

SLOUGH BOROUGH COUNCIL

REPORT TO: Cabinet **DATE:** 4th February 2019

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WARD(S): All

PORTFOLIO: Councillor Nazir, Lead Member for Corporate Finance & Housing

PART I **NON-KEY DECISION**

REVENUE BUDGET MONITOR REPORT – 2019-20 (QUARTER 3)

1 Purpose of Report

This report provides Cabinet with an update on the financial position of the Council's revenue account for the third quarter (October to December) of the 2018-19 financial year.

2 Recommendation(s)/Proposed Action

The Cabinet is requested to resolve:

- a) That the reported and underlying financial position of the council as at the third quarter of the year be noted;
- b) That the management actions being undertaken by officers to reduce the budget pressures be noted;
- c) That the budget virements as explained in paragraph 8.01 be approved; and
- d) That the write offs as requested in paragraph 8.03 be approved.

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

This 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. It helps to 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.

KEY MESSAGES

5 THE CURRENT POSITION

5.01 Council Summary

At the end of period 9 (December 2018), the Council's profiled budget for this period was **£78.913m** and the total net expenditure for the same period was **£81.360m** this gives an adverse variance of **£2.448m** which is 3.10% of the profiled budget. The reasons behind this variance are explained later in the report and a summary for each Directorate is shown in the table below:

SUMMARY - CURRENT POSITION				
Directorate	Revised Annual Budget	Year to Date Budget	Year to Date Expenditure	Year to Date Variance
	£'M	£'M	£'M	£'M
Adult & Communities	39.832	29.874	31.054	1.181
Children Learning & Skills	30.224	25.566	25.768	0.202
Regeneration	8.937	6.888	7.816	0.928
Finance & Resources	8.236	6.745	7.382	0.637
Chief Executive Office	14.044	9.840	9.340	-0.500
Total	101.273	78.913	81.360	2.448
% of revenue budget over/(under) spent				3.10%
Non Departmental Cost	0.472			
Total Budget	101.745			

5.02 Adult & Communities

The Directorate's profiled budget for this period was **£29.874m** and the total net expenditure was **£31.054m** this gives an adverse variance of **£1.181m** which is 3.95% of the budget. This is summarised in the table below:

Service	Revised Annual Budget	Year to Date Budget	Year to Date Expenditure	Year to Date Variance
	£'M	£'M	£'M	£'M
Safeguarding and Governance	0.459	0.344	0.175	-0.169
ASC Management	1.181	0.885	0.893	0.008
Directly Provided Services	2.137	1.602	1.699	0.097
Mental Health Services	4.205	3.154	3.154	0.000
Learning Disability Services	9.197	6.898	7.102	0.204
North Locality	3.561	2.670	2.700	0.030
South Locality	3.324	2.493	3.016	0.523
East Locality	4.417	3.313	3.819	0.506
Reablement	1.291	0.969	1.182	0.213
Care Group Commissioning	3.986	2.989	2.835	-0.154
Sub Total	33.758	25.318	26.575	1.257
Public Health				
Staffing	0.504	0.378	0.378	0.000
Project Work	5.369	4.027	4.027	0.000
Internal Recharges	1.308	0.981	0.981	0.000
Income	-7.793	-5.845	-5.845	0.000
Sub Total	-0.612	-0.459	-0.459	0.000
Communities				
Community and Skills	6.268	4.701	4.047	-0.654
Enforcement and Regulation	0.418	0.314	0.891	0.577
Sub Total	6.686	5.015	4.938	-0.077
TOTAL	39.832	29.874	31.1054	1.181

- 5.03 The main cause of this adverse variance is Adult Social Care; this is due to additional costs associated with care packages and is reflected in the forecasted year end position.

