

Report Title:	Financial Update
Contains Confidential or Exempt Information?	NO - Part I
Member reporting:	Councillor Saunders, Lead Member for Finance
Meeting and Date:	Cabinet – 28 February 2019
Responsible Officer(s):	Robert Stubbs, Deputy Director and Head of Finance.
Wards affected:	All

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REPORT SUMMARY

- 1 This report sets out the council's financial position to date for the financial year 2018-19. Current pressures are being partially mitigated resulting in a financial pressure across the council of £1,798,000, see Appendix A.
- 2 The council's base budget is £85,344,000. Aggregated usable reserves are in a healthy position at £8,161,000 (9.56% of budget) which remains in excess of the £5,860,000 (6.87% of budget) recommended minimum level set at council in February 2018, see Appendix A.

1. DETAILS OF RECOMMENDATION(S)

RECOMMENDATION: That Cabinet:

- i) **Notes the council's projected outturn position for 2018-19 and notes work undertaken to identify mitigations to deal with pressures.**

2. REASON(S) FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

- 2.1 Cabinet are required to note the council's financial position.

3. KEY IMPLICATIONS

- 3.1 As previously reported a total of £7,560,000 pressures and £4,262,000 of mitigations and underspends have been identified for 2018-19.

Table 1: Key implications

Outcome	Unmet	Met	Exceeded	Significantly Exceeded	Date of delivery
General Fund Reserves Achieved	<£5,900,000	£5,900,000 to £6,000,000	£6,000,001 to £6,900,000	> £6,900,000	31 May 2019

4. FINANCIAL DETAILS / VALUE FOR MONEY

Council outturn position

- 4.1 The expected outturn position for the council shows an overspend of £3,298,000 on service budgets of £79,112,000 and after a non-service budget adjustment for additional income from the Berkshire-wide business rate pilot this results in a council overspend of £1,798,000.

Table 2: Outturn position

Directorate	£000
Acting Managing Director	3,089
Executive Director – Communities	641
Executive Director – Place	(432)
Non service expenditure	(1,500)
Council overspend	1,798

Acting Managing Director's Directorate

- 4.2 The Acting Managing Director reports a projected outturn figure for 2018-19 of £74,266,000 against a net controllable budget of £71,177,000. This shows an overspend of £3,089,000 which is unchanged from the last reported position. The overspend is net of mitigations totalling £2,581,000 for the directorate.

Communities Directorate

- 4.3 Communities Directorate reports a projected outturn figure for 2018-19 of £5,039,000 against a net controllable budget of £4,398,000, an overspend of £641,000 which is an increase of £40,000 during this period. The additional pressure is within the Registrar's service and due to a central government decision to provide Nationality checking services and Nationality document return service (NDRS) through a private company, rather than local authorities. This pressure has been mitigated in the 2019-20 budget. The overspend is net of mitigations totalling £496,000 for the directorate.

Place Directorate

- 4.4 Place Directorate reports a projected outturn figure for 2018-19 of £3,105,000 against a net controllable budget of £3,537,000, an underspend of £432,000 which is a decrease of £37,000. The additional expenditure is within ICT services and is due to increases in network circuit costs, internet circuit costs, credit note write off and reduced re-charge income. This position includes mitigations and underspends totalling £469,000 for the directorate.

4.5 Revenue Budget

No changes reported during this period.

Cash balances projection

- 4.6 Throughout the year the council's cash balances have been revised, Appendix C shows the twelve monthly capital cash flow which is based on the assumptions contained in the 2018-19 budget report.

Capital programme

- 4.7 The approved 2018-19 capital estimate is £86,777,000, see table 3. The projected outturn for the financial year is £60,954,000, see table 4 for capital programme status, with further information in Appendices D - F.

