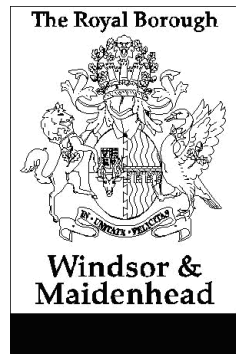


Report for: INFORMATION



Contains Confidential or Exempt Information	NO - Part I
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	15 December 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 £435,000 underspend on the General Fund (see Appendix A) which is an improvement of £5,000 from the November financial monitoring report. This is due to a net increase in the underspend forecast in a number of service budgets, see section 4 for details.
2. The Council remains in a strong financial position, with the Council's combined General Fund Reserves of £6,495,000 (7.24% of budget) in excess of the £5,270,000 (5.88% of budget) 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 reviewed regularly.	24 November 2016

1. DETAILS OF RECOMMENDATIONS

RECOMMENDED: That Cabinet:

- i) **Notes the Council's projected outturn position.**

2. REASON FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

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

3. KEY IMPLICATIONS

Defined Outcomes	Unmet	Met	Exceeded	Significantly Exceeded	Date delivered
General Fund Reserves Achieved	Below £5,000,000	£5,000,000 to £5,490,000	£5,490,000 to £6,000,000	Above £6,000,000	31 May 2017

- 3.1 The General Fund Reserve is £5,291,000 and the Development Fund balance is £1,204,000, see Appendix B for a breakdown of the Development Fund. The combined reserves are £6,495,000. The 2016-17 budget report recommended a minimal reserve level of £5,270,000 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 £57,397,000 against a controllable net budget of £57,200,000, an overspend of £197,000. This is an increase of £39,000 on the overspend reported to Cabinet in November. The most significant changes in the last month are:

- A reduction £25,000 in the underspend projected in the fostering and leaving care budget following two new fostering placements.
- An overspend of £30,000 due to the use of agency staff to cover for vacant posts in the family placement team.

- 4.2. Changes in forecast spend for Dedicated Schools Grant (DSG) funded budgets are:

- A reduction of £345,000 in estimated cost of meeting commitments including the funding of 'early years' support following a review of annual commitments.
- An increase of £811,000 in the estimated cost of meeting the needs of children with high needs following a review of current actual and committed placements. See paragraph below.
- The above two items contribute to a net charge of £429,000 to DSG reserves.

4.3. The increase in the cost of providing education to children and young people with high needs arises for the following reasons:

- Legislative Change – The Children & Families Act introduced a requirement for councils to continue to fund education provision from the ages 19 to 25 if relevant outcomes are identified. This was introduced in September 2014 however it is over recent months that the impact of this legislation is becoming apparent. There are now 64 young adults between 19 to 25 with Statements or Education, Health and Care Plans (EHC) receiving support, whereas in September 2015 there were 21, this represents an increase of 200%.
- Demography - The number of children under 19 with statements or EHC plans has increased 11% from 697 to 775, an increase of 78 children over the last year.
- Migration – over the past 12 months there have been 23 families with children requiring support move into the area, 9 have moved out of the area.
- Complex Placements – a small number of high cost placements have had a significant impact on the budget in the current year.

4.4. The net cost of these placements will impact upon the dedicated schools grant (DSG) reserves for the current year. The impact of high needs funding requirement is being reviewed alongside other changes in the remit of this grant. A strategy is being drawn up for the future allocation of DSG which will encompass all elements of this grant.

4.5. There remain significant pressures and savings, as reported to Cabinet in November, continuing to impact on the budget position:

- A projected overspend of £343,000 on the home to school transport budget. This is 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 in this academic year.
- The budget for supporting residents into temporary accommodation is projecting an overspend of £470,000. This relates to funding more residents with housing benefit following the change in legislation and the introduction of the subsidy loss and the benefit cap.
- Pressures in the provision of services to those with a learning disability and mental health problems - projected overspend of £384,000. 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.
- An underspend of £597,000 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.

