

SLOUGH BOROUGH COUNCIL

REPORT TO: Cabinet **DATE:** 18 April 2017

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WARD(S): All

PORTFOLIO: Councillor Munawar, Commissioner for Finance & Strategy

PART I **NON-KEY DECISION**

FINANCIAL REPORT – MONTH 11 2016-17

1 Purpose of Report

To provide Cabinet with the latest financial forecast as at Month 11 (February 2017) for the 2016-17 financial year.

2 Recommendation(s)/Proposed Action

The Cabinet is requested to resolve that the latest financial forecast be noted.

3. The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan

The report indirectly supports all of the strategic priorities and cross cutting themes. The maintenance of excellent governance within the Council helps to ensure that it is efficient, effective and economic in everything it does.

The report helps achieve the corporate objectives by detailing how the Council is delivering services to its residents within the financial parameters of the approved budget.

4 Other Implications

(a) Financial

The financial implications are contained within this report.

(b) Risk Management

Risk	Mitigating action	Opportunities
Legal	N/A	N/A
Property	N/A	N/A
Human Rights	N/A	N/A
Health and Safety	N/A	N/A
Employment Issues	N/A	N/A
Equalities Issues	N/A	N/A
Community Support	N/A	N/A
Communications	N/A	N/A

Community Safety	N/A	N/A
Financial	N/A	N/A
Timetable for delivery	N/A	N/A
Project Capacity	N/A	N/A
Other	N/A	N/A

(c) Human Rights Act and Other Legal Implications

None.

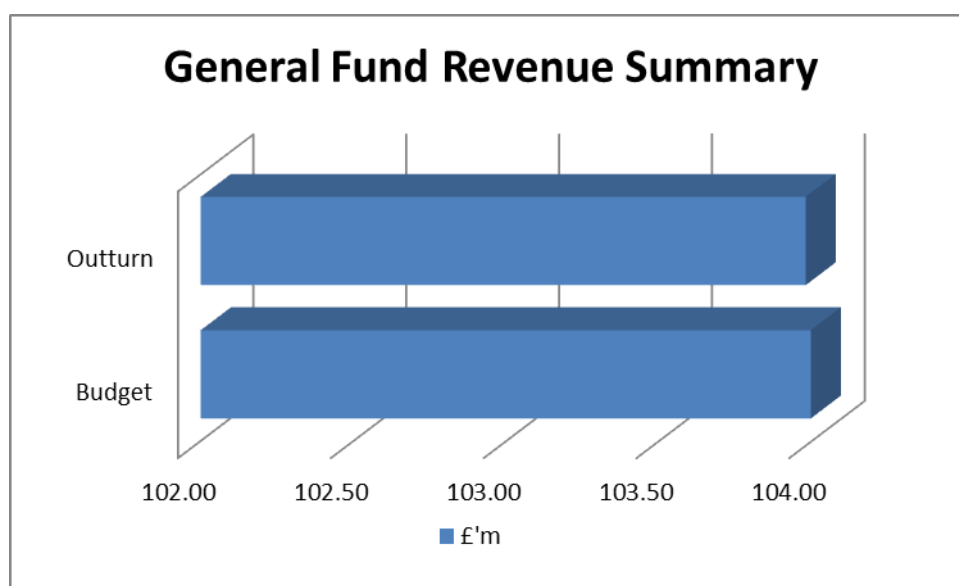
(d) Equalities Impact Assessment

There is no identified need for the completion of an EIA

5 **Key Messages**

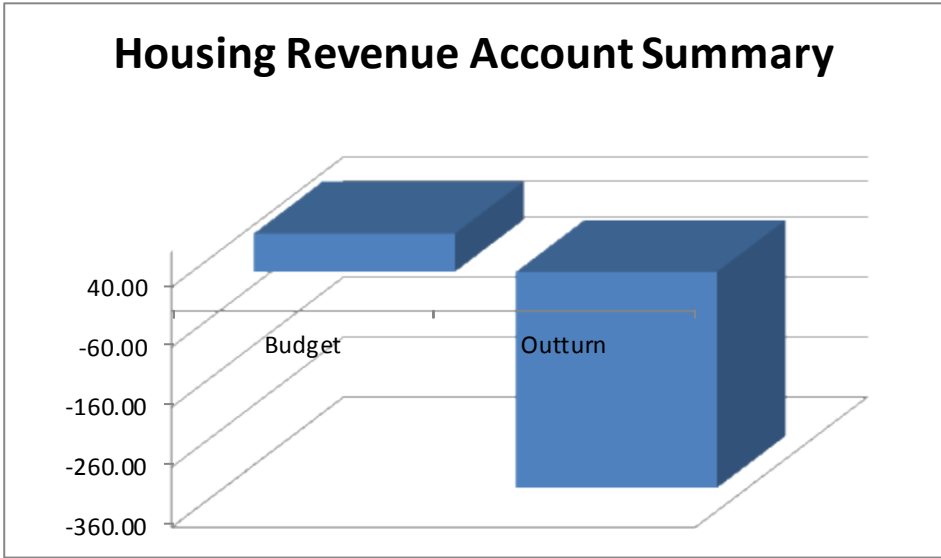
5.1 **General Fund**

- 5.1.1 The Council is now forecasting an underspend of **£0.018m** as at Month 11 (February) on its General Fund. This is £436k less than the overspend reported in Month 10 (January 2017), when the Council was forecast to over spend by **£0.418m**. This reduction is explained in more detail in paragraph 6 and is summarised in the graph below



