

Report for: ACTION



<b>Contains Confidential or Exempt Information</b>	No - Part I
<b>Title</b>	<b>Financial Update</b>
<b>Responsible Officer(s)</b>	Andrew Brooker, Head of Finance, 01628 796341
<b>Contact officer, job title and phone number</b>	Richard Bunn, Chief Accountant, 01628 796510
<b>Member reporting</b>	Councillor Dudley, Lead Member for Finance
<b>For Consideration By</b>	Cabinet
<b>Date to be Considered</b>	28 January 2016
<b>Implementation Date if Not Called In</b>	28 January 2016
<b>Affected Wards</b>	All

#### REPORT SUMMARY

1. This report provides an update to members on the Council's financial performance. Services are currently projecting a £192k underspend. However due to four non-service variances totalling £262k there is a net underspend of £454k on the General Fund.
2. Council agreed in December that a number of budget movements to fund the Adult Social Care pressure should be implemented. The changes have been included in this report.
3. The Council remains in a strong financial position with healthy reserves. The Council's Development Fund currently has a balance of £1.030m. Overall our combined General Fund Reserves sit at £6.836m in excess of the £5.43m recommended minimum level set at Council in February 2015.
4. This report details the relief granted to businesses that occupy empty shops under the Business Rate relief scheme (Appendix E). This information will be updated and included in future reports.

#### 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.	28 January 2016
Assurance that budgets are being reviewed regularly.	28 January 2016

## 1. Details of Recommendations

### RECOMMENDED: That Cabinet:

- i) Notes the report and the projected outturn position.
- ii) Approves the addition of a £250k S106 funded budget to the capital programme in respect of the Devenish Road / Bagshot Road roundabout (see paragraph 4.9).
- iii) Approves the addition of an £80k corporately funded capital budget in respect of replacement Wi-Fi infrastructure (see paragraph 4.10).
- iv) Approves the addition of additional capital budget funded by the Development Fund in respect of the following development projects (see paragraph 4.11):
  - St Cloud Way £220k
  - Nicholson Centre / Multi Storey Car Park £50k
  - Brownfield Sites Analysis £25k
  - Golf Club £150k
- v) Approves the addition of a £116k revenue budget funded by the Development Fund for additional staff resources to facilitate the timely preparation of the Borough Local Plan (see paragraph 4.5).
- vi) That a consultation is carried out in respect of the treatment of higher rate disability living allowance and higher rate attendance allowance within the Council's Adult Social Care financial Contribution Policy (see paragraph 4.3).
- vii) That authority is delegated to the Lead Member for Finance and the Lead Member for Adult Social Care, Health and Sustainability in consultation with the Managing Director to update the Council's Adult Social Care financial Contribution Policy following the above consultation (see paragraph 4.3).

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

- 1.1 As this is a monitoring report decisions are normally not necessary but may be required for some budget movements. Requests for budget changes are included in this report in the recommendations above.

## 3. KEY IMPLICATIONS

Defined Outcomes	Unmet	Met	Exceeded	Significantly Exceeded	Date they should be delivered
General Fund Reserves Achieved	Below £5.4m	£5.4m-£5.49m	£5.5m-£5.7m	Above £5.7m	31 May 2016

The General Fund Reserve is £5.806m and the balance on the Development Fund is £1.030m. The combined General Fund and Development Fund reserves now sit at £6.836m. The 2015-16 budget report recommended a reserve level of £5.43m or more to cover known risks for 18 months. For a complete breakdown of the balance on the Development Fund see appendix E.

## 4. FINANCIAL DETAILS

- 4.1. **Children's Services Directorate.** The Strategic Director of Adult, Children and Health Services reports a projected year-end underspend of £11k against the net controllable budget of £17.894m. The net budget now reflects the transfer of the Elections service budget (£352k) from Children's Services into Corporate Services.

The projected outturn remains broadly the same as the £16k underspend reported to Cabinet in December. At individual service level there have been some changes, with cost pressures on the home to school transport budget further increasing in the last month, but offset by a reduction in the use of agency staff in the pods.