Table 3: Capital outturn

	Exp.	Inc.	Net
Approved estimate	£86,777,000	(£21,141,000)	£65,636,000
Variances identified	(£1,861)	£296,000	(£1,565,000)
Slippage to 2019-20	(£23,962,000)	£1,666,000	(£22,296,000)
Projected Outturn 2018-19	£60,954,000	(£19,179,000)	£41,775,000

Table 4: Capital programme status

	January 2018
Number of schemes in programme	248
Yet to start	14%
In progress	55%
Completed	7%
Ongoing programmes e.g. Disabled Facilities Grant	24%
Devolved formula capital grant schemes budgets devolved to schools	0%

Business rates

- 4.8 Business rate income at the end of December 2018 was 83.14% against a target of 83.5%. The annual collection target for 2018-19 is 98.8%.
- 4.9 To date, business rate revaluation support to the value of £285,095 (86.6%) has been awarded from a total resource of £329,000.

5 LEGAL IMPLICATIONS

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

6 RISK MANAGEMENT

No changes reported during this period.

7 POTENTIAL IMPACTS

- 7.1 None.

8 CONSULTATION

- 8.1 Overview & Scrutiny will review the report prior to Cabinet. Those comments will be reported to Cabinet.

9 TIMETABLE FOR IMPLEMENTATION

9.1 Implementation date if not called in: immediately.

10 APPENDICES

10.1 There are seven appendices to the report:

- Appendix A Revenue Monitoring Statement
- Appendix B Revenue movement statement
- Appendix C 12 month cash flow
- Appendix D Capital budget summary
- Appendix E Capital monitoring report
- Appendix F Major capital scheme progress

11 BACKGROUND DOCUMENTS

11.1 The background document relating to this report is detailed below.

Budget Report to Council February 2018

12 CONSULTATION (MANDATORY)

Name of consultee	Post held	Date issued for comment	Date returned with comments
Cllr Saunders	Lead Member for Finance	24/01/19	24/01/19
Russell O'Keefe	Acting Managing Director	21/01/19	24/01/19
Andy Jeffs	Executive Director	21/01/19	21/01/19
Rob Stubbs	Section 151 Officer	21/01/19	21/01/19
Nikki Craig	Head of HR and Corporate Projects	21/01/19	24/01/19
Louisa Dean	Communications	21/01/19	
Hilary Hall	Deputy Director Strategy and Commissioning	21/01/19	21/01/19

REPORT HISTORY

Decision type:	Urgency item?	To Follow item?
For information	No	No
Report Author: Ruth Watkins, Senior Finance and Accountancy Lead, 01628 793504.		

Revenue Monitoring Statement 2018/19 for February 2019 Cabinet

SUMMARY	2018/19		
	Budget	Approved Estimate	Projected Variance
	£000	£000	£000
Management	660	474	0
Communications & Marketing	412	485	178
Human Resources	883	1,019	280
Law & Governance	2,350	1,902	100
Commissioning & Support	3,872	3,809	(396)
Commissioning - Communities	8,182	7,934	1,563
AfC Contract - Children's Services	21,356	20,821	3,358
AfC Contract - Dedicated Schools Grant	12,196	11,466	359
Children's Services - Retained	(2,118)	(2,588)	587
Dedicated Schools Grant - Retained	50,385	51,220	(225)
Adult Social Care - Optalis Contract	29,443	29,305	0
Adult Social Care - Spend	15,461	15,780	0
Adult Social Care - Income	(10,658)	(11,577)	0
Better Care Fund	12,033	12,103	0
Public Health	4,780	4,782	0
Grant Income	(78,166)	(78,339)	(134)
Budget Extracted in Year	0	2,581	(2,581)
Total Acting Managing Director's Directorate	71,071	71,177	3,089
Executive Director of Communities	229	193	0
Revenues & Benefits	(109)	(95)	505
Communities, Enforcement & Partnerships	732	703	418
Library & Resident Services	3,019	3,101	214
Budget Extracted in Year	0	496	(496)
Total Communities Directorate	3,871	4,398	641
Executive Director of Place	298	279	0
Housing	1,370	1,262	0
Planning Service	1,344	1,380	(90)
Property Service	(2,577)	(2,660)	0
Finance	1,269	1,285	(68)
ICT	1,133	1,680	37
Budget Extracted in Year	0	311	(311)
Total Place Directorate	2,837	3,537	(432)
TOTAL EXPENDITURE	77,779	79,112	3,298