5.2 **Housing Revenue Account (HRA)**

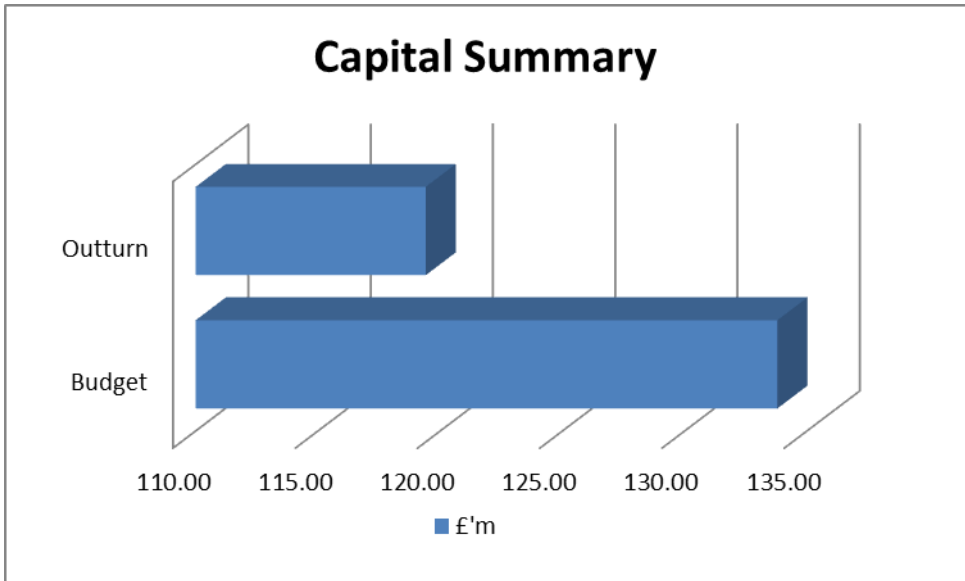
- 5.2.1 The Housing Revenue Account for 2016/17 was originally expecting a deficit of **£0.064m**. As at the end of period 11 the forecasted net outturn remains a surplus of **£0.396m**, a net variance of £0.460m as shown below. This is the same as it was last month.



5.2.2 Further details on the HRA is given in paragraph 6.8

5.3 Capital

5.3.1 The overall (HRA and General Fund) consolidated capital programme for 2016/17 is **£133.8m**. As at the end of period 11 the forecast net outturn is estimated to be **£119.4m** which is just under 90% of the funds available and net variance of **£14.383m** (11%).



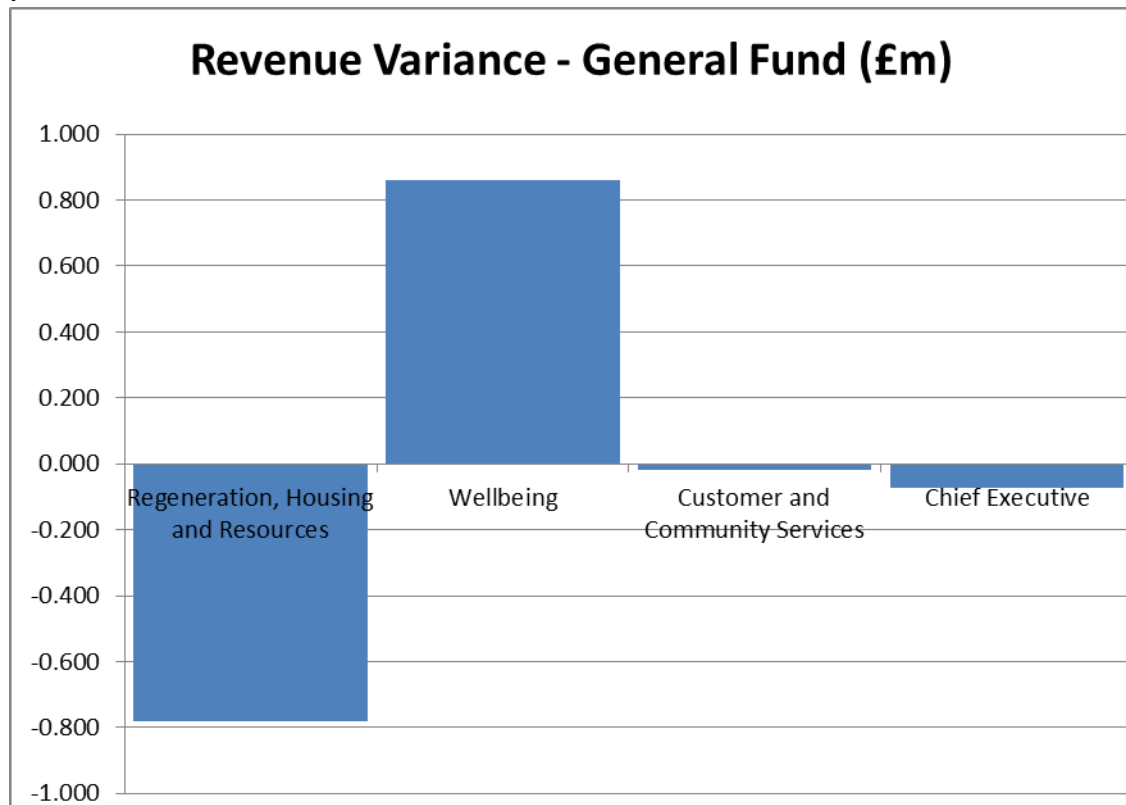
Further details are given in paragraph 7 below.