5.04 **Children Learning & Skills**

The Children Learning & Skills Directorate's profiled budget for the period under review was **£25.566m** and the total net expenditure during this period was **£25.768m** this gives a variance of **£0.202m** which is 0.79% of the profiled budget. The position is summarised in the table below:

Directorate	Revised Annual Budget	Year to Date Budget	Year to Date Expenditure	Year to Date Variance
	£'M	£'M	£'M	£'M
Directorate Services	0.942	3.465	3.938	0.473
Commissioning Partnerships & Performance	0.073	0.054	0.045	-0.009
Slough Children's' Service Trust (SCST)	24.117	18.088	18.025	-0.063
Access and Inclusion	2.201	1.651	1.481	-0.170
School Effectiveness	0.937	0.705	0.747	0.042
Early Years and Development	1.929	1.523	1.467	-0.056
Special Educational Needs & Disabilities	0.362	0.288	0.273	-0.015
Sub Total	30.561	25.774	25.976	0.202
Dedicated Schools Grant (DSG)	-0.337	-0.208	-0.208	0.000
TOTAL	30.224	25.566	25.768	0.202

5.05 **Regeneration**

The profiled budget for this period was **£6.888m** and the total net expenditure during this period was **£7.816m** this gives a variance of **£0.928m** (13.47%). This is due mainly to the adverse variance of £1.441m in the Housing area which reflects the significant overspend projected for the Homelessness service.

- 5.06 The latest position is summarised in the table below:

Directorate	Revised Annual Budget	Year to Date Budget	Year to Date Expenditure	Year to Date Variance
	£'M	£'M	£'M	£'M
Directorate Management Unit	0.405	0.304	0.197	-0.107
Major Infrastructure (Transport & Highways)	3.965	2.974	2.698	-0.276
Transport & Parking	2.118	1.589	1.751	0.162
Planning	0.520	0.391	0.461	0.070
Regeneration Development	-3.655	-2.741	-3.335	-0.594
Regeneration Delivery	-0.856	-0.642	-0.485	0.157
Building Management	3.731	2.791	2.785	-0.006
Economic Development	-0.071	-0.053	0.183	0.236
Emergency Planning	0.203	0.152	0.088	-0.064
Strategic Housing Services	1.201	1.112	2.553	1.441
Neighbourhood Services	1.376	1.012	0.920	-0.092
TOTAL	8.937	6.888	7.816	0.928

5.07 **Finance & Resources**

At the end of the current period, the Directorate's profiled budget was **£6.745m** and the total net expenditure during this period was **£8.236m** this gives an adverse variance of **£0.637m** (7.61%). This is summarised in the table below:

Directorate	Revised Annual Budget	Year to Date Budget	Year to Date Expenditure	Year to Date Variance
	£'M	£'M	£'M	£'M
Customer and Communications	0.398	0.298	0.432	0.134
Organisation Development & HR	1.299	0.974	1.104	0.120
Governance	1.620	1.216	1.392	0.176
Digital & Strategic IT	1.045	0.784	0.763	-0.020
Finance	-3.878	-4.027	-3.467	0.560
Transactional Services	7.891	7.501	7.159	-0.342
Corporate and Departmental	-0.139	0.000	0.000	0.000
TOTAL	8.236	6.745	7.382	0.637

5.08 **Chief Executive**

The profiled budget for this period was **£9.840m** and the total net expenditure during this period was **£9.340m** this gives a favourable variance of **-£0.500m**. The only significant variances relate to Environmental Services and the Chief Executive Office. This is summarised in the table below:

Directorate	Revised Annual Budget	Year to Date Budget	Year to Date Expenditure	Year to Date Variance
	£'M	£'M	£'M	£'M
Local Welfare Provision	0.275	0.206	0.097	-0.109
Improvement & Development Management	0.000	0.000	0.000	0.000
Executive's Office	0.334	0.251	0.466	0.215
Strategy and Performance	0.703	0.527	0.608	0.081
Prevent	0.000	0.000	0.000	0.000
Environmental Services	12.732	8.837	9.616	0.778
DSO	0.000	0.018	-1.494	-1.512
TOTAL	14.044	9.840	9.340	-0.500

Environmental Services has a year to date adverse variance of **£0.778m** and this reflects the potential overspend in relation to the waste treatment contract.