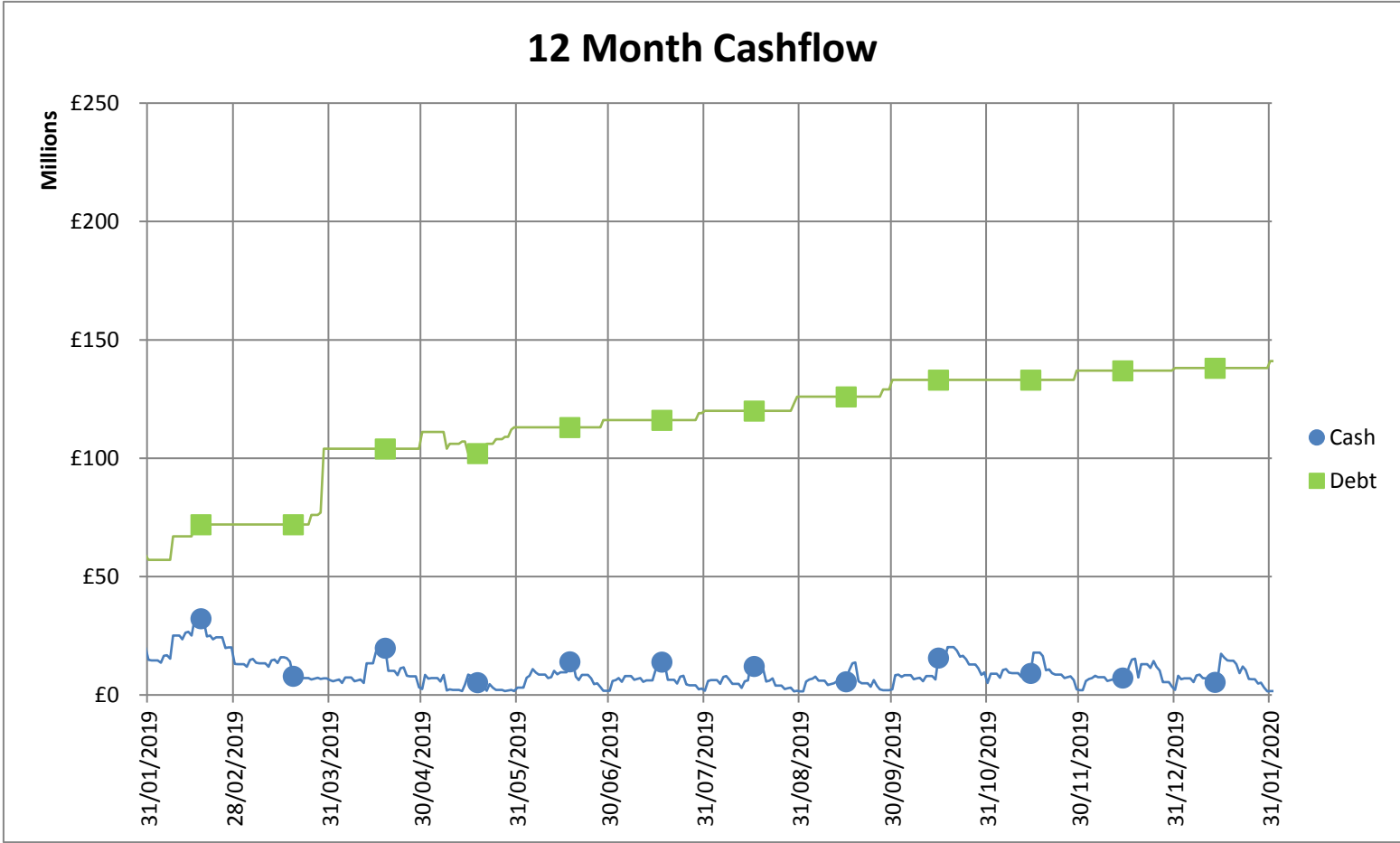
Revenue Monitoring Statement 2018/19 for February 2019 Cabinet