EXECUTIVE REPORT

6 Revenue Expenditure

6.1 Outturn by Directorate

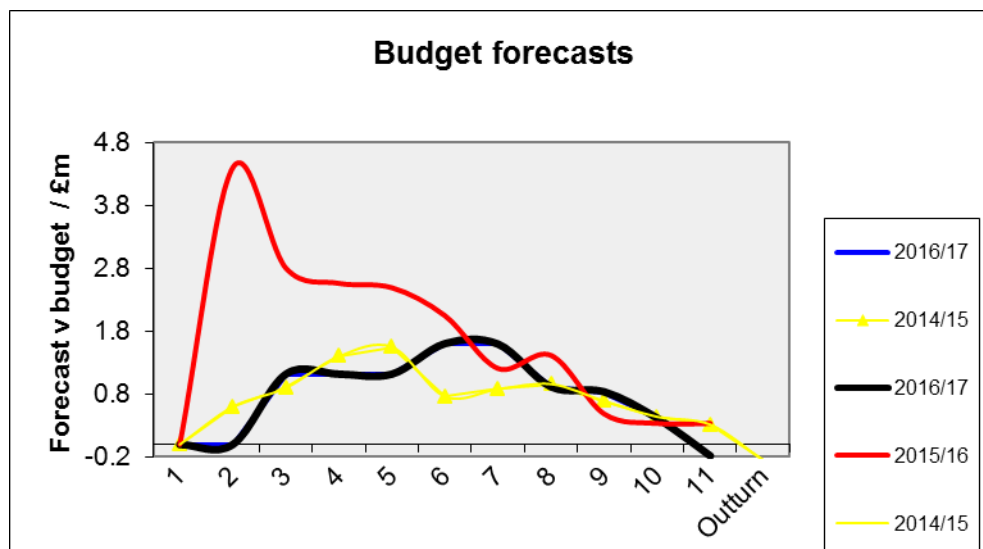
Period 11 forecast outturn by Directorate is summarised below



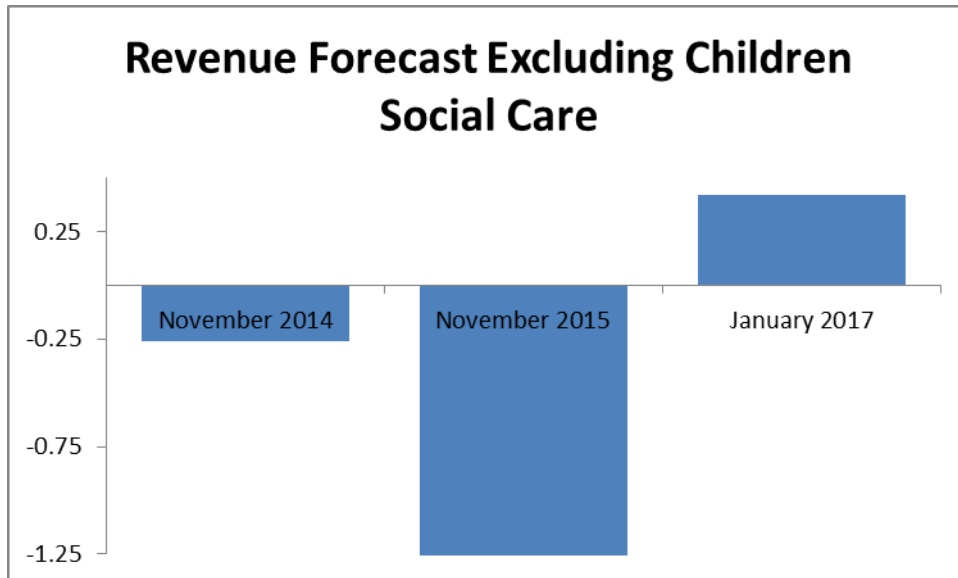
The significant overspend on Adult Social Care within the Wellbeing Directorate continues to be the main cause of the Council's overall net overspend.