The Chief Executive Office has a variance of **£0.215m** and this reflects additional staffing costs, consultancy and legal fees.

5.09 **Housing Revenue Account (HRA)**

The HRA's profiled budget for this period was **-£12.413m** and the total net expenditure for this period was **-£13.427m** this gives a favourable variance of **£1.014m**. This is mainly due to reduced expenditure within the tenant services area.

5.10 The latest position is summarised in the table below:

Housing Revenue Account	Year to Date Budget	Year to Date Spend	Year to Date Variance
	£'M	£'M	£'M
EXPENDITURE			
Management Team (& Recharges)	2.981	2.758	-0.223
Supported Housing	0.022	0.002	-0.020
Tenant Services	1.170	0.773	-0.397
Neighbourhood Housing Area North	0.371	0.375	0.004
Neighbourhood Housing Area South	0.292	0.242	-0.050
Neighbourhood Housing Area East	0.338	0.411	0.073
Arears & Investigations	0.386	0.339	-0.047
Client Services Team	0.881	1.007	0.126
Neighbourhood Resilience & Enforcement Team	0.241	0.130	-0.111
Housing Allocations	0.046	0.054	0.008
Tenants Participation Team	0.185	0.168	-0.017
Lettings	0.161	0.159	-0.002
Leaseholder Team	0.164	0.164	0.000
Housing Repairs	6.452	6.281	-0.171
Loans, Bad Debt & Council Tax	0.000	0.000	0.000
Depreciation & Funding of Capital Projects	0.000	0.000	0.000
TOTAL EXPENDITURE	13.690	12.863	-0.827
INCOME			
Dwelling Rents	-23.653	-23.914	-0.261
Garage Rents	-0.378	-0.337	0.041
Shop Rent	-0.369	-0.365	0.004
Other Rents	-0.185	-0.168	0.017
Leaseholder Service Charges	-0.440	-0.431	0.009
General Service Charges	-1.078	-1.075	0.003
Interest	0.000	0.000	0.000
TOTAL INCOME	-26.103	-26.290	-0.187
TOTAL	-12.413	-13.427	-1.014

6. THE FORECAST (YEAR END) POSITION

6.01 COUNCIL SUMMARY

The total 2018/19 approved net budget for the Council (net cost of services) is **£101.273m** and the total estimated net expenditure forecast for the year across all service areas is **£103.233m**. This represents a budget pressure of **£2.120m**. This however, assumes in year savings of totalling £0.821m will be achieved during this year in order to arrive at this reported variance which is 2.11% of the approved budget.

- 6.02 This latest position has as increased variance of **£0.396m** since last month. The current position is summarised in the table below with full details shown in Appendix A.

SUMMARY - FORECAST (YEAR END) POSITION					
Directorate	Revised Budget	Revised Forecast	Full Year Variance	Last Variance	Change
	£'M	£'M	£'M	£'M	£'M
Adult & Communities	39.832	40.332	0.500	0.500	0.000
Children Learning & Skills	30.224	31.111	0.887	0.932	-0.045
Regeneration	8.937	10.331	1.394	1.419	-0.025
Finance & Resources	8.236	7.747	-0.490	-0.950	0.460
Chief Executive Office	14.044	13.873	-0.171	-0.177	0.006
Total	101.273	103.394	2.121	1.724	0.396
% of revenue budget over/(under) spent			2.09%		
Non Departmental Cost	0.472				
Total Budget	101.745				

6.03 Budget Changes

There have been a budget virements of **£1.2m**. These are detailed in paragraph 8 below but for ease of reference they have been included in the reported budgets above. This is however subject to Cabinet approval.