SUMMARY	2018/19		
	Budget	Approved Estimate	Projected Variance
	£000	£000	£000
Total Service Expenditure	77,779	79,112	3,298
Contribution to / (from) Development Fund	5	5	0
Pensions deficit recovery	2,428	3,176	0
Pay reward	500	(6)	0
Transfer from Provision for Redundancy	0	(510)	0
Environment Agency levy	156	156	0
Royal Weddings 2018/19	0	130	0
Variance on Business Rates income	0	(2,893)	(1,500)
Capital Financing inc Interest Receipts	<u>5,523</u>	<u>5,523</u>	<u>0</u>
NET REQUIREMENTS	86,391	84,693	1,798
Less - Special Expenses	(1,047)	(1,047)	0
Transfer to / (from) balances	0	1,698	(1,798)
GROSS COUNCIL TAX REQUIREMENT	<u>85,344</u>	<u>85,344</u>	<u>0</u>
General Fund			
Opening Balance		8,925	10,623
Transfers to / (from) balances		<u>1,698</u>	<u>(1,798)</u>
		<u><u>10,623</u></u>	<u><u>8,825</u></u>
Estimated year end redundancy provision			(664)
Projected General Fund outturn			<u><u>8,161</u></u>

Revenue Monitoring Statement 2018/19						
		Funded by the General Fund (1)	Funded by Provision (2)	Included in the original budget (4)	Total	Approval
		£'000	£'000	£'000	£'000	
	Original Budget				77,779	
1	Empty homes supplementary	32			32	May 2018 Cabinet
2	RBFRS Inspections	130			130	May 2018 Cabinet
3	Pay Reward			561	561	Feb 2018 Cabinet
4	Early retirement		36		36	Jun 2018 cabinet
5	Severance pay		65		65	Jun 2018 cabinet
6	Heathrow judicial review	100			100	July 2018 cabinet
7	Severance Pay & Early Retirement		349		349	August 2018 cabinet
8	Optalis Redundancy payment		3		3	Optalis/RBWM meeting
10	Redundancy payments		16		16	December cabinet
11	Redundancy payments		41		41	January Cabinet
	Changes Approved	262	510	561	1,333	
	Approved Estimate February Cabinet				79,112	

NOTES

- 1 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 1 are funded by the General Fund.
- 2 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 2 are redundancy costs funded by the provision for redundancy.
- 3 When additional budget is approved, a funding source is agreed with the Lead Member of Finance. Transactions in column 3 have been funded from a usable reserve (Capital Fund).
- 4 Transactions in column 3 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. Capital expenditure is projected to increase steadily throughout 2018-19. The exact profile may vary and monitoring of schemes and cash balances will decide the rate at which our borrowing will increase to ensure that no unnecessary debt charges are incurred.

