, internal fostering and children leaving care mainly due to fewer than expected numbers requiring high cost support. This is £30k less than the underspend reported to Cabinet in September.

There are no projected variances to report within the HR budget.

In addition to the above variances, the following risk remains a potential impact on the budget position:

- Two high cost cases where the liability of the council to meet their costs is uncertain either due to their Ordinary Residence or due to their eligibility for Continuing Health Care funding. The maximum additional cost this year to the Directorate should these cases all be decided against the council is estimated at £165k, and the maximum saving if all cases were settled in favour of the council is estimated at £558k this year.

- 4.2. The Strategic Director of **Corporate and Community Services** reports a projected outturn figure for 2016-17 of £4.173m against a controllable net budget of £4.205m, an underspend of £32k.

This is a similar position to that reported last month (£32k).

Several minor pressures are arisen in Property management and Communities and Economic development, but these are offset by savings in other parts of the service.

- 4.3. The Strategic Director of **Operations and Customer Services** projects an improved underspend of £407k on directorate 2016-17 approved budget of £21.576m, £127k up on the projection reported to Cabinet in September (£280k).

This improvement has been achieved by managers in the Waste and Parking Services, under the 'Community, Protection and Enforcement Services' (CPES) umbrella.

- Residual waste tonnages are down this year, we expect that trend to continue, giving an underspend of around £62k.
- Income from the garden waste collection service remains strong, and we project approximately £85k over achievement of budget.
- An overspend of £20k has also been reported in CPES, which we will work to mitigate before the year end.

Parking income is also very positive in the first 6 months of the year, and managers project an over-achievement of budgets of approximately £130k.

The ICT services has maintained its projection of £150k underspend, arising from vacancies and contract savings of networks.

Several 'Delivering Differently' initiatives are coming to Cabinet in the next few months, some of which will incur implementation costs.

We anticipate these can be covered from in year OCS directorate underspends.

- 4.4. **Revenue budget movements this month:**

	£000
Approved Estimate	83,073
Redundancy	18
Service Expenditure Budget this Month	83,091

On the request of Corporate O&SP an expanded full year Movement Statement has been included in the report in Appendix E.

- 4.5. **Cash Balances Forecast**

Appendix F provides details of the Borough's cash balances. Members will see the downward trend of our balances starting to appear. A downward trend of our balances is starting to appear. However, this situation was anticipated and long term deposits are being reduced in favour of more liquid funds. This graph

will be presented monthly in order to provide Cabinet with an early warning of key Treasury decisions.

4.6. **Liabilities**

A part II list of liabilities has been included in the report (Appendix H).

4.7. **Drawdown of the provision for the clearance of Shurlock Road.**

In March 2013 a provision (£300k) was created for legal and other costs that may be incurred in clearing the Shurlock Rd. traveller site.

In July 2016 there was a paragraph in the Finance Update that reported no costs, as yet, have been incurred but are currently estimated to be £100k. Therefore the balance of the provision (£200k) was drawn back to the General Fund.

The General Fund variance resulting from the draw down has been reported in the Finance Update since July 2016. A subsequent review of potential costs has been undertaken resulting in a revised estimate of £120k. A recommendation is now being made that the balance of the provision (£180k) should be shown as an approved estimate in Appendix A.

4.8. **Acceptance of the four year finance settlement**

As part of the local government financial settlement for 2016-17, the Secretary of State for Communities and Local Government offered an opportunity for a four year financial settlement.

One of the conditions of acceptance of the settlement is that the authority must submit an efficiencies statement and this is included in Appendix G.

Acceptance of the settlement and the format of the efficiencies statement have been discussed with members of the Budget Steering Group and are recommended to Cabinet via this report.

Almost all local authorities in the UK are expected to accept the offer of the four year settlement which offers some certainty around funding streams and assists financial planning in the medium term. Further details can be found in appendix G.

4.9. **Capital Programme**

The approved 2016-17 capital estimate is £44.353m; the projected outturn for the financial year is £44.103m. The capital outturn in 2015-16 was £27.421m. See appendices B and C for further details.

