

Report Title:	<b>Financial Update</b>
Contains Confidential or Exempt Information?	NO - Part I
Member reporting:	Councillor Saunders, Lead Member for Finance
Meeting and Date:	Cabinet – 28 June 2018
Responsible Officer(s):	Russell O’Keefe, Executive Director, Rob Stubbs, Deputy Director and Head of Finance.
Wards affected:	All

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## REPORT SUMMARY

1. This report is the first statement of 2018-19. In summary a projected balanced budget is reported on the General Fund, see Appendix A.
2. The Council remains in a strong financial position; with General Fund Reserves of £7,001,000 (8.20% of budget) in excess of the £5,860,000 (6.87% of budget) recommended minimum level set at Council in February 2018.
3. The Capital Fund is estimated at £1,729,000 and is available to fund one-off and transformation costs which are not capitalised.

## 1 DETAILS OF RECOMMENDATION(S)

### RECOMMENDATION: That Cabinet:

- i) Notes the Council’s projected outturn position for 2018-19.
- ii) Approves an additional revenue budget of £298,000 for adult social care. The Ministry of Housing, Communities and Local Government (MHCLG) has awarded a grant to the borough for £298,000 to provide adult social care, see paragraph 4.5.
- iii) Approves an additional revenue budget of £1,210,980 for the flexible homelessness support grant which has been awarded by the MHCLG towards expenditure incurred for preventing and dealing with homelessness, see paragraph 4.6.
- iv) Approves an additional capital budget of £241,000 for pothole repairs, a grant has been awarded by the Department of Transport to repair potholes and guard against severe weather in the borough, see paragraph 4.9.
- v) Approves an additional capital budget of £172,000 for joint growth study, a grant has been awarded from the Planning Delivery Fund to work with Slough Borough Council and South Bucks District Council on a joint growth study, see paragraph 4.10.

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

- 2.1 Cabinet are required to note the council's financial position and approve the additional £298,000 revenue budget for adult social care, £1,210,980 revenue budget for flexible homelessness support, £241,000 capital budget for pothole repairs and £172,000 capital budget for the joint growth study.

## 3 KEY IMPLICATIONS

- 3.1 The Council is projecting a General Fund Reserve of £7,001,000. The 2018-19 budget report recommended a minimal reserve level of £5,860,000 to cover known risks for 18 months.

**Table 1: Key implications**

<b>Outcome</b>	<b>Unmet</b>	<b>Met</b>	<b>Exceeded</b>	<b>Significantly Exceeded</b>	<b>Date of delivery</b>
General Fund Reserves Achieved	<£5,900,000	£5,900,000 to £6,000,000	£6,000,001 to £6,500,000	> £6,500,000	31 May 2019

## 4. FINANCIAL DETAILS / VALUE FOR MONEY

### **Managing Director's Directorate**

- 4.1 The Managing Director projects a balanced budget outturn on the Managing Director's directorate 2018-19 controllable budget of £71,009,000.

### **Communities Directorate**

- 4.2 The Executive Director of Communities projects a balanced budget outturn on the Communities directorate's 2018-19 controllable budget of £3,871,000.

### **Place Directorate**

- 4.3 The Executive Director of Place projects a balanced budget outturn on the Place directorate's 2018-19 controllable budget of £2,931,000

### **Revenue budget movement**

- 4.4 Revenue budget movements this month are set out in table 2, and the full year movement is detailed in Appendix C.

**Table 2: Revenue budget movement**

<b>Service expenditure budget reported to February 2018 Council.</b>	<b>£77,779,000</b>
Empty Homes supplementary	£32,000
<b>Service expenditure budget this month</b>	<b>£77,811,000</b>

### **Revenue budget for adult social care**

- 4.5 A grant of £298,000 from the MHCLG has been awarded to provide Adult Social Care in the Borough during 2018-19. It is recommended that a budget is added to revenue in 2018-19.