	2018/19 Original Budget			New Schemes – 2018/19 Approved Estimate			Schemes Approved in Prior Years			Projections – Gross Expenditure				
	Gross £000's	Income £000's	Net £000's	Gross £000's	Income £000's	Net £000's	Gross £000's	Income £000's	Net £000's	2018/19 Projected (£'000)	2018/19 SLIPPAGE Projected (£'000)	TOTAL Projected (£'000)	VARIANCE Projected (£'000)	VARIANCE Projected (%)
Portfolio Summary														
Communities Directorate														
Revenues & Benefits	0	0	0	0	0	0	69	0	69	69	0	69	0	
Communities, Enforcement & Partnerships	3,098	(635)	2,463	8,533	(720)	7,813	4,382	(1,597)	2,785	11,236	1,663	12,899	(16)	-1%
Library & Resident Services	435	0	435	733	(1)	732	917	(171)	746	1,516	160	1,676	26	6%
Total Communities Directorate	3,533	(635)	2,898	9,266	(721)	8,545	5,368	(1,768)	3,600	12,821	1,823	14,644	10	0
Place Directorate														
ICT	360	0	360	429	0	429	38	0	38	467	0	467	0	0%
Property	1,045	0	1,045	20,728	(244)	20,484	8,566	(282)	8,284	15,613	13,681	29,294	0	0%
Housing	0	0	0	0	0	0	881	(856)	25	881	0	881	0	0%
Planning	1,010	(50)	960	1,557	(597)	960	468	(185)	283	1,005	1,020	2,025	0	0%
Total Place Directorate	2,415	(50)	2,365	22,714	(841)	21,873	9,953	(1,323)	8,630	17,966	14,701	32,667	0	0
Managing Director														
Human Resources	0	0	0	0	0	0	64	0	64	34	15	49	(15)	
Adult Social Care	0	0	0	85	(85)	0	6	(6)	0	35	10	45	(46)	
Commissioning – Communities	7,006	(4,543)	2,463	8,981	(4,758)	4,223	3,936	(1,570)	2,366	11,534	1,383	12,917	0	0%
Law and Governance	0	0	0	63	0	63	26	0	26	89	0	89	0	
Green Spaces & Parks	333	(163)	170	345	(135)	210	211	(118)	93	556	0	556	0	0%
Non Schools	246	(46)	200	289	(69)	220	261	(146)	115	550	0	550	0	0%
Schools – Non Devolved	4,025	(875)	3,150	4,075	(925)	3,150	20,494	(8,034)	12,460	16,729	6,030	22,759	(1,810)	-45%
Schools – Devolved Capital	197	(197)	0	195	(197)	(2)	445	(445)	0	640	0	640	0	0%
Total Managing Director	11,807	(5,824)	5,983	14,033	(6,169)	7,864	25,443	(10,319)	15,124	30,167	7,438	37,605	(1,871)	(0)
Total Committed Schemes	17,755	(6,509)	11,246	46,013	(7,731)	38,282	40,764	(13,410)	27,354	60,954	23,962	84,916	(1,861)	(0)

Portfolio Total	(£'000)	17,755	(£'000)	86,777	(£'000)	60,954
External Funding						
Government Grants	(5,060)		(14,134)		(12,188)	
Developers' Contributions	(674)		(4,056)		(4,050)	
Other Contributions	(775)		(2,951)		(2,941)	
Total External Funding Sources	(6,509)		(21,141)		(19,179)	
Total Corporate Funding		11,246		65,636		41,775

Capital Monitoring Report - January 2018/19

At 31st January 2019, the approved estimate stood at £86.777m

	Exp	Inc	Net
	£'000	£'000	£'000
Approved Estimate	86,777	(21,141)	65,636
Variances identified	(1,861)	296	(1,565)
Slippage to 2019/20	(23,962)	1,666	(22,296)
Projected Outturn 2018/19	60,954	(19,179)	41,775

Overall Projected Expenditure and Slippage

Projected outturn for the financial year is £60.954m

Variances are reported as follows.