A number of recent changes in high cost children in care placements has resulted in the outturn projection in those areas remaining largely cost neutral compared with last month, although it is difficult to predict the impact of changes in future demand for places.

2015-16 outturn projections also take account of the part-year effect of 2016-17 savings where it has been possible to implement these early. These savings will not be available in the new financial year.

- 4.2. **Adults Culture & Health Directorate.** The Strategic Director of Adult, Children and Health Services reports a projected £52k underspend for the year. Most of this underspend arises from a successful award of continuing healthcare funding for a high cost placement for a person with learning disabilities.

The above budget position takes into account the additional budget allocation of £2.084m agreed by Council in December 2015.

- 4.3. **Adult Social Care Financial contribution policy.** The Care Act 2014 provided revised guidance for councils in respect of the treatment of higher rates of the Disability Living Allowance (DLA) and Attendance Allowance (AA). This guidance allows councils to include these higher rate payments, which residents receive, within financial assessments for establishing how much a resident can afford to contribute towards the costs of their non-residential social care. It is proposed that amendments to the Council's Adult Social Care financial Contribution Policy to cover both these changes is consulted upon and authority is delegated to the Managing Director in consultation with the Lead Member for Finance and the Lead Member for Adult Social Care, Health and Sustainability to update the Council's Adult Social Care financial Contribution Policy following this consultation.

- 4.4. **Drug and Alcohol Team (DAAT) contracts.** The borough currently has contracts with two adult drug and alcohol treatment providers. The recovery service is provided by SMART, Clarendon GP Practice provide the opiate substitute prescribing clinics. Currently, both contracts end on September 30<sup>th</sup> 2016. The current contracts will be extended until 31<sup>st</sup> March 2017 with a waiver to contract rules. This will allow future contracts to be informed by the review of the drug and alcohol service that will be reported to Cabinet in May 2016 and the new National Drug Strategy. It will also mean the contracts will be coterminous with other Berkshire Authorities.

- 4.5. **Corporate Services Directorate.** The Interim Strategic Director of Corporate Services reports a 29k overspend which is a £15k increase on last month due to lower than estimated land charges income and increased agency costs in Finance.

The Director of Planning and Regeneration requests a £116k budget for additional temporary staff resources to speed up the delivery of the Borough Local Plan. The aim is to carry out the necessary work including, completion of site assessments, collating the evidence base and writing the plan document in time for public consultation in April. The staff needed are one part-time Policy Manager and two full time Policy Planners. The budget would be funded by the Development Fund if approved.

- 4.6. **Operations Directorate.** The Strategic Director of Operations and Customer Services reports a year end underspend of £158k on the directorate 2015-16 approved budget of £18.4m. The £525k movement since last month comes from a £600k in-year budget transfer to the Adults directorate, reduced by several minor changes to budget positions, notably a £50k improvement in waste outturn due to lower residual tonnages.

4.7. **Revenue budget movements this month:**

	£000
<b>Approved Budget as at 30 November</b>	<b>80,978</b>
Redundancy Cost	7
Minerals & Waste Strategy – Dev Fund	61
Transport Model – Dev Fund	125
Adult Social Care budget funded by the Development Fund	1,484
<b>Service Expenditure Budget this Month</b>	<b>82,655</b>

4.8. **Capital Programme**

A summary of the capital programme is summarised below and in Appendices B and C.

The approved 2015-16 capital estimate is £41.201m; the projected outturn for the financial year is £38.995m.

	Exp	Inc	Net
	£'000	£'000	£'000
<b>Approved Estimate</b>	41,201	(26,596)	14,605
Variiances identified	(95)	63	(32)
Slippage to 2016-17	(2,111)	375	(1,736)
<b>Projected Outturn 2015-16</b>	38,995	(26,158)	12,837

**Overall capital programme status**

	Report to January 2016 Cabinet
<b>Number of Schemes in Programme</b>	<b>396</b>
Yet to Start	13%
In Progress	47%
Completed	30%
Ongoing Programmes e.g. Disabled Facilities Grant	10%
Devolved Formula Capital Grant schemes budgets devolved to schools	0%

#### **4.9. Capital Addition - Devenish Road / Bagshot Road roundabout**

The Borough is provisionally aiming to start work on site in May on the construction of a roundabout, aimed at addressing long standing local concerns over safety and congestion at the existing staggered crossroads at the junction of the A330 with the B3020 Bagshot Road. The scheme will also see improvements to pedestrian facilities, including the installation of a zebra crossing on the northern arm of Bagshot Road, to make walking a safer and more attractive option for local journeys; in particular to and from Charters School.

The detailed design will be completed by the end of March, prior to agreeing a works programme with the contractor. A £250k S106 funded budget is requested to be added to the existing £120k corporately funded budget. This would bring the total budget for the scheme to £370k.

#### **4.10. Capital Addition – Wi-Fi in Council Offices**

The council Wi-Fi system was originally procured in May 2012. It was implemented on a scale to support a small number of Wi-Fi enabled laptop users. In mid 2013 the mobile phone estate migrated to Windows-based smartphones and each of these phones connects to a wireless network if one is available. As a consequence the traffic levels through the wireless access points have put an untenable strain on the wireless infrastructure. Many members of staff have a personal mobile phone which will additionally use the wireless network if possible, and in recent months there has been an increase in the number of staff using tablets for work.

This increase in devices using the Wi-Fi has caused the current infrastructure to become overloaded and unstable.

It is proposed that a corporate Wi-Fi infrastructure is installed that allows staff, shared service partners, and visitors to the Town Hall in Maidenhead and York House in Windsor to work effectively using their wireless devices. The approximate number of users will be 1500. However the infrastructure would allow the council to scale requirements.

An £80k corporately funded capital budget is requested to cover:

- Replacement Corporate Wi-Fi in the Town Hall and St Mary's Maidenhead
- Replacement Corporate Wi-Fi in York House Windsor
- Upgrade or increase the number of access points
- Replacement of Libraries BT OpenZone public wireless solution
- Installation of monitoring software
- Additional support and logging
- Additional cabling i.e. to ceiling voids

#### **4.11. Capital Addition – Development projects**

A number of key development sites have progressed and Development Managers appointed to work up feasibility studies and development frameworks. Additional capital budget, funded by the Development Fund is now required to take the following work forward:

- St Cloud Way - Studies are being conducted following a competition to appoint a development manager to understand and develop the options available for the site. The work will be reported to Cabinet in April 2016. **Additional budget request for this is £220k.**
- Nicholsons Centre / Multi-Storey Car Park - Discussions are progressing to maximise the value of the Council's property assets with adjacent land / property owners. Consultancy work is necessary to provide the Council with an appraisal of the options available. **Additional budget request for this is £50k.**
- Brownfield Sites Analysis – a study to be commissioned to understand the potential for brownfield site regeneration on land outside of the Council's ownership. **Additional budget request for this is £25k.**
- Golf Club – Master planning work is being undertaken on the golf club site to establish development potential. **Additional budget request for this is £150k.**

## 5. LEGAL IMPLICATIONS

- 5.1 In producing and reviewing this report the Council is meeting 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 Business Rates Discount Scheme

### 17. BACKGROUND INFORMATION

17.1 Budget Report to Council February 2015.

### 18. CONSULTATION (MANDATORY)

Name of consultee	Post held and Department	Date sent	Date received	See comments in paragraph:
<b>Internal</b>				
Corporate Management Team (CMT)	Managing Director and Strategic Directors	4/1/2016	4/1/2016	Changes included in final report.
Cllr Dudley	Lead Member for Finance	4/1/2016	4/1/2016	Changes included in final report.
Cllr Burbage	Leader of the Council	4/1/2016	5/1/2016	
Michaela Rizou	Cabinet Policy Assistant	4/1/2016	4/1/2016	Changes included in final report.
<b>External None</b>				

### 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