6.2 Outturn Trend

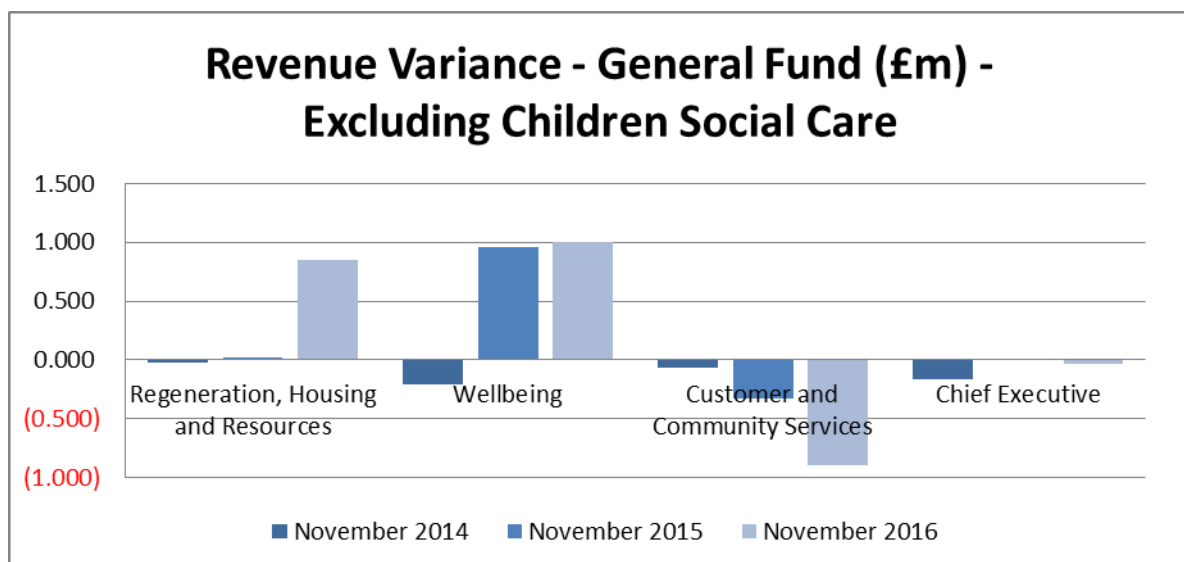
The current underspend forecast of **£0.018m** is the lowest reported for the current year. The trend over the past year along with those over the previous 4 years can be seen below.



6.2.1 The chart shown above includes previous year overspends associated with Children Social Care that has since been transferred to Slough Children’s Services Trust. When these overspends are removed the overall forecasts for the past 3 years can be summarised as below.



6.2.2 The performance of the directorates for the past 3 years can also be summarised as below.



6.3 Wellbeing Directorate

The overspend on the Wellbeing service remains at **£859k** this is due entirely to the pressure on the Adult Social Care budget. The main Adult Social Care pressures is on the domiciliary care budgets due to increasing levels of need for existing clients. The service has contained the pressure to the current level although significant risks remain.

6.4 Customer and Community Services

The service's latest forecast an under spend of **£17k**, this is a significant movement of £291k from the previous month due in part to a reassessment of income due from services provided to schools. The significant additional income realised due to extra capital works has been offset by a pressure of roughly the same value due to shortfall in income from the asset acquisitions programme.

6.5 Regeneration, Housing and Resources

This directorate is forecasting a underspend of **£0.783k**. This is a substantial improvement since last month and is due to the inclusion of additional investment income.

6.7 All services have worked on their published action plans to ensure that all overspends and pressures are reduced as far as is possible. This work will continue until the end of the financial year. The current detailed outturn can be seen in Appendix A.

6.8 Housing Revenue Account

The Housing Revenue Account for 2016/17 is unchanged this month. It was originally expecting a deficit of **£0.064m** but the current forecast is for a surplus of **£0.396m**. a net variance of £0.460m as shown below.