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

- 4.7. In addition to the variances reported above there are a number of financial risks which will potentially impact on the budget position this year. These include: 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 council should these cases both be decided against the council is estimated at £165,000, and the maximum saving if both cases were settled in favour of the council is estimated at £558,000 this year.
- 4.8. The Strategic Director of **Corporate and Community Services** maintains a projected underspend position for 2016-17 at £28,000, on a net budget of £4,234,000.
- 4.9. The Strategic Director of **Operations and Customer Services** reports a projected underspend of £599,000 on the directorate's 2016-17 approved budget of £21,675,000, £44,000 up on the figure reported to Cabinet in November. The improvement derives from a strengthened position on full year parking income, from car parks and enforcement, partly reduced by potential pressure on benefits subsidy.

Revenue budget movement

- 4.10. Revenue budget movements this month are shown in table 1. An expanded full year Movement Statement has been included in the report in Appendix C.

Table 1: Revenue budget movement.

Service expenditure budget reported to October Cabinet	£83,092,000
Redundancy payment	£17,000
Service expenditure budget this month	£83,109,000

Cash Balances Forecast

- 4.11. Appendix D provides details of the Borough's cash balances. There has been very little change to the cash flow forecast reported to November Cabinet. There is still an expectation of requiring a short term loan or overdraft with further borrowing being necessary later in the new financial year.

Capital Programme

- 4.12. The approved 2016-17 capital estimate is £47,039,000, see table 2. The projected outturn for the financial year is £42,250,000. This is an increase on the capital outturn in 2015-16 of £27,421,000. See appendices E and F for further details. Table 3 shows the status of schemes in the capital programme.

Table 2: capital estimates

	Exp	Inc	Net
Approved estimate	£47,039,000	(£19,499,000)	£27,540,000
Variances identified	(£647,000)	£649,000	£2,000
Slippage to 2017-18	(£4,142,000)	£300,000	(£3,842,000)
Projected Outturn 2016-17	£42,250,000	(£18,550,000)	£23,700,000

Table 3: Capital programme status

	Report Cabinet Dec 2016
Number of schemes in programme	532
Yet to Start	17%
In Progress	56%
Completed	22%
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 Development fund analysis
- Appendix C Revenue movement statement
- Appendix D Cash flow forecast
- Appendix E Capital budget summary
- Appendix F Capital variances

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	15/11/2016		
Cllr Rankin	Deputy Lead Member for Finance	15/11/2016		
Alison Alexander	Managing Director	14/11/2016		Throughout
Russell O'Keefe	Strategic Director of Corporate and Community Services	15/11/2016	15/11/2016	Throughout
Simon Fletcher	Strategic Director of Operations and Customer Services	15/11/2016	15/11/2016	
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	7,636	7,114	474
Schools and Educational Services	2,914	2,923	193
Health, Early Help & Safeguarding	10,411	10,438	(42)
Health and Adult Social Care	32,408	33,030	(389)
Human Resources	1,167	1,537	0
A,C&H Management	834	932	(39)
Total Adult, Children & Health	55,370	55,974	197
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	39,553	0
Early Years Education and Childcare Provision	7,154	6,407	(27)
Admissions and Pupil Growth	545	381	0
Support Services for Schools and Early Years	1,714	1,602	(251)
High Needs and Alternative Provision	13,430	13,637	1,127
Dedicated Schools Grant	(64,970)	(61,580)	(849)
Total Schools Budget (DSG)	0	0	0
Total Adult, Children and Health Services	56,800	57,200	197
Director of Operations & Customer Services	(27)	377	0
Revenues & Benefits	816	757	49
Highways & Transport	6,125	6,378	75
Community, Protection & Enforcement Services	6,957	7,223	(590)
Customer Services	1,704	1,813	40
Technology & Change Delivery	2,915	2,687	(200)
Library, Arts & Heritage Services	2,316	2,440	27
Total Operations & Customer Services	20,806	21,675	(599)
Director of Corporate & Community Services	85	151	0
Planning, Development and Regeneration Service	(813)	(726)	(51)
Corporate Management	433	574	0
Performance	429	454	(9)
Democratic Services	1,955	1,895	14
Elections	261	263	0
Legal	104	98	(47)
Finance	2,353	2,383	0
Building Services	40	26	0
Communities and Economic Development	(801)	(884)	65
Total Corporate & Community Services	4,046	4,234	(28)
TOTAL EXPENDITURE	81,652	83,109	(430)