### Revenue budget for flexible homelessness support

- 4.6 A grant of £1,210,980 from the MHCLG has been awarded to the Borough. The purpose of the grant is to provide support to local authorities towards expenditure incurred or to be incurred for preventing and dealing with homelessness. It is recommended that a budget is added to revenue in 2018-19.

### Cash balances projection

- 4.7 Throughout the year the council's cash balances have been revised, Appendix D sets out the Borough's cash balance which is based on the assumptions contained in the 2018-19 budget report.

### Capital programme

- 4.8 The approved 2018-19 capital estimate is £58,942,000, see table 3. The projected outturn for the financial year is £58,942,000, see table 4 for capital programme status. Further information on key capital schemes has been provided in appendices E - G.

**Table 3: Capital outturn**

	<b>Exp</b>	<b>Inc</b>	<b>Net</b>
<b>Approved estimate</b>	£58,942,000	(£20,143,000)	£38,799,000
Variiances identified	£0	£0	£0
Slippage to 2018-19	(£0)	£0	£0
<b>Projected Outturn 2017-18</b>	£58,942,000	(£20,143,000)	£38,799,000

**Table 4: Capital programme status**

	<b>Report Cabinet June 2018</b>
<b>Number of schemes in programme</b>	<b>175</b>
Yet to Start	26%
In Progress	42%
Completed	6%
Ongoing Programmes e.g. Disabled Facilities Grant	25%
Devolved Formula Capital Grant schemes budgets devolved to schools	1%

### 4.9 Capital budget addition for pothole repairs

To repair potholes in the borough and to guard against severe weather, the Department for Transport (DfT) has awarded the Borough a further £241,000. There is an ongoing scheme for these capital works and the award is broadly in line with the grant awarded last year. This targeted funding will be used to continue highways maintenance as per DfT grant conditions. Cabinet is recommended to approve this capital programme budget addition.

### Capital budget for joint growth study

- 4.10 The Borough has been awarded a grant from the Planning Delivery fund to work with Slough Borough Council and South Bucks District Council on a joint growth study. The award funding notification was received in March 2018 so it was not added to the 2017-18 budget. It is in two tranches, £12,000 for 2017-18 and £160,000 for 2018-19. Cabinet is recommended to approve £172,000 capital budget to be added to the three year capital programme.

4.11 **Business rates:** Business rate income at the end of April 2018 was 11.94% against a target of 12%. The annual collection target for 2018-19 is 98.8%. Updates on the new Business Rate reliefs for 2018-19 are:

4.12 **Business Rate Relief for pubs:** The £1,000 awarded for pubs rolls into 2018-19. Fifty six pubs are in receipt of this relief.

4.13 **Supporting small businesses:** This relief also rolls on into 2018-19, £12,844 of relief has been awarded.

4.14 **Business rate revaluation support.** The sum made available by MHCLG for evaluation support in 2018-19 is £329,000. This is a significant reduction from the £678,000 which was made available in 2017-18 and will reduce further in subsequent years. Work is underway to model options for the design of the scheme this year.

**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**

**Table 6: Impact of risk and mitigation**

<b>Risks</b>	<b>Uncontrolled Risk</b>	<b>Controls</b>	<b>Controlled Risk</b>
None			

**7 POTENTIAL IMPACTS**

7.1 None.

**8 CONSULTATION**

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

**9 TIMETABLE FOR IMPLEMENTATION**

9.1 Implementation date if not called in: Immediately.

**10 APPENDICES**

- 10.1 There are seven appendices attached to this report:
- Appendix A Revenue budget summary
  - Appendix B Capital fund analysis
  - Appendix C Revenue movement statement
  - Appendix D Cash flow projection
  - Appendix E Capital budget summary
  - Appendix F Capital variances
  - Appendix G Key capital scheme performance

## 11 BACKGROUND DOCUMENTS

11.1 Background documents relating to this report are detailed below.

- Budget Report to Cabinet February 2018.