	Exp	Inc	Net
	£'000	£'000	£'000
Approved estimate	44,353	(19,286)	25,067
Variances identified	0	0	0
Slippage to 2017-18	(250)	250	0
Projected Outturn 2016-17	44,103	(19,036)	25,067

Overall capital programme status

	Report to October 2016 Cabinet
Number of schemes in programme	532
Yet to Start	18%
In Progress	57%
Completed	20%
Ongoing Programmes e.g. Disabled Facilities Grant	5%
Devolved Formula Capital Grant schemes budgets devolved to schools	0%

5. LEGAL IMPLICATIONS

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

6. VALUE FOR MONEY

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

7. SUSTAINABILITY IMPACT APPRAISAL

- 7.1 N/A

8. Risk Management

Risks	Uncontrolled Risk	Controls	Controlled Risk
None			

9. LINKS TO STRATEGIC OBJECTIVES

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

10. EQUALITIES, HUMAN RIGHTS AND COMMUNITY COHESION

- 10.1 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

- 11.1 None.

12. PROPERTY AND ASSETS

- 12.1 None.

13. ANY OTHER IMPLICATIONS

- 13.1 None.

14. CONSULTATION

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

15. TIMETABLE FOR IMPLEMENTATION

- 15.1 N/A.

16. APPENDICES

- 16.1 Appendix A Revenue budget summary.
Appendix B Capital budget summary.
Appendix C Capital variances.
Appendix D Development Fund analysis.
Appendix E Revenue Movement Statement.
Appendix F Cash Flow Forecast.
Appendix G Efficiency Statement supporting acceptance of the four year settlement.
Appendix H Liabilities (Part 2 Not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972).

17. BACKGROUND INFORMATION

- 17.1 Budget Report to Council February 2016.

18. CONSULTATION (MANDATORY)

Name of consultee	Post held and Department	Date sent	Date received	See comments in paragraph:
Internal				
Cllr Saunders	Lead Member for Finance	29/9/2016	29/9/2016	Throughout
Cllr Rankin	Deputy Lead Member for Finance	29/9/2016		
Alison Alexander	Managing Director	29/9/2016	29/9/2016	Throughout
Corporate Management Team (CMT)	Strategic Directors	23/9/2016	23/9/2016	Throughout
External	None			

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	2016/17		
	Budget	Approved Estimate	Projected Variance
	£000	£000	£000
Adult, Children's & Health Commissioning	7,642	7,836	557
Schools and Educational Services	2,914	2,923	193
Health, Early Help & Safeguarding	10,411	10,423	(99)
Health and Adult Social Care	32,408	32,323	(339)
Human Resources	1,167	1,547	0
A,C&H Management	834	1,032	0
Total Adult, Children & Health	55,376	56,084	312
Better Care Fund-Expenditure	9,915	10,956	0
Better Care Fund-Income	(8,485)	(9,730)	0
Total Better Care Fund	1,430	1,226	0
Maintained Schools	42,127	39,544	0
Early Years Education and Childcare Provision	7,154	6,296	0
Admissions and Pupil Growth	545	381	0
Support Services for Schools and Early Years	1,714	1,606	94
High Needs and Alternative Provision	13,430	13,633	326
Dedicated Schools Grant	(64,970)	(61,460)	(420)
Total Schools Budget (DSG)	0	0	0
Total Adult, Children and Health Services	56,806	57,310	312
Director of Operations & Customer Services	(27)	377	0
Revenues & Benefits	816	769	0
Highways & Transport	6,125	6,378	0
Community, Protection & Enforcement Services	6,957	7,206	(257)
Customer Services	1,740	1,885	0
Technology & Change Delivery	2,915	2,603	(150)
Library, Arts & Heritage Services	2,280	2,358	0
Total Operations & Customer Services	20,806	21,576	(407)
Director of Corporate & Community Services	85	14	0
Planning, Development and Regeneration Service	(819)	(726)	47
Corporate Management	433	560	0
Performance	429	475	(20)
Democratic Services	1,955	1,948	(52)
Elections	261	263	0
Legal	104	104	(47)
Finance	2,353	2,426	(25)
Building Services	40	26	0
Communities and Economic Development	(801)	(885)	65
Total Corporate & Community Services	4,040	4,205	(32)
TOTAL EXPENDITURE	81,652	83,091	(127)