SUMMARY	2016/17		
	Budget	Approved Estimate	Projected Variance
	£000	£000	£000
Total Service Expenditure	81,652	83,109	(430)
Contribution to / (from) Development Fund	1,133	555	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		(422)	0
Environment Agency levy	150	150	0
Capital Financing inc Interest Receipts	5,128	5,258	0
NET REQUIREMENTS	90,678	90,590	(435)
Less - Special Expenses	(981)	(981)	0
Transfer to / (from) balances	0	88	435
GROSS COUNCIL TAX REQUIREMENT	89,697	89,697	0
General Fund			
Opening Balance	4,681	4,768	4,856
Transfers to / (from) balances	0	88	435
	<u>4,681</u>	<u>4,856</u>	<u>5,291</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	555
	<u>1,204</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	
Forest Bridge Contingency no longer required - revenue budget removed	100	
		555
		<u>1,204</u>

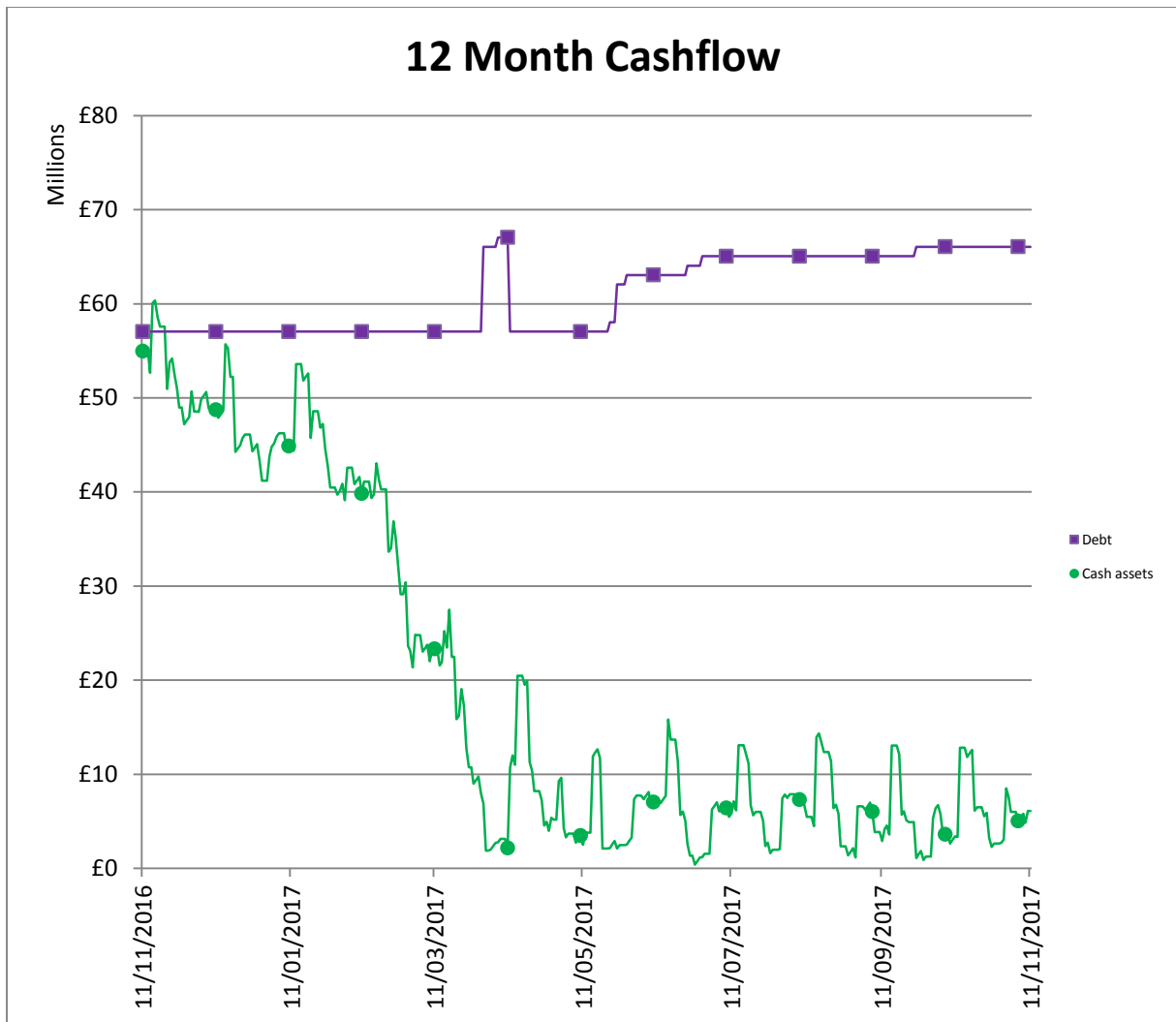
Appendix C

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
23 Redundancy cost			101		101	Cabinet May
24 Removal of Forest Bridge Contingency	(100)				(100)	Cabinet November
25 Redundancy cost			17		17	Cabinet May
Changes Approved	578	264	422	193	1,457	
Approved Estimate December Cabinet					83,109	

NOTES

- 1 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).
- 2 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.
- 3 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.
- 4 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.



Note 1 – Reduced Council Tax and Business Rates collections in February and March coupled with the commitment to pay out £20m of LEP funding in March 2017 is forecast to cause the decrease in cash balances towards the end of the financial year 2016/17.

Note 2 – An increase in borrowing by £9m is forecast in March 2017 to fund the cash shortfall created by the commitment to pay out LEP funding during the month. This is a short term requirement with the intention to repay the loan when the 2017/18 instalment of LEP funding is received in early April 2017. Further borrowing will be required later in the year with the first instalment of borrowing forecast towards the end of April 2017, coinciding with the April payroll date.