## 12 CONSULTATION (MANDATORY)

<b>Name of consultee</b>	<b>Post held</b>	<b>Date sent</b>	<b>Commented &amp; returned</b>
Cllr Rankin	Deputy Lead Member for Finance		
Alison Alexander	Managing Director	21/05/18	23/05/18
Russell O'Keefe	Executive Director	21/05/18	22/05/18
Andy Jeffs	Executive Director	21/05/18	21/05/18
Hilary Hall	Deputy Director Strategy and Commissioning	21/05/18	21/05/18
Rob Stubbs	Deputy Director and Head of Finance	18/05/18	
Louisa Dean	Communications and Marketing Manager	21/05/18	21/05/18
Nikki Craig	Head of HR and Corporate Projects	21/05/18	22/05/18

## REPORT HISTORY

<b>Decision type:</b> For information	<b>Urgency item?</b> No
Report Author: Rob Stubbs, Deputy Director and Head of Finance, 01628 796222	

## Revenue Monitoring Statement 2018/19 for June 2018 Cabinet

SUMMARY	2018/19		
	Budget	Approved Estimate	Projected Variance
	£000	£000	£000
Management	660	341	0
Communications	412	412	0
Human Resources	883	1,137	0
Law & Governance	2,350	2,348	0
Commissioning & Support	3,872	4,120	0
Commissioning - Communities	8,182	8,182	0
AfC Contract - Children's Services	21,356	21,557	0
AfC Contract - Dedicated Schools Grant	12,196	11,928	0
Children's Services - Retained	(2,118)	(2,317)	0
Dedicated Schools Grant - Retained	50,385	51,260	0
Adult Social Care - Optalis Contract	29,443	29,473	0
Adult Social Care - Spend	15,461	15,412	0
Adult Social Care - Income	(10,658)	(10,887)	0
Better Care Fund	12,033	12,034	0
Public Health	4,780	4,781	0
Grant Income	(78,166)	(78,772)	0
<b>Total Managing Director's Directorate</b>	<b>71,071</b>	<b>71,009</b>	<b>0</b>
Executive Director of Communities	229	229	0
Revenues & Benefits	(109)	(109)	0
Communities, Enforcement & Partnerships	732	731	0
Library & Resident Services	3,019	3,020	0
<b>Total Communities Directorate</b>	<b>3,871</b>	<b>3,871</b>	<b>0</b>
Executive Director of Place	298	298	0
Housing	1,370	1,400	0
Planning Service	1,344	1,344	0
Property Service	(2,577)	(2,577)	0
Finance	1,269	1,268	0
ICT	1,133	1,198	0
<b>Total Place Directorate</b>	<b>2,837</b>	<b>2,931</b>	<b>0</b>
<b>TOTAL EXPENDITURE</b>	<b>77,779</b>	<b>77,811</b>	<b>0</b>

## Revenue Monitoring Statement 2018/19 for June 2018 Cabinet

SUMMARY	2018/19		
	Budget	Approved Estimate	Projected Variance
	£000	£000	£000
<b>Total Service Expenditure</b>	<b>77,779</b>	<b>77,811</b>	<b>0</b>
Contribution to / (from) Development Fund	5	5	0
Pensions deficit recovery	2,428	2,428	0
Pay reward	500	500	0
Transfer from Provision for Redundancy	0		0
Transfer to Provision for Redundancy			0
Increase / (Decrease) to provision for bad debt			
Apprentice Levy	0	0	0
Environment Agency levy	156	156	0
Variance on income from Trading Companies			0
Variance on Education Services Grant			0
Variance on Business Rates income			0
Transfer to / (from) Capital Fund			0
Variances on general grants			0
Capital Financing inc Interest Receipts	<u>5,523</u>	<u>5,523</u>	<u>0</u>
<b>NET REQUIREMENTS</b>	<b>86,391</b>	<b>86,423</b>	<b>0</b>
Less - Special Expenses	(1,047)	(1,047)	0
Transfer to / (from) balances	0	(32)	0
<b>GROSS COUNCIL TAX REQUIREMENT</b>	<b><u>85,344</u></b>	<b><u>85,344</u></b>	<b><u>0</u></b>
<b>General Fund</b>			
Opening Balance	7,118	7,033	7,001
Transfers to / (from) balances	<u>0</u>	<u>(32)</u>	<u>0</u>
	<u><u>7,118</u></u>	<u><u>7,001</u></u>	<u><u>7,001</u></u>
NOTE Service variances that are negative represent an underspend, positive represents an overspend.			
<b>Memorandum Item</b>			
<b>Current balance on the Capital Fund</b>			
		£000	
Opening Balance		1,914	
Transfer (to) / from General Fund - other initiatives		(185)	
Final transfer to the General Fund		<u>0</u>	
		<u><u>1,729</u></u>	