6.04 Housing Revenue Account (HRA)

The HRA has a planned budget deficit of **£1.171m** this will be funded using a contribution from housing reserves. At present, the account is expected to spend as planned, which will result in a net expenditure of £1.171m and therefore no variance against the planned budget deficit. Further details on the HRA are given in paragraph 6.46.

The HRA is a statutory ringfenced account and any balances at the end of the year must be carried forward within this account to the next year. This latest overall position is summarised in the table below and it is unchanged from last month.

Service	Revised Budget	Annual Forecast	Annual Variance	Year to Date Budget	Year to Date Spend
	£'M	£'M	£'M	£'M	£'M
HRA Expenditure	37.197	37.197	0.000	13.690	12.863
HRA Income	-36.026	-36.026	0.000	-26.103	-26.290
Total	1.171	1.171	0.000	-12.413	-13.427

6.05 Dedicated Schools Grant (DSG)

The total funding provided to the Council for school services within the DSG for 2018/19 is **£68.903m**. The latest forecast shows that this will be overspent by **£2.004m**. When the balance carried forward from 17/18 is taken into account, the DSG will have an estimated cumulative overspend of **£7.068m** at the start of 19/20. Further details are given in paragraph 6.25.

- 6.06 The DSG is also a statutory ringfenced account and any balances at the end of the year must be carried forward within this account to the next year. This latest overall position is summarised in the table below and is unchanged from last month.

DSG SUMMARY 2018/19						
DETAILS	Revised Budget	Actuals (YTD)	Projected Outturn	Variance	Brought Forward	Carry Forward
	£'M	£'M	£'M	£'M	£'M	£'M
Central Services Schools Block	0.901	0.175	0.901	0.000	0.000	0.000
Early Years Block (EYB)	14.604	5.622	14.604	0.000	-0.450	-0.450
High Needs Block (HNB)	18.015	16.521	20.022	2.007	5.514	7.521
Schools' Block	35.383	26.537	35.380	-0.003	0.000	-0.003
Total	68.903	48.855	70.907	2.004	5.064	7.068

6.07 ADULTS & COMMUNITIES

The Directorate's approved budget is **£39.832m** with a net expenditure forecast of **£41.153m** it has an underlying budget pressure of **£1.226m** (3.08%). This is the same position reported last month. The underlying budget pressures lies within the Adult Social Care service and is caused by the effect of inflation on the prices paid for care packages. There have also been increases both in the numbers of clients being accepted for care as well as the length of time some clients are spending in receipt of care services.

- 6.08 The Adults Social Care service is exploring all means to reduce this budget pressure and ensure that the final net expenditure by the end of the financial year is kept within the approved budget. As a result, a plan to reduce cost and maximise income has been developed. This is currently expected to yield savings totalling **£0.821m** giving a projected overspend forecast for the Directorate of **£0.500m** which is 1.26% of the revised approved budget. A summary of the Directorate's latest budget position is shown below.

Adult & Communities – Forecast Year End Summary								
DETAILS	Revised Budget	Projected Outturn	Underlying Budget Pressure	Planned In Year Savings	Revised Forecast	Full Year Variance	Last Month Variance	Change
	£'M	£'M	£'M	£'M	£'M	£'M	£'M	£'M
Adult Social Care	33.758	35.313	1.555	-0.821	34.492	0.734	0.734	0.000
Public Health	-0.612	-0.612	0.000	0.000	-0.612	0.000	0.000	0.000
Community & Skills	6.268	5.939	-0.329	0.000	5.939	-0.329	-0.329	0.000
Regulatory Services	0.418	0.513	0.000	0.000	0.513	0.095	0.095	0.000
Total	39.832	41.153	1.226	-0.821	40.332	0.500	0.500	0.000

6.09 Adult Social Care

This service has an underlying budget pressure of £1.555m with a reported in year saving of £0.821m to be achieved. The variance has remained the same as reported last month. Overall, the *reported* pressure on the Adult Social Care budgets is **£0.734m** and a summary of the service's latest budget position is shown below.