Division	Annual Forecast		
	Budget	Forecast	Variance
	£ 000's	£ 000's	£ 000's
HRA Expenditure	37,102	36,642	(460)
<i>Tenant Services</i>	2,187	1,821	(366)
<i>Neighbourhood Housing Areas North/South/East/Resilience</i>	1,228	1,228	0
<i>Arears & Investigation</i>	511	511	0
<i>Tenant Participation</i>	270	270	0
<i>Housing Allocations/Lettings</i>	164	164	0
<i>Leaseholder Team</i>	249	249	0
<i>Housing Repairs</i>	8,500	8,500	0
<i>Management & Services</i>	5,309	5,215	(94)
<i>Loans and Bad Debt</i>	6,378	6,378	0
<i>Funding Of Capital Projects (RCCO)</i>	12,306	12,306	0
HRA Income	(37,038)	(37,038)	0
<i>Dwelling Rents</i>	(32,730)	(32,730)	0
<i>Garage Rents</i>	(489)	(489)	0
<i>Shop Rent</i>	(660)	(660)	0
<i>Other Rents e.g Ground, Wayleaves, Land</i>	(474)	(474)	0
<i>Leaseholder Service Charges Income & Chargeable Works</i>	(726)	(726)	0
<i>General Service Charges</i>	(1,934)	(1,934)	0
<i>Interest</i>	(25)	(25)	0
Total Operating Budget	64	(396)	(460)

7 Capital Expenditure

7.1 The Council expects to spend 89% of the total capital programme by the end of the 2016/17 financial year. The analysis by Directorate of this spend as at Month 11 is as follows.

	Revised Budget	Actual Dec- 2016	Projected Outturn	Slippage %
Directorate	£000s	£000s	£000s	£000s
Resources	58,354	21,441	63,883	-9%
Education and Wellbeing	20,382	18,662	18,706	8%
Customer & Community Services	27,148	6,697	14,312	47%
Chief Executive	33	0	24	27%
Housing Revenue Account	17,957	10,105	17,101	5%
Affordable Housing	9,920	3,256	5,385	46%
Total	133,794	60,185	119,411	11%

7.2 The complete capital programme can be seen in Appendix B

8 Virements

8.1 There have been no Virements during period 11.

9 Write Offs

9.1 There have been no write offs during period 11.

10 Conclusion

10.1 The Council is currently forecasting a near break even position. This is a reduction of **£436k** since last month.

11 Appendices Attached

- 'A' - Summary revenue forecasts
- 'B' - GF Capital Programme

12 Background Papers

- '1' - Supporting working papers held in finance

SLOUGH BOROUGH COUNCIL

Appendix A

Period 11 - February 2017

Service	Net Current Budget	Projected Outturn	Variance: Over/ (Under) Spend	Last Month Variance	Change Since Last Month
	£'M	£'M	£'M	£'M	£'M
<u>Wellbeing</u>					
Adult Social Care and Health Partnerships	31.051	31.910	0.859	0.859	0.000
Children, Young People and Families Services	29.514	29.511	(0.003)	0.000	(0.003)
Central Management	0.424	0.424	0.000	0.000	0.000
Public Health	(0.435)	(0.435)	0.000	0.000	0.000
Total Wellbeing	60.554	61.410	0.856	0.859	(0.003)
Total Schools	(0.337)	(0.337)	0.000	0.000	0.000
Total Wellbeing and Schools	60.217	61.073	0.856	0.859	(0.003)
<u>Customer and Community Services</u>					
Community and Skills	2.596	2.081	(0.515)	-0.515	0.000
Wellbeing & Community	3.052	3.509	0.457	0.457	0.000
Planning and Building Control	0.551	0.479	(0.072)	-0.057	(0.015)
Enforcement and Regulation	1.174	1.309	0.135	0.123	0.012
Improvement and Development	0.407	0.359	(0.048)	-0.048	0.000
Transactional Services	7.778	8.088	0.310	0.000	0.310
Contracts, Commissioning & Procurement	1.752	1.469	(0.284)	-0.268	(0.016)
Total Customer and Community Services	17.310	17.294	(0.017)	-0.308	0.291
<u>Regeneration, Housing and Resources</u>					
Strategic Management	0.160	0.160	0.000	0.000	0.000
Corporate Resources	0.006	(1.063)	(1.069)	-0.460	(0.609)
Housing and Environment	14.419	15.424	1.005	0.929	0.076
Assets, Infrastructure and Regeneration	8.483	7.764	(0.719)	-0.508	(0.211)
Total Regeneration, Housing & Resources	23.068	22.285	(0.783)	-0.039	(0.744)
<u>Chief Executive</u>					
Chief Executive	0.432	0.090	0.032	0.058	0.432
Strategic Policy & Communication	2.222	2.239	0.017	0.000	0.017
Professional Services	1.281	1.141	(0.140)	-0.119	(0.021)
Total Chief Executive	3.846	3.772	(0.074)	-0.091	0.017
Total Corporate	(0.445)	(0.445)	0.000	0.000	0.000
Total General Fund	103.996	103.979	(0.018)	0.418	(0.436)
% of revenue budget over/(under) spent in total			0.0%		