**Capital Fund £000**

<b>Balance B/F from 2017/18</b>	1,914
<b>Transacted amounts in 2018/19</b>	
<b>To/From Other Reserves</b>	
Fire & Rescue Inspections	-130
Pay award	-55
<b>To/From General Fund</b>	
Contribution to Capital	0
	<u>0</u>
	<u>1,729</u>

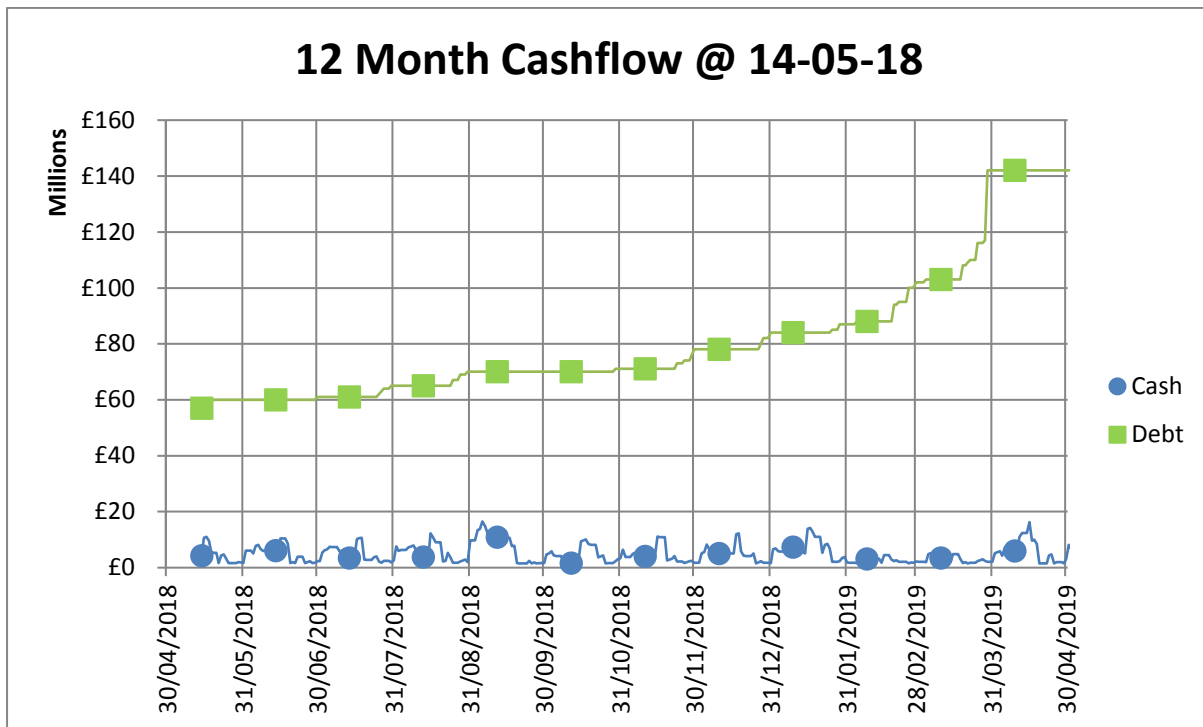


## Appendix C

Budget Movement Statement 2018/19					
	Funded by the General Fund (1)	Funded by Provision (2)	Included in the original budget (3)	Total	Approval
	£'000	£'000	£'000	£'000	
<b>Original Budget</b>				<b>77,779</b>	
1 Empty homes supplementary	32			32	May 2017 Cabinet
<b>Changes Approved</b>	<b>32</b>	<b>0</b>	<b>0</b>	<b>32</b>	
<b>Approved Estimate June Cabinet</b>				<b>77,811</b>	