SUMMARY	2016/17		
	Budget	Approved Estimate	Projected Variance
	£000	£000	£000
Total Service Expenditure	81,652	83,091	(127)
Contribution to / (from) Development Fund	1,133	455	0
Pensions deficit recovery	2,115	2,115	0
Pay reward	500	5	(5)
Transfer to/(from) Provision for the clearance of Shurlock Road		(180)	0
Transfer to/(from) Provision for Redundancy		(304)	0
Environment Agency levy	150	150	0
Capital Financing inc Interest Receipts	<u>5,128</u>	<u>5,258</u>	<u>0</u>
NET REQUIREMENTS	90,678	90,590	(132)
Less - Special Expenses	(981)	(981)	0
Transfer to / (from) balances	<u>0</u>	<u>88</u>	<u>132</u>
GROSS COUNCIL TAX REQUIREMENT	89,697	89,697	0
General Fund			
Opening Balance	4,681	4,768	4,856
Transfers to / (from) balances	<u>0</u>	<u>88</u>	<u>132</u>
	<u><u>4,681</u></u>	<u><u>4,856</u></u>	<u><u>4,988</u></u>
NOTE Service variances that are negative represent an underspend, positive represents an overspend.			

Memorandum Item**Current balance on the Development Fund**

	£000
Opening Balance	649
Transfer (to) / from other reserves	
Transfer from General Fund - sweep	
Transfer (to) / from General Fund - other initiatives	<u>455</u>
	<u><u>1,104</u></u>

Portfolio Summary	2016/17 Original Budget			New Schemes – 2016/17 Approved Estimate			Schemes Approved in Prior Years			Projections – Gross Expenditure				
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net	2016/17 Projected	2016/17 SLIPPAGE Projected	TOTAL Projected	VARIANCE Projected	VARIANCE Projected
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	(£'000)	(£'000)	(£'000)	(£'000)	(%)
Community & Corporate Services														
SMILE Leisure	428	(120)	308	678	(120)	558	46	(14)	32	724	0	724	0	0%
Community Facilities	135	0	135	235	(100)	135	0	0	0	235	0	235	0	0%
Outdoor Facilities	370	(100)	270	586	(151)	435	739	(465)	274	1325	0	1,325	0	0%
Property & Development	0	0	0	0	0	0	513	0	513	513	0	513	0	0%
Governance, Policy, Performance_Partnerships	838	0	838	709	0	709	610	0	610	1,319	0	1,319	0	0%
Regeneration & Economic Development	6,397	(185)	6,212	7,631	(450)	7,181	4,848	(1,096)	3,752	12,479	0	12,479	0	0%
Total Community & Corporate Services	8,168	(405)	7,763	9,839	(821)	9,018	6,756	(1,575)	5,181	16,595	0	16,595	0	0
Operations & Customer Services														
Technology & Change Delivery	0	0	0	0	0	0	334	(6)	328	334	0	334	0	0%
Revenues & Benefits	0	0	0	48	0	48	48	0	48	96	0	96	0	0%
Customer Services	0	0	0	0	0	0	249	0	249	249	0	249	0	0%
Green Spaces & Parks	343	(308)	35	436	(322)	114	269	(136)	133	705	0	705	0	0%
Highways & Transport	9,609	(3,155)	6,454	10,501	(3,537)	6,964	2,118	(892)	1,226	12,619	0	12,619	0	0%
Community,Protection & Enforcement Services	640	(380)	260	710	(380)	330	816	(721)	95	1,276	250	1,526	0	0%
Libraries, Arts & Heritage	367	(295)	72	367	(295)	72	468	(147)	321	835	0	835	0	0%
Total Operations & Customer Services	10,959	(4,138)	6,821	12,062	(4,534)	7,528	4,302	(1,902)	2,400	16,114	250	16,364	0	0
Adult, Children & Health														
HR	0	0	0	0	0	0	0	0	0	0	0	0	0	0%
Adult Social Care	41	0	41	41	0	41	219	(185)	34	260	0	260	0	0%
Housing	0	0	0	0	0	0	2,397	(2,017)	380	2,397	0	2,397	0	0%
Non Schools	0	0	0	89	(89)	0	305	(233)	72	394	0	394	0	0%
Schools – Non Devolved	4,550	(4,190)	360	4,125	(3,714)	411	2,191	(2,192)	(1)	6,316	0	6,316	0	0%
Schools – Devolved Capital	250	(250)	0	939	(939)	0	1,088	(1,085)	3	2,027	0	2,027	0	0%
Total Adult, Children & Health	4,841	(4,440)	401	5,194	(4,742)	452	6,200	(5,712)	488	11,394	0	11,394	0	0
Total Committed Schemes	23,968	(8,983)	14,985	27,095	(10,097)	16,998	17,258	(9,189)	8,069	44,103	250	44,353	0	0