Communities, Enforcement & Partnerships				
CY09	Superfast Broadband in Berkshire	20	0	20 Contract Variations
CY13	Economic Development	(20)	0	(20) Contract Variations
Library & Resident Services				
CC37	Town Hall Reception Refurbishment	5	0	5 Unforeseen Costs
CP82	Maidenhead Library -Small Power Rewire Ground/1st Floors	8	0	8 Overspend due to retentions
Human Resources				
CK90	AfC Phones & Signage	(17)	0	(17) Revised Estimate
CN76	iTrent Development	2	0	2 Unforeseen Costs
Adult Social Care				
CT57	Care Homes Reconfiguration	(46)	60	14 Scheme discontinued - funding unavailable
Schools - Non Devolved				
CSFC	Ascot Primaries Feasibilities-2015-16	(237)	236	(1) Scheme complete
CSGR	Charters Expansion	(850)	0	(850) Scheme complete
CSGT	Windsor Boys Expansion	(140)	0	(140) Scheme complete
CSGV	Cox Green School Expansion Year 1 of 3	(500)	0	(500) Scheme complete
CSHP	Wraybury school - Staffroom Extension	(50)	0	(50) Scheme complete
CSHV	Lowbrook Expansion	(50)	0	(50) Revised Business Case
CSHA	Woodlands Park School Internal Remodelling	14	0	14 Revised Business Case
		(1,861)	296	(1,565)
Additional slippage this month is reported as follows.				
Slippage reported last month				
		(11,246)	1,326	(9,920)
Human Resources				
CK90	AfC Phones & Signage	(15)	0	(15) Budget to be utilised during 2019/20
Communities, Enforcement & Partnerships				
CY15	Bright Ideas Competition	(5)	0	(5) Budget to be utilised during 2019/20
Commissioning - Communities				
CC67	Replacement Payment Equipment for Car Parks	(540)	540	0 Delay in replacement parking machines. Majority of works to be carried out in the early part of 2019/20.
Library & Resident Services				
CLB2	Sunninghill Library Lease Repairs	(14)	0	(14) Budget to be utilised during 2019/20
CLB9	Windsor Riverside Esplanade Revival	(10)	0	(10) Budget to be utilised during 2019/20
CC22	Digitisation of Historic Registers	(30)	0	(30) Budget to be utilised during 2019/20
Communities, Enforcement & Partnerships				
CX29	Windsor Coach Park Bridge-Canopy, Resurfacing	(10)	0	(10) Reflects survey details received
CD85	Enforcement Services-Mobile Phone Replacement	(1)	0	(1) Revised working and business processes
CD56	Night Time Economy Enforcement Equipment	(1)	0	(1) Revised working and business processes
CZ00	Bath Island-Electrical works	20	0	20 Revised scheme to support events plans
Planning				
CI66	Infrastructure Delivery Prog-CIL & Grant Funding	50	0	50 Revised slippage
Schools - Non Devolved				
CSFC	Ascot Primaries Feasibilities	200	(200)	0 } Secondary School expansions earlier completion than planned.
CSGR	Charters Expansion	800	0	800 } Resulting underspend from schemes released into forecast for 2018/19.
CSGV	Cox Green School Expansion Year 1 of 3	400	0	400 } Previous expectation was project would slip into 2019/20 with any underspend being
CSGT	Windsor Boys Expansion	120	0	120 } released in that financial year.
Property				
CC78	Vicus Way Car Park	(3,000)	0	(3,000) Budget reprofiled to reflect latest scheme plans.
CC80	Temp Parking Provision-Maidenhead Regeneration	(1,200)	0	(1,200) Budget reprofiled to reflect latest scheme plans.
CI01	Acquisition of Land off Lower Cookham Rd, Mhead	(1,140)	0	(1,140) Scheme to complete in 19/20
CI14	Maidenhead Waterways Construction phase 1	(1,300)	0	(1,300) Works to continue into 19/20
CI29	Broadway Car Park & Central House Scheme	(400)	0	(400) Works to continue into 19/20
CX43	Affordable Housing-St Edmunds Hse Ray Mill Rd West	(4,475)	0	(4,475) Slippage to 19/20 to reflect development programme of scheme.
CX44	Affordable Housing-The Brocket, Boyn Hill Ave	(1,700)	0	(1,700) Slippage to 19/20 to reflect development programme of scheme.
CX45	Affordable Housing - 16 Ray Mill Ave East, MHead	(50)	0	(50) Scheme to complete in 19/20
CI62	Hines Meadow CP - Dilapidations	(40)	0	(40) Retentions
CM23	54-56 Queen Street, Maidenhead	(18)	0	(18) Redevelopment of Landing scheme to complete in 2019/20
CM53	Theatre Royal-Soffit/Roof Light Ventilation	(35)	0	(35) Scheme awaiting Theatre Royal approval
CM57	Theatre Royal-Auditorium / Maintenance Works	(35)	0	(35) Scheme awaiting Theatre Royal approval
CN63	Guildhall - Roof Repairs (Hoist/Pigeon Measures)	(114)	0	(114) Scheme out to tender. Scheme will commence once current bookings have been honoured.
CX22	St Mary's Hse-External replace/decor roof 2014-15	(24)	0	(24) Scheme to complete in 2019/20
CX40	Operational Estate Improvements	(100)	0	(100) Ongoing programme of works to complete in 2019/20
CX41	Commercial Investment Property Portfolio-Repairs	(50)	0	(50) Ongoing programme of works to complete in 2019/20
		(23,962)	1,666	(22,296)