**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 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	Income	Net	Gross	Income	Net	Gross	Income	Net	2018/19 Projected	2018/19 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)	(%)
<b>Portfolio Summary</b>														
<b>Communities Directorate</b>														
Revenues & Benefits	0	0	0	0	0	0	69	0	69	69	0	69	0	
Communities, Enforcement & Partnerships	3,098	(635)	2,463	3,098	(635)	2,463	4,369	(1,597)	2,772	7,467	0	7,467	0	0%
Library & Resident Services	435	0	435	635	0	635	948	(189)	759	1,583	0	1,583	0	0%
<b>Total Communities Directorate</b>	<b>3,533</b>	<b>(635)</b>	<b>2,898</b>	<b>3,733</b>	<b>(635)</b>	<b>3,098</b>	<b>5,386</b>	<b>(1,786)</b>	<b>3,600</b>	<b>9,119</b>	<b>0</b>	<b>9,119</b>	<b>0</b>	<b>0</b>
<b>Place Directorate</b>														
ICT	360	0	360	360	0	360	38	0	38	398	0	398	0	0%
Property	1,045	0	1,045	1,045	0	1,045	8,566	(282)	8,284	9,611	0	9,611	0	0%
Housing	0	0	0	0	0	0	881	(856)	25	881	0	881	0	0%
Planning	1,010	(50)	960	1,010	(50)	960	468	(185)	283	1,478	0	1,478	0	0%
<b>Total Place Directorate</b>	<b>2,415</b>	<b>(50)</b>	<b>2,365</b>	<b>2,415</b>	<b>(50)</b>	<b>2,365</b>	<b>9,953</b>	<b>(1,323)</b>	<b>8,630</b>	<b>12,368</b>	<b>0</b>	<b>12,368</b>	<b>0</b>	<b>0</b>
<b>Managing Director</b>														
Human Resources	0	0	0	0	0	0	32	0	32	32	0	32	0	
Adult Social Care	0	0	0	85	(85)	0	6	(6)	0	91	0	91	0	
Commissioning – Communities	7,156	(4,613)	2,543	7,156	(4,613)	2,543	3,994	(1,629)	2,365	11,150	0	11,150	0	0%
Law and Governance	0	0	0	0	0	0	26	0	26	26	0	26	0	
Green Spaces & Parks	183	(93)	90	183	(93)	90	223	(130)	93	406	0	406	0	0%
Non Schools	246	(46)	200	246	(46)	200	293	(146)	147	539	0	539	0	0%
Schools – Non Devolved	4,025	(875)	3,150	4,075	(925)	3,150	20,494	(8,034)	12,460	24,569	0	24,569	0	0%
Schools – Devolved Capital	197	(197)	0	197	(197)	0	445	(445)	0	642	0	642	0	0%
<b>Total Managing Director</b>	<b>11,807</b>	<b>(5,824)</b>	<b>5,983</b>	<b>11,942</b>	<b>(5,959)</b>	<b>5,983</b>	<b>25,513</b>	<b>(10,390)</b>	<b>15,123</b>	<b>37,455</b>	<b>0</b>	<b>37,455</b>	<b>0</b>	<b>0</b>
<b>Total Committed Schemes</b>	<b>17,755</b>	<b>(6,509)</b>	<b>11,246</b>	<b>18,090</b>	<b>(6,644)</b>	<b>11,446</b>	<b>40,852</b>	<b>(13,499)</b>	<b>27,353</b>	<b>58,942</b>	<b>0</b>	<b>58,942</b>	<b>0</b>	<b>0</b>