Portfolio Total	(£'000)	23,968	(£'000)	44,353	(£'000)	44,103
External Funding						
Government Grants	(7,890)		(12,432)		(12,182)	
Developers' Contributions	(933)		(5,714)		(5,714)	
Other Contributions	(160)		(1,140)		(1,140)	
Total External Funding Sources	(8,983)		(19,286)		(19,036)	
Total Corporate Funding		14,985		25,067		25,067

Capital Monitoring Report - September 2016-17

At 30 September 2016, the approved estimate stood at £44.353m

	Exp	Inc	Net
	£'000	£'000	£'000
Approved Estimate	44,353	(19,286)	25,067
Variances identified	0	0	0
Slippage to 2016/17	(250)	250	0
Projected Outturn 2015/16	44,103	(19,036)	25,067

Overall Projected Expenditure and Slippage

Projected outturn for the financial year is £44.103m

Variances are reported as follows.

CSFF	School Kitchens	(150)	150	0 Revised Business Case
CSGF	Woodlands Park School Roof-2015-16	(20)	20	0 Revised Business Case
CSHA	Woodlands Park School Internal Remodelling	170	(170)	0 Revised Business Case
		<u>0</u>	<u>0</u>	<u>0</u>

Slippage is reported as follows

CT52	Disabled Facilities Grant	(250)	250	0 Current waiting lists within adult social care have resulted in a decrease in disabled facility grants applications being assessed and approved. Staff are expected to be sought to resolve backlog
		<u>(250)</u>	<u>250</u>	<u>0</u>

Overall Programme Status

The project statistics show the following position:

Scheme progress	No.	%
Yet to Start	98	18%
In Progress	304	57%
Completed	104	20%
Ongoing Programmes e.g.. Disabled Facilities Grant	25	5%
Devolved Formula Capital Grant schemes budgets devolved to schools	1	0%
Total Schemes	<u>532</u>	<u>100%</u>

Corporate Development Fund (AE35) £000		
Balance B/F from 2015/16		649
Transacted amounts in 2016/17		
To/From Capital Fund		0
To/From General Fund		
Transition Grant (2016/17 budget - February Council)	1,278	
Restructure of the Development and Regeneration service (2016/17 budget - February Council)	-56	
Minerals and Waste Strategy (2016/17 budget - February Council)	-61	
Adjustment to contribution due to revised New Homes Bonus (2016/17 budget - February Council)	-28	
Delivering Children's Services (March Cabinet)	-200	
Additional Transport Model costs (April CMT)	-43	
Heathrow Expansion (March Cabinet)	-30	
Delivering Operations Services (March Cabinet)	-100	
Road & Streetworks Permit scheme (March Cabinet)	-120	
Review of Sunday Parking charges (April Council)	-81	
Forest Bridge Contingency (CMT June 2016)	-100	
Dynamic Purchasing System (March Cabinet)	-4	
		455
		<u>1,104</u>