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	1,003	(120)	883	46	(14)	32	809	240	1,049	0	0%	
Community Facilities	155	0	155	355	(200)	155	17	0	17	372	0	372	0	0%	
Outdoor Facilities	370	(100)	270	593	(154)	439	760	(486)	274	1052	300	1,352	(1)	0%	
Property & Development	0	0	0	30	0	30	512	0	512	436	107	543	1	0%	
Governance, Policy, Performance_Partnerships	588	0	588	340	0	340	406	0	406	746	0	746	0	0%	
Regeneration & Economic Development	6,377	(185)	6,192	8,218	(495)	7,723	4,812	(1,075)	3,737	10,206	2,822	13,028	(2)	0%	
Total Community & Corporate Services	7,918	(405)	7,513	10,539	(969)	9,570	6,553	(1,575)	4,978	13,621	3,469	17,090	(2)	(0)	
Operations & Customer Services															
Technology & Change Delivery	0	0	0	0	0	0	335	(6)	329	334	0	334	(1)		
Revenues & Benefits	0	0	0	162	0	162	48	0	48	210	0	210	0		
Customer Services	0	0	0	0	0	0	276	0	276	276	0	276	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	10,519	(3,555)	6,964	2,117	(892)	1,225	11,964	673	12,637	1	0%	
Community,Protection & Enforcement Services	890	(380)	510	960	(380)	580	992	(721)	271	1,953	0	1,953	1	0%	
Libraries, Arts & Heritage	367	(295)	72	367	(295)	72	468	(147)	321	835	0	835	0	0%	
Total Operations & Customer Services	11,209	(4,138)	7,071	12,444	(4,552)	7,892	4,505	(1,902)	2,603	16,277	673	16,950	1	0	
Adult, Children & Health															
HR	0	0	0	0	0	0	0	0	0	0	0	0	0		
Adult Social Care	41	0	41	48	0	48	217	(185)	32	267	0	267	2	5%	
Housing	0	0	0	0	0	0	2,397	(2,017)	380	1,897	0	1,897	(500)		
Non Schools	0	0	0	89	(89)	0	305	(233)	72	394	0	394	0		
Schools – Non Devolved	4,550	(4,190)	360	5,732	(3,767)	1,965	2,192	(2,192)	0	7,773	0	7,773	(151)	-3%	
Schools – Devolved Capital	250	(250)	0	933	(933)	0	1,085	(1,085)	0	2,021	0	2,021	3	1%	
Total Adult, Children & Health	4,841	(4,440)	401	6,802	(4,789)	2,013	6,196	(5,712)	484	12,352	0	12,352	(646)	(0)	
Total Committed Schemes	23,968	(8,983)	14,985	29,785	(10,310)	19,475	17,254	(9,189)	8,065	42,250	4,142	46,392	(647)	0	