Appendix B

2016-17 CAPITAL SPEND - GENERAL FUND

Cost Centre	Scheme Name	Revised Budget	Spend to Dec	Forecast Year End	Variance	Slippage	Comment
		£'000	£'000	£'000	£'000	£'000	
Education Services							
P051	Primary Expansions (Phase 2 for 2011)	7,829	6,028	7,829	0	0%	
P076	Town Hall Conversion	5,000	2,023	5,000	0	0%	Some slippage. Expected to be completed later in 17-18 than originally expected
P093	Schools Modernisation Programme	1,458	1,169	1,458	0	0%	
P101	SEN Resources Expansion	600	366	600	0	0%	
P749	Children's Centres Refurbishments	40	15	40	0	0%	
P783	Schools Devolved Capital	142		142	0	0%	
P856	Haymill/Haybrook College Project	10	0	10	0	0%	
P673	DDA/SENDA access Works	50	0	50	0	0%	
	Youth/Community Centres Upgrade	25	0	25	0		Taken out due to low prioritisation matrix
P123	2 year old expansion programme	314	171	314	0	0%	
P153	Special School Expansion- Primary,Secondary & Post 16	680	177	680	0	0%	Programme moved from being completed in 17-18 to 18-19
P142	Children's Centres IT	18	14	18	0	0%	
P131	School meals provision	135	0	135	0	0%	
P095	Secondary Expansion Programme	630	178	630	0	0%	Part of programme slipped to 17-18, with further significant build increases anticipated to 2020-21
	PRU Expansion	20	0	20	0	0%	Programme now expected to be completed in 18-19 rather than 18-19
P146	Arbour Park	0	8,521	0	0		Monitored with P145
Total Education Services		16,951	18,662	16,951	0		

Customer & Community Services							
Cost Centre	Scheme Name	Revised Budget	Spend to Dec	Forecast Year End	Variance	Slippage	Comment
		£'000	£'000	£'000	£'000	£'000	
P083	Cemetery Extension	1,521	1	762	(760)	-50%	Project will not be completed in 16-17; 50% 16/17 50% 17-18
P107	Repairs to Montem & Ice	104	37	75	(29)	-28%	
P873	Crematorium Project	2,360	1,322	2,860	500	21%	Approx £500 overspend expected
P145/61	Financial System Upgrades	1,164	1,378	1,378	214	18%	
P088	Baylis Park Restoration	318	353	353	35	11%	No longer required - completed
P089	Upton Court Park Remediation	3		0	(3)	-100%	No longer required - completed
P124	Salt Hill Park	54	0	54	0	0%	Green Gym will be completed by end of year
TBA	Bloom Park Regeneration Project	0		0	0	#DIV/0!	To start in 17/18
P105	Civica E-Payment Upgrade	20		0	(20)	-100%	completed
P784	Accommodation Strategy	121	164	164	43	36%	completed
	Expansion of DIP Servers	150	150	150	0	0%	Project has been completed - bills not yet in from avarto
	IT Disaster Recovery	821	821	821	0	0%	Project has been completed - bills not yet in from avarto
	Cippenham Green	500		0	(500)	-100%	No longer required
	Hub Development	200		100	(100)	-50%	£100k slipped to 17/18
TBA	Big Belly Bins	0	0	0	0	#DIV/0!	Green Gym will be completed by end of year
P578	Digital Transformation Phase 1	165		165	0	0%	to be spent 16/17
TBA	Mayrise Insourcing	56		56	0	0%	156k total £100k in 17/18
TBA	CAFM System	0					to be spent in 17/18
P084	IT Infrastucure Refresh	310	256	310	0	0%	
P084	Replacement of SAN	148		148	0	0%	Project has been completed - bills not yet in from avarto
P871	Community Investment Fund	1,011	190	190	(821)	-81%	
P875	CCTV Relocation	77	15	77	0	0%	
P162	Community Leisure Facilities	150	0	200	50	33%	
TBA	Langley Leisure Centre						To start in 17/18
P146	Arbour Park Community Sports	9,245		3,076	(6,169)	-67%	Now monitor with P146 in Education Services
P165	Leisure Centre Farnham Road	5,100	1,427	780	(4,320)	-85%	Slipped into 17-18
P164	New Ice	3,550	583	2,593	(957)	-27%	Slipped into 17-18
Total Customer & Community Services		27,148	6,697	14,312	(12,837)		