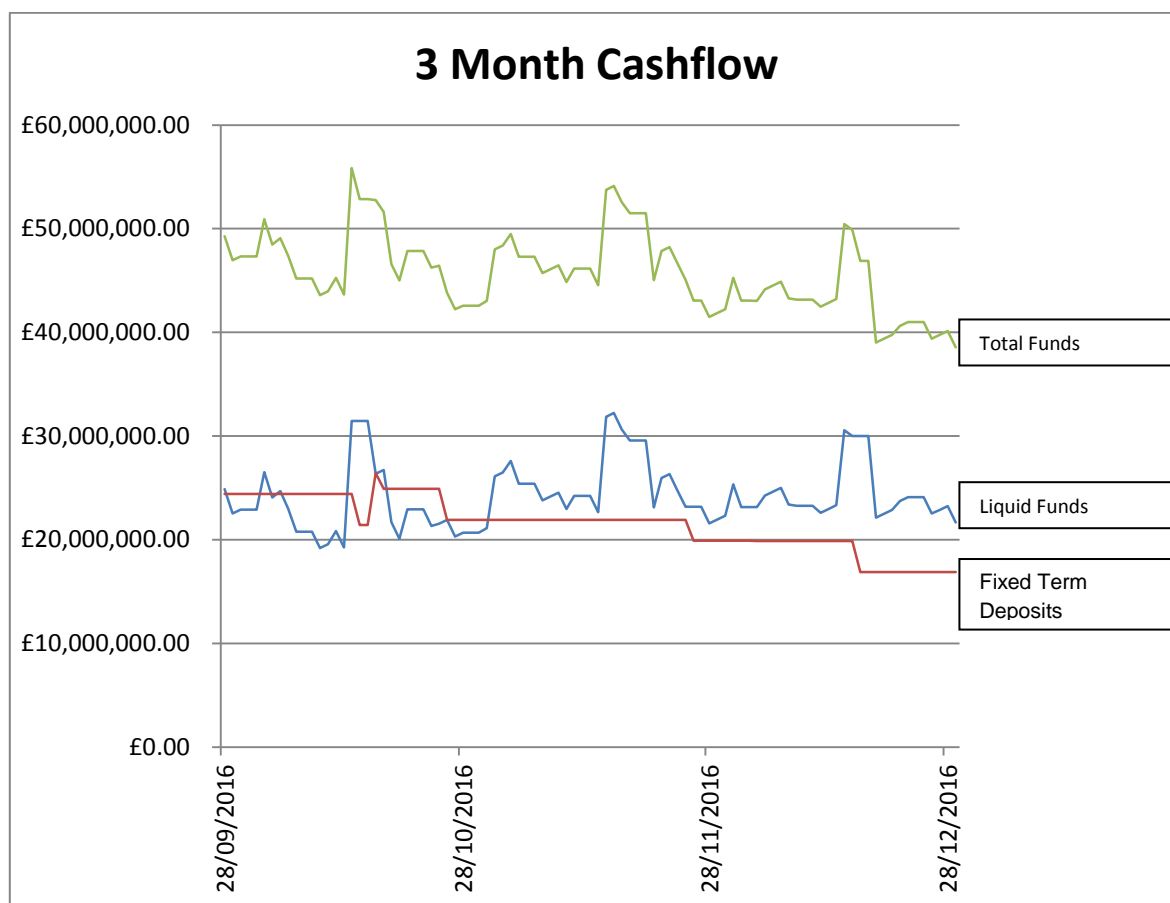
Budget Movement Statement 2016-17

		Funded by Development Fund (1)	Funded by the General Fund (2)	Funded by Provision (3)	Included in the original budget (4)	Total	Approval
		£'000	£'000	£'000	£'000	£'000	
	Original Budget					81,652	
1	Transforming Services	200				200	Cabinet March
2	Disabled Facilities Grant				(302)	(302)	Council Feb.
3	Transport model	43				43	CMT April
4	Heathrow Expansion	30				30	Cabinet March
5	Redundancy cost			73		73	Cabinet May
6	Redundancy cost			92		92	Cabinet May
7	Desborough improvements		50			50	Cabinet March
8	Transforming Services	100				100	Cabinet March
9	NRSWA parking scheme	120				120	Cabinet March
10	Sunday parking	81				81	Cabinet April
11	Cleaning & maintenance costs at Cox Green Youth Centre		20			20	Council Feb.
12	Redundancy cost			96		96	Cabinet May
13	Forest Bridge Contingency	100				100	CMT June
14	Pay reward				191	191	Council Feb.
15	Pay reward				173	173	Council Feb.
16	Pay reward				131	131	Council Feb.
17	Dynamic purchasing system	4				4	Cabinet March
18	Redundancy cost			25		25	Cabinet May
19	Bus contract		44			44	Cabinet May
20	Loss of rental income		50			50	Cabinet June
21	Transforming Services		100			100	Cabinet June
22	Redundancy cost			18		18	Cabinet May
	Changes Approved	678	264	304	193	1,439	
	Approved Estimate September Cabinet					83,091	

34

NOTES

- When additional budget is approved, a funding source is agreed with the Lead Member of Finance. Transactions in column 1 have been funded from a usable reserve (Development Fund).
- If additional budget is approved but no funding is specified, the transaction would, by default, be funded from the General Fund Reserve. Transactions in column 2 are funded by the General Fund.
- A provision for future redundancy costs is created every year and this is used to fund additional budget in services for the costs of redundancy they incur during the year. Transactions in column 3 are redundancy costs funded by the provision for redundancy.
- Transactions in column 4 are amounts approved in the annual budget which for various reasons need to be allocated to service budgets in-year. An example would be the pay reward budget. Pay reward payments are not approved until June. The budget therefore has to be re-allocated.