Overall Programme Status

The project statistics show the following position:

Scheme progress	No.	%
Yet to Start	35	14%
In Progress	137	55%
Completed	17	7%
Ongoing Programmes e.g., Disabled Facilities Grant	58	23%
Devolved Formula Capital Grant schemes budgets devolved to schools	1	0%
Total Schemes	248	100%

Major Capital Scheme Progress		January 2019 @ 11/01/19																
Project	CAPITAL SCHEME	TOTAL SCHEME VALUE	2018/19			APPROVED SLIPPAGE			TOTAL BUDGET			PROJECTIONS		PROJECT STATUS				
			APPROVED ESTIMATE			FROM PRIOR YEARS			2018/19			2018/19 Projected Variance <i>Underspend as negative</i>	2019/20 SLIPPAGE Projected	Yet To Start	Preliminary / Feasibility Work	Work On-site	Ongoing Annual Programme	Expected Completion
			Gross	Income	Estimate	Gross	Income	Estimate	Gross	Income	Estimate							
		£'000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000					
Communities Directorate																		
Communities, Enforcement & Partnerships																		
CT52	Disabled Facilities Grant	600	600	(600)	0	0	0	0	600	(600)	0	0	0					
CZ18	Braywick Leisure Centre	33,756	4,975	0	4,975	862	0	862	5,837	0	5,837	0	0					
CC60	Hostile Vehicle Mitigation Measures for Windsor	1,850	0	0	0	1850	(908)	942	1,850	(908)	942	0	750					
CC47	CCTV Replacement	1,302	1,300	0	1,300	2	0	2	1,302	0	1,302	0	150					
Place Directorate																		
Property																		
CI29	Broadway Car Park & Central House Scheme	35,313	0	0	0	2230	(140)	2090	2,230	(140)	2,090	0	400					
CI21	Windsor Office Accommodation	10,058	3,219	0	3,219	3898	(142)	3756	7,117	(142)	6,975	0	0					
CI62	Hines Meadow CP – Dilapidations	700	0	0	0	523	0	523	523	0	523	0	40					
CX40	Operational Estate Improvements	600	600	0	600	0	0	0	600	0	600	0	100					
Housing																		
CT55	Brill House Capital Funding	500	0	0	0	500	(500)	0	500	(500)	0	0	0					
Managing Director																		
Schools – Non Devolved																		
CSGR	Charters Expansion	4,560	380	0	380	2,556	(1,878)	678	2,936	(1,878)	1,058	(850)	0					
CSGV	Cox Green School Expansion Year 1 of 3	5,800	420	0	420	2821	(455)	2366	3,241	(455)	2,786	(500)	0					
CSGW	Furze Platt Senior expansion Year 1 of 3	8,000	750	0	750	6571	(2,033)	4538	7,321	(2,033)	5,288	0	3,000					
CSGX	Dedworth Middle School Expansion Year 1 of 3	4,700	420	0	420	3490	(1,791)	1699	3,910	(1,791)	2,119	0	270					
Commissioning – Communities																		
CC62	Maidenhead Missing Links (LEP Match Funded)	733	733	(633)	100	0	0	0	733	(633)	100	0	703					
CC67	Replacement Payment Equipment for Car Parks	775	775	(775)	0	0	0	0	775	(775)	0	0	0					
CD84	Street Lighting-LED Upgrade	5,100	0	0	0	600	0	600	600	0	600	0	0					