	(£'000)	(£'000)	(£'000)
Portfolio Total	23,968	47,039	42,250
External Funding			
Government Grants	(7,890)	(12,512)	(12,363)
Developers' Contributions	(933)	(5,920)	(5,120)
Other Contributions	(160)	(1,067)	(1,067)
Total External Funding Sources	(8,983)	(19,499)	(18,550)
Total Corporate Funding	14,985	27,540	23,700

Capital Monitoring Report - November 2016-17

At 30 November 2016, the approved estimate stood at £47.039m

	Exp	Inc	Net
	£'000	£'000	£'000
Approved Estimate	47,039	(19,499)	27,540
Variances identified	(647)	649	2
Slippage to 2017/18	(4,142)	300	(3,842)
Projected Outturn 2016/17	42,250	(18,550)	23,700

Overall Projected Expenditure and Slippage

Projected outturn for the financial year is £42.250m

Variances are reported as follows.

Governance, Policy, Performance & Partnership

CY07	Challenge Prize Scheme	(10)	0	(10) Revised Estimate
CY09	Superfast Broadband in Berkshire (2014/16)	10	0	10 Unforeseen Costs

Schools - Non Devolved

CSDW	Prep work for future expansion schemes - 2013-14	(28)	28	0 Budget no longer required
CSEU	Riverside (Ellington) Primary expansion 2014-15	(37)	37	0 Final account now agreed
CSGM	Dedworth Green Drainage Improvements-2015-16	(14)	14	0 Budget no longer required
CSGU	Holy Trinity Sunningdale Bulge Classroom	(70)	70	0 Final account agreed.
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

Adult Social Care

CT43	Courthouse Road Conversion of Garage	2	0	2 Final cost of Gas Main
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Housing

CT51	Affordable Home Ownership Capital Investment	(500)	500	0 Budget no longer required. S106 funding will be used to fund the Brill House project in 2017/18
		<u>(647)</u>	<u>649</u>	<u>2</u>

Slippage is reported as follows

SMILE Leisure

CZ44	Charters L.C. Expansion	(240)	0	(240) Scheme at design stage
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Outdoor Spaces

CZ49	P&OS - Victory Field Pavilion Centre	(300)	300	0 Project review to be undertaken by Parish
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Highways & Transport

CD15	Bridge Strengthening Scheme	(65)	0	(65) Victoria Bridge waterproofing scheme - slipped to next financial year due to other works in area.
CD72	Preliminary Flood Risk-Assessments	(18)	0	(18) PFRA due 2017. Awaiting government guidance.
CD42	Maidenhead Station Interchange & Car Park	(500)	0	(500) Scheme still in feasibility stage.
CD79	A329 London Rd/B383 Roundabout-Scheme Development	(90)	0	(90) Slippage to supplement 'scheme delivery' budget in 2017-18 (if approved)

Property & Development

CX22	St Mary's Hse-External replace/decor roof 2014-15	(64)	0	(64) Scheme to progress in 2017/18.
CX28	Ray Mill Road Residential Development	(43)	0	(43) Project has commenced. The remaining budget will be required next year.

Regeneration

CI29	Broadway Opportunity Area-Nicholsons CP 2015-16	(2,700)	0	(2,700) The construction of the extended car park is currently on hold and being reviewed. The project will not commence this financial year.
CI48	Development Manager, Maidenhead Regeneration	(100)	0	(100) Reform Road feasibility work has been paused while the JV procurement progresses.
CX20	Ross Road - repairs & redecoration	(22)	0	(22) Project to commence during 2017/18.
		<u>(4,142)</u>	<u>300</u>	<u>(3,842)</u>

Overall Programme Status

The project statistics show the following position:

Scheme progress	No.	%
Yet to Start	92	17%
In Progress	296	56%
Completed	115	22%
Ongoing Programmes e.g.. Disabled Facilities Grant	28	5%
Devolved Formula Capital Grant schemes budgets devolved to schools	1	0%
Total Schemes	<u>532</u>	<u>100%</u>