Liquid Funds

Investments in bank deposit account(s) and money market funds providing instant access to funds.

Fixed Term Deposits

Investments in banks, building societies and local authorities. Funds are usually invested for three months or more but not usually for longer than 12 months.

The Royal Borough of Windsor and Maidenhead – Efficiency Plan

As part of the local government financial settlement for 2016/17 the Secretary of State for Communities and Local Government offered an opportunity for a four year financial settlement. With a view to enable an easier transition to a more self-sufficient local government. The suggestion being that councils should also use their multi-year settlements to strengthen financial management and efficiency, by maximising value in arrangements with suppliers and making strategic use of reserves in the interests of residents.

The Government's offer is a guaranteed minimum grant envelope paid to councils for a four year period from April 2016. There is a risk that not accepting the offer may result in a less favourable settlement than currently outlined and at least the council will be subject to a continuation of the annual settlement process. Acceptance of the offer must be accompanied by an efficiency plan, this document is that plan.

The Royal Borough of Windsor and Maidenhead is an organisation focused on investing in its communities. It aims to be a great place to live, work, play and do business, supported by a modern, dynamic and successful Council.

The Royal Borough's ambition is to continue to deliver high quality services against a diminishing financial envelope by seeking new and innovative outcome-based delivery models which promote partnership, growth and sustainability.

The Council's efficiency plan brings together key existing information that has been published previously to explain the Council's approach to achieving a balanced budget over the period of the four year settlement. This efficiency plan identifies the necessary savings and transformational projects that will be implemented to deliver a sustainable outcome for the residents of the Royal Borough of Windsor and Maidenhead. The plan demonstrates that there is a robust and manageable methodology to produce balanced budgets over the medium term.

Corporate Strategy

The Royal Borough of Windsor and Maidenhead adopted a four year corporate strategy in 2016 around four themes: Residents First, Value for Money, Delivering Together and equipping ourselves for the Future. Within each of these themes the council set out a number of its aims, ambitions and expected outcomes from each of its core areas of business. The document acknowledges the constrained nature of local government finances but sets out a four year programme to transform the way we work across all levels of the council. It recognises the need to save money, but sets out to do that while still improving how we work with our partners and making our residents even more satisfied with the services we provide on their behalf.

Link to the document is here:

https://www3.rbwm.gov.uk/downloads/file/2315/2016-2020 - corporate_strategy

The council recognised some time ago that in order to meet the growing demands of its residents, businesses and visitors Maidenhead town centre needed significant improvements. It took the first step in 2009 to fast track an Area Action Plan (AAP) for the town centre, to consult on and create a

framework for new development, movement and design within the centre. The adopted AAP (2011) has a strong, ambitious vision for Maidenhead town centre and sets out six opportunity areas. Nearly £1 billion of investment is expected in the town centre over the next 10 years with an ambitious regeneration plan including 4,000 new homes in and around central Maidenhead, 100,000m² of quality office space, attractive street and spaces, improved parking and transport interchange as well as an enhanced leisure and cultural offer for the town.

Medium Term Financial Strategy

The budget confirms the administration's ongoing commitment to deliver quality services that provides for all residents and especially those who are most vulnerable.

The budget ensures that the burden of locally set tax remains at a minimum for residents. As the borough has seen a significant demographic growth of older people over the last two years, which is expected to continue into the foreseeable future, it was sensible to implement the 2% 'Adult Social Care precept'. This will ensure that the increasing numbers of older people, in the borough, are supported to live independently for as long as possible through quality adult social care services. The Council is committed to supporting RBWM residents in their old age and this precept will help us deliver the high quality services our residents deserve and desire.

Over the last seven years, reductions in council tax have been possible through securing efficiencies. The budget proposals for 2016/17 included £5.726m of savings. Further savings totalling £14.4m will be possible during 2017/18 to 2019/20 through building on our transformation programme and continuing to deliver services differently and capitalising on the opportunities for economic growth across the borough, whether in housing or business. It is clear the borough has a healthy future and the budget represents our commitment to invest wisely to further grow the economy for our residents benefit.