Wellbeing							
Cost Centre	Scheme Name	Revised Budget	Spend to Dec	Forecast Year End	Variance	Slippage	Comment
		£'000	£'000	£'000	£'000	£'000	
P331	Care Act: Social Care IT Developments	332	0	80	(252)	-76%	Covers three main projects for delivering flexible working and IT support for implementing the Care Act. All projects going ahead, but have slipped from being substantially delivered in 16-17, to 17-18 and 18-19
P723	DAAT Service Reprovision	500	0	500	0	0%	Expected to be spent in 16-17
P577	Learning Disability Change Programme	900	0	300	(600)	-67%	£600k cost in 16-17 slipped to 17-18
P133	Extra Care Housing	849	0	25	(824)	-97%	Little activity expected in 16-17. Project now expected to delivered two years later than originally intended.
TBA	Children's Trust - Invest to Save	850		850	0	0%	Money will be spent this financial year - awaiting invoices from arvato. If there is a carry over it will be small – so have not prioritised on this basis
Total Wellbeing		3,431	0	1,755	(1,676)		

Chief Executive							
Cost Centre	Scheme Name	Revised Budget	Spend to Dec	Forecast Year End	Variance	Slippage	Comment
		£'000	£'000	£'000	£'000	£'000	
P109	Superfast Broadband	33	24	24	(9)	-27%	No further spend expected. Completed
Total Chief Executive		33	24	24	(9)	(0)	

Resources, Housing and Regeneration							
Cost Centre	Scheme Name	Revised Budget	Spend to Dec	Forecast Year End	Variance	Slippage	Comment
		£'000	£'000	£'000	£'000	£'000	
P006	Disabled Facilities Grant	840	127	364	(476)	-57%	Budget should have been £364k. BCF revenue included in error
P068	Street Lighting Improvement Phase 2	0	(75)	0	0	#DIV/0!	All under P160
P069	Highway & Land Drainage Imprmts	26	36	57	31	119%	Not grant funded - all completed 16-17
P079	Catalyst Equity Loan Scheme	27	0	0	(27)	-100%	Historic - no spend expected
P066	The Curve	1,189	1,837	1,837	648	54%	
P128	Corporate Property Asset Mgmt	250	186	250	0	0%	
P111	Major Highways Programmes	854	605	845	(9)	-1%	
P160	Major Highways Programmes	4,602	5,539	4,602	0	0%	70% funded by DFT. 30% SBC. Also administer spend for Wokingham and Reading which is fully refunded.
P728	Highway Reconfigure & Resurface	497	213	497	0	0%	
P869	Chalvey Hub	143	12	11	(132)	-92%	No further spend expected - complete
P881	Colnbrook By-pass	131	0	0	(131)	-100%	Programme slipped - will spend in 17-18
P127	Demolitions	320	80	600	280	88%	Several additional demolitions including Merrymaker, Lynchpin, Old Library to be completed by year end
P104	Stoke Poges Footbridge	410	0	124	(286)	-70%	£124k will be paid soon - rest to be set off against an outstanding debt for Uxbridge Rd and therefore not required
P116	Windsor Road Widening Scheme	0	22	22	22	#DIV/0!	Completed
P163	Purchase 81-83 High Street	685	567	685	0	0%	Completed by end of march
TBA	Pendeen Court	2,450		2,450	0	0%	To be completed 16/17 per NC
P149/ P098	A332 Windsor Road Widening Scheme LEP/Other	6,173	550	1,000	(5,173)	-84%	£5,178 slipped to 17/18
P148	A355 Tuns Lane LEP Transport	6,528	39	6,000	(528)	-8%	Project completed, costs to be allocated by year end
P144	Slough MRT	4,130	6,865	4,130	0	0%	Costs include some P148
	Flood Defence Measures SBC/EA	100		0	(100)	-100%	Will not be spent in 16-17. Grant received, so move to 17-18
P135	Plymouth Road (dilapidation wks)	305	13	120	(185)	-61%	£120k in 16-17 and 17-18
P137	Relocation of Age Concern	19	1	19	0	0%	To be completed 16/17
P155	Air Quality Monitoring	167	7	90	(77)	-46%	About 30% slipped to 17-18
P147	DEFRA Air Quality	24	0	18	(6)	-25%	

P661	Local Safety Scheme Programme	60	0	60	0	0%	
P060	Station Forecourt	15	1	1	(14)	-93%	No longer required
P064	Infrastructure	20	6	6	(14)	-70%	No longer required
P115	Bath Road Redevelopment	399	0	100	(299)	-75%	Reduced works, as now to be transferred to SUR
	Northborough Park	250		0	(250)	-100%	No longer required
	Redevelopment of Thomas Grey	2,050		0	(2,050)	-100%	Take out - now part of SEN project - reported in Education
P125	Electric Vehicle Network	200	0	0	(200)	-100%	Slipped into 17-18 and 18-19.
P170	Carbon Mgmt-Fleet Challenge	600	0	90	(510)	-85%	Programme slipped but will go ahead.
P168	Re-fit Programme	75	0	75	0	0%	
	Car Club		0	0			
P157	Burnham Station LEP	1,960	182	500	(1,460)	-74%	£1,450k slipped into 17-18
	Langley Station LEP	0		0	0	#DIV/0!	Business case being drawn for 17-18
P143	LAAP Mortgage Scheme	5,000	0	250	(4,750)	-95%	Scheme to be re-launched in the new year.
P152	Asset Condition Survey	150	74	65	(85)	-57%	
	LTP Implementation Plan	400		0	(400)	-100%	All slipped into 17-18
P172	TVU development	0	37	2,500	2,500	#DIV/0!	First payment in 16-17, then 3 further payments until Sept 19
P156	Strategic Acquisition fund	16,890	4,510	36,508	19,618	116%	Original budget of £25m granted. £8.1m spent 15-16. By end of 16-17 all of the £25m to be spent (i.e. £17m in year). Further £25m approval granted November 2016. £20m be spent in 16-17, and remainder carried forward (£5,382m).
P159	Hotel development	0	7	7			To start in 2018-19
TBA	Compulsory Purchase Order Reserve						Possible required in 17/18 if needed
TBA	Fire Risk Assessment						To start in 2017-18
TBA	A4 Cycle	415		0	(415)	-100%	To start in 2017-18
Total Regeneration, Housing & Resources		58,354	21,441	63,883	5,522		
TOTAL GENERAL FUND		105,917	46,824	96,925	(9,000)		

Appendix B

2016-17 CAPITAL SPEND – HOUSING REVENUE ACCOUNT

Cost Centre	Scheme Name	Revised Budget	Spend to Dec	Forecast Year End	Variance	Slippage	Comment
		£'000	£'000	£'000	£'000	£'000	
Decent Homes							
P544 (4601)	Boiler Replacement	1,001	1,483	1,483	482	48%	P544 monitored as a total
P544 (4602)	Heating / Hot Water Systems	320	440	440	120	38%	P544 monitored as a total
P544 (4603)	Insulation programmes	788	2,633	4,000	3,212	408%	P544 monitored as a total
P552A	Front / Rear Door replacement	66	337	337	271	411%	
P558A	Kitchen Replacement	2,158	218	218	(1,940)	-90%	All non urgent work stopped pending RMI renegotiation
P558B	Bathroom replacement	1,096		0	(1,096)	-100%	All non urgent work stopped pending RMI renegotiation
P558C	Electrical Systems	476		0	(476)	-100%	All non urgent work stopped pending RMI renegotiation
P559A	Roof Replacement	336	616	616	280	83%	All non urgent work stopped pending RMI renegotiation
P559B	Structural	152		0	(152)	-100%	
	Total Decent Homes	6,393	5,727	7,094	701		

Planned Maintenance - Capital							
P541	Garage Improvements	275	75	200	(75)	-27%	
P548	Mechanical Systems /Lifts	(74)	20	60	134	-181%	
P545	Capitalised Repairs	0	0	0	0		
P551	Security & Controlled Entry Modernisation	135	1	35	(100)	-74%	
P564	Darvills Lane - External Refurbs	0	0	0	0		
P565	Estate Improvements/ Environmental Works	817	228	500	(317)	-39%	£217k slipped to 17/18
P569	Replace Fascias, Soffits, Gutters & Down Pipes	379	701	900	521	137%	Asbestos work drives demand. Overspent as a result.
P573	Upgrade Lighting/Communal Areas	128	167	270	142	111%	Moved £60k from Communal doors (P553 monitored together)

Cost Centre	Scheme Name	Revised Budget	Spend to Dec	Forecast Year End	Variance	Slippage	Comment
		£'000	£'000	£'000	£'000	£'000	
P573A	Communal doors	75		15	(60)	-80%	Moved £60k to lighting
P573B	Balcony/Stairs/Walkways	130		0	(130)	-100%	(P553 monitored together)
P573C	Paths	130		0	(130)	-100%	(P553 monitored together)
P573D	Store areas	91		0	(91)	-100%	(P553 monitored together)
	Sheltered /supported upgrades	500		0	(500)	-100%	
Total Planned Maintenance - Capital		2,586	1,192	1,980	(606)		

Other							
P546	Environmental Improvements (Allocated Forum)	298	0	0	(298)	-100%	
P406	Stock Condition Survey	1,600	192	1,600	0	0%	
P407	Commissioning of Repairs Maintenance and Investment	1,509	326	1,509	0	0%	
P405	Tower and Ashbourne	4,415	1,980	3,773	(642)	-15%	Anticipated spend includes 5 leases where the offer has been accepted but not completed or paid and 4 where they have not been accepted.
P547	Major Aids & Adaptations	167	91	156	(11)	-7%	
P575	Affordable Homes	9,920	3,256	5,385	(4,535)	-46%	
P779	Britwell Regeneration	989	597	989	(0)	0%	
Total Other		18,898	6,442	13,412	(5,486)		

TOTAL HRA	27,877	13,361	22,486	(5,391)		
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GRAND TOTAL CAPITAL PROGRAMME	103,794	60,185	119,411	(14,383)	89%
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