	(£'000)	(£'000)	(£'000)
<b>Portfolio Total</b>	<b>17,755</b>	<b>58,942</b>	<b>58,942</b>
<b>External Funding</b>			
Government Grants	(5,060)	(13,897)	(13,897)
Developers' Contributions	(674)	(3,920)	(3,920)
Other Contributions	(775)	(2,326)	(2,326)
<b>Total External Funding Sources</b>	<b>(6,509)</b>	<b>(20,143)</b>	<b>(20,143)</b>
<b>Total Corporate Funding</b>	<b>11,246</b>	<b>38,799</b>	<b>38,799</b>

**Capital Monitoring Report - May 2018/19**

At 31 May 2018, the approved estimate stood at £58.942m

	Exp	Inc	Net
	£'000	£'000	£'000
Approved Estimate	58,942	(20,143)	38,799
Variances identified	0	0	0
Slippage to 2018/19	0	0	0
Projected Outturn 2017/18	58,942	(20,143)	38,799

**Overall Projected Expenditure and Slippage**

Projected outturn for the financial year is £58.942m

There is no slippage or variances to report at this early stage.

**Overall Programme Status**

The project statistics show the following position:

Scheme progress	No.	%
Yet to Start	46	26%
In Progress	74	42%
Completed	11	6%
Ongoing Programmes e.g., Disabled Facilities Grant	43	25%
Devolved Formula Capital Grant schemes budgets devolved to schools	1	1%
<b>Total Schemes</b>	<b>175</b>	<b>100%</b>

		May 2018 @ 15/05/18																	
Project	CAPITAL SCHEME	2018/19 APPROVED ESTIMATE			APPROVED SLIPPAGE FROM PRIOR YEARS			TOTAL BUDGET 2018/19			PROJECTIONS		PROJECT STATUS						
		Gross	Income	Estimate	Gross	Income	Estimate	Gross	Income	Estimate	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		
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000							
<b>Communities Directorate</b>																			
	<b>Communities, Enforcement &amp; Partnerships</b>																		
CT52	Disabled Facilities Grant	600	(600)	0	0	0	0	600	(600)	0	0	0							
CZ18	Magnet LC Reprovision Design / Initial Site Costs	0	0	0	862	0	862	862	0	862	0	0							
CC60	Hostile Vehicle Mitigation Measures for Windsor	0	0	0	1850	(908)	942	1,850	(908)	942	0	0							
CC47	CCTV Replacement	1,300	0	1,300	2	0	2	1,302	0	1,302	0	0							
<b>Place Directorate</b>																			
	<b>Property</b>																		
CI29	Broadway Car Park & Central House Scheme	0	0	0	2230	(140)	2090	2,230	(140)	2,090	0	0							
CI21	Windsor Office Accommodation	3,898	(142)	3,756	0	0	0	3,898	(142)	3,756	0	0							
CI62	Hines Meadow CP - Dilapidations	0	0	0	523	0	523	523	0	523	0	0							
CX40	Operational Estate Improvements	600	0	600	0	0	0	600	0	600	0	0							
	<b>Housing</b>																		
CT55	Brill House Capital Funding	0	0	0	500	0	500	500	0	500	0	0							
<b>Managing Director</b>																			
	<b>Schools - Non Devolved</b>																		
CSGR	Charters Expansion	380	0	380	2,556	(1,878)	678	2,936	(1,878)	1,058	0	0							
CSGV	Cox Green School Expansion	420	0	420	2821	(455)	2366	3,241	(455)	2,786	0	0							
CSGW	Furze Platt Senior expansion	750	0	750	6571	(2,033)	4538	7,321	(2,033)	5,288	0	0							
CSGX	Dedworth Middle School Expansion	420	0	420	3490	(1,791)	1699	3,910	(1,791)	2,119	0	0							
	<b>Commissioning - Communities</b>																		
CC62	Maidenhead Missing Links (LEP Match Funded)	759	(659)	100	0	0	0	759	(659)	100	0	0							
CC67	Replacement Payment Equipment for Car Parks	775	0	775	0	0	0	775	0	775	0	0							
CD84	Street Lighting-LED Upgrade	0	0	0	600	0	0	600	0	0	0	0							