The capital programme in 2016/17 provided for increased corporate investment of £14.99m and whilst no external borrowing is envisaged in the short term this has increased the council's capital financing requirement by £10m. The Council has extensive land holdings and will optimise those for the benefit of the finances of the council and to further invest in services for residents

The Medium Term Financial Plan sets out the continuing financial challenges that the Borough faces over the next four years, it also shows the commitment to the building of much needed new homes.

Whilst few authorities receive less financial support per capita than the Royal Borough it remains, nevertheless, an important source of funding. In 2015/16 grant from RSG, Business Rate Support, New Homes Bonus and Council Tax Reward totalled £27.9m. As the Government continues its response to the national fiscal deficit the Council has seen income from these grants fall to £ 24.5m in 2016/17 a reduction of 12.2%, by 2019/20 these grants will fall to £ 14m, a 49.8% reduction over the four year settlement period.

However, the council will manage these reductions, moving forward, through building on our transformation programme and continuing to deliver services differently and capitalising on the opportunities for economic growth across the borough. We will build our local tax base by building the homes that residents want and need locally.

Link to the document is here:

https://www3.rbwm.gov.uk/download/downloads/id/2368/2016-2017 - budget_book.pdf

Budget Summary

	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000
Adult, Children's & Health	59,523	58,958	58,874	57,728
Operations & Customer Services	22,119	20,199	18,315	17,392
Corporate & Community Services	5,736	4,876	3,961	3,169
Other	500	750	999	1,249
Savings	(5,726)	(5,306)	(5,372)	(3,917)
Total Budget	82,152	79,477	76,577	75,621

The Council is committed to being a low council tax authority this is borne out with the Council's equivalent band D for a unitary council (£906) the lowest in the country and over £186 lower than its nearest authority.

Reduction in Government funding

Support	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000
Revenue Support Grant	(7,620)	(3,220)	(0.550)	0
Transitional Grant	(1,280)	(1,260)	0	0
Business Rate Tariff adjustment*	0	0	0	2.200
Total funding	(8,900)	(4,480)	(0.550)	2.200

*Reductions in Government Funding are traditionally applied to the Revenue Support Grant but as this will cease to exist in 2019/20 we are required to pay an increased tariff to DCLG. This will be funded by Business Rates.

Transformation Programme

The transformation programme is designed to respond to the changing face and funding structure of local government and enable the Royal Borough to become a change ready and 'Agile' organisation. The programme is ambitious; it seeks substantial and sustainable change to cope with the increasing demands on local government but also seeks to meet the changing needs of residents, within tightening financial constraints, without compromising the quality of our services.

Successful implementation of the strategy will result in new operating models for our services, delivered by employees who are skilled and confident; able to respond positively to challenges and act to maximise opportunities, who will ensure we continue to utilise the right tools and technologies to provide quality services to residents.

Link to the document is here:

http://rbwm.moderngov.co.uk/documents/s5118/meetings_160331_cab_transformation_full.pdf

Delivering Children's Services Differently

The report sets out a recommendation to transfer children's services and services for young adults with a learning disability up to 25 years of age, to Achieving for Children. Achieving for Children is a community interest company delivering all children's services functions across the London Boroughs of Richmond upon Thames and Kingston upon Thames. The fundamental issue underpinning the transfer is that the services residents currently receive will remain local, accessible and of high quality. Other services are now considering options for delivering differently.

Link to the document is here:

http://rbwm.moderngov.co.uk/documents/s9134/meetings_160929_cab_DCSD_full_parti.pdf

Regeneration Programme

The report provides an update on the work to regenerate Maidenhead, making it a town for everyone which is an even more attractive place to live, work and spend leisure time. It sets out the overall vision, the likely outcomes, and how the quality of life of residents will be improved. It provides an update on what we will achieve, how we will achieve it and when it will be delivered.

Link to the document is here:

http://rbwm.moderngov.co.uk/documents/s8027/meetings_160810_council_regen.pdf

Conclusion

The Council welcomes the stability of a four year settlement and in doing so recognises the significant financial pressure the Royal Borough is under, but believes it is well-placed to meet this challenge.

Signed: Leader of the Council

Signed: Lead member for Finance

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank