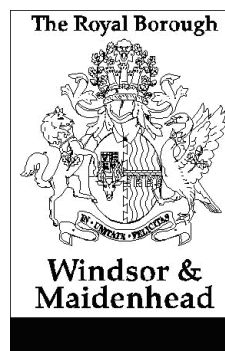


Report for: INFORMATION



Contains Confidential or Exempt Information	Main paper - Part I, Appendix H Part II (Not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972)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 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 II 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	<u>89,697</u>	<u>89,697</u>	<u>0</u>
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>

	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)	(%)
Portfolio Summary														
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

	(£'000)	(£'000)	(£'000)
Portfolio Total	23,968	44,353	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>

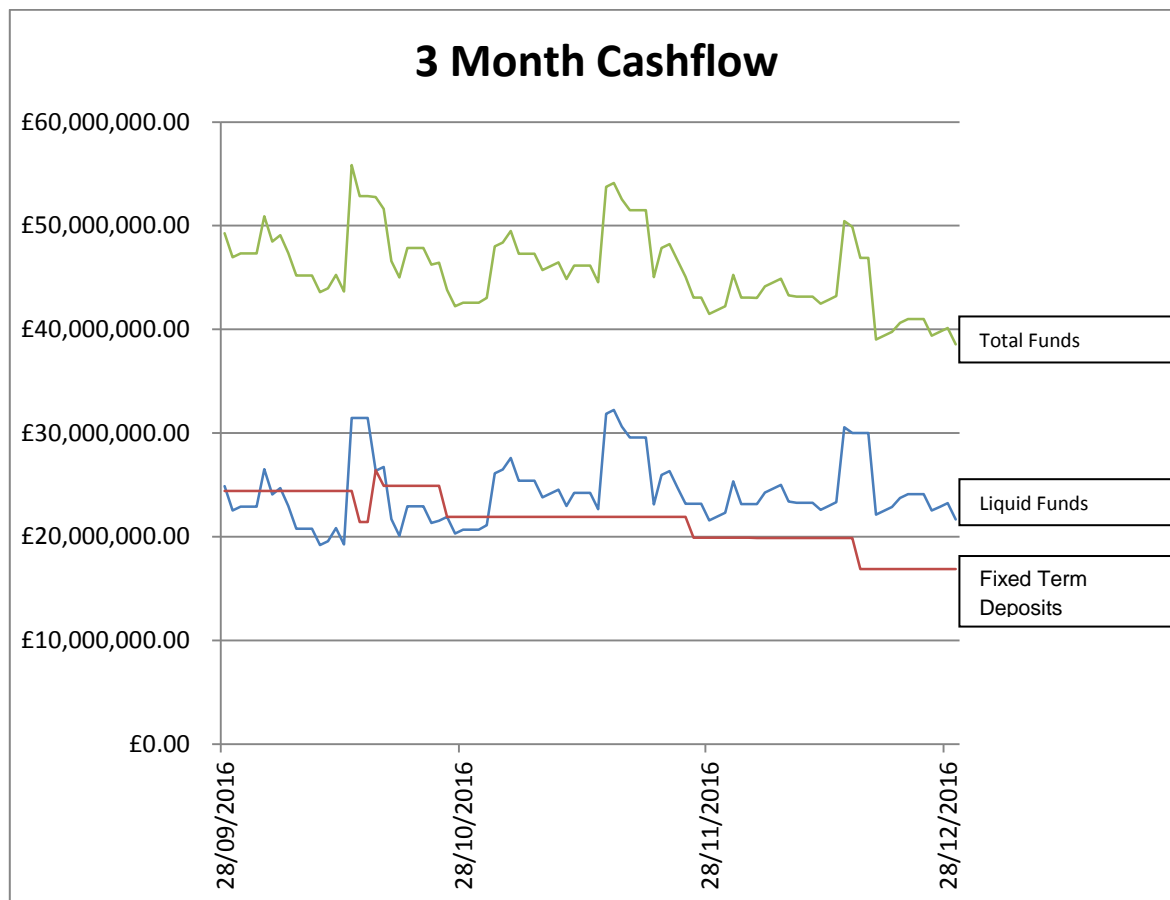
Corporate Development Fund (AE35) £000		
Balance B/F from 2015/16		649
Transacted amounts in 2016/17		
To/From Capital Fund		0
To/From General Fund		
Transition Grant (2016/17 budget - February Council)	1,278	
Restructure of the Development and Regeneration service (2016/17 budget - February Council)	-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	

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.



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