Adult Social Care - Summary			
DETAILS	Revised Budget	Projected Outturn	Variance
	£'M	£'M	£'M
Safeguarding & Governance	0.459	0.397	-0.062
ASC Management	1.181	0.668	-0.513
Directly Provided Services	2.137	2.204	0.067
Mental Health Services	4.205	4.129	-0.076
Learning Disability Services	9.197	9.478	0.281
North Locality	3.561	3.552	-0.009
South Locality	3.324	3.807	0.483
East Locality	4.417	5.114	0.697
Re-ablement	1.291	1.291	0.000
Care Group Commissioning	3.986	3.852	-0.134
Sub Total	33.758	34.492	0.734

6.10 There has been considerable progress against the original savings target. The Directorate remains on track to deliver these savings in full. Every effort is being made to deliver the in year recovery plans for Adult Social Care so that the Directorate's final outturn is no more than £0.500m overspent. The areas being examined for these in year savings are

- Maximising income from Continuing Health Care,;
- Further reviewing all care packages to ensure clients are only receiving the level of care appropriate to their *current* needs;
- Recoupment of Direct payments;
- Use of underspending accruing from the Better Care Fund (this will require agreement of our BCF partners); and
- Examine any opportunities afforded by the new winter pressures funding recently announced by the Government.

Good progress is being made on all fronts although the Directorate still faces a stiff challenge to deliver the targeted in year savings. At present a further £0.821m still needs to be saved.

6.11 Public Health

This budget is fully funded by an external Government grant. It has planned spending commitments that are currently expected to be fully spent and therefore no budget variance is reported. This is unchanged from last month.

6.12 Most of these funds are committed on projects that are well established and where the expenditure commitment is known. The annual grant has been confirmed by the Government for the year and this is paid monthly. This is summarised in the table below.

Public Health - Summary			
DETAILS	Revised Budget	Projected Outturn	Variance
	£'M	£'M	£'M
Staffing	0.504	0.504	0.000
Project Work	5.369	5.369	0.000
Internal Recharges	1.308	1.308	0.000
Income	-7.793	-7.793	0.000
Total	-0.612	-0.612	0.000

6.13 Community & Skills

The Community & Skills service is forecasting an unchanged underspend of **£0.329m**. This is due to savings on the staffing budget caused by vacancies. Restructurings with the Library service and elsewhere are taking place. Once these are completed a clearer picture should emerge of any budget variance.

6.14 Regulatory Services

The service has an unchanged overspend of **£0.095m**. The overspend is due to an expected shortfall in income for the CCTV service and is partly offset by savings from staff vacancies in the Food Safety and Domestic Abuse services.

6.15 Management Action

The Directorate will continue to develop and review its recovery plan to ensure all measures are implemented in order to deliver the maximum possible in year savings and deliver a final budget variance of no more than £0.500m overspent.

CHILDREN, LEARNING & SKILLS (CLS)

- 6.16 The Directorate's **net** controllable Revenue Budget for 2018/19 *including* the Dedicated Schools Grant (DSG) is **£30.224m**. The net expenditure projected for the year is **£31.111m** and therefore an over spend of **£0.887m** is reported. This is a decrease of £0.045m from last month which is due to staff vacancies. This is discussed in more detail later and the latest Directorate summary is below.

Children, Learning & Skills - Summary					
DETAILS	Revised Budget	Projected Outturn	Variance	Last Variance	Change
	£'M	£'M	£'M	£'M	£'M
Directorate Services	0.942	1.752	0.810	0.808	0.002
Commissioning, Partnership & Performance	0.073	0.081	0.008	0.017	-0.009
Slough Children Services Trust	24.117	24.117	0.000	0.000	0.000
Access and Inclusion	2.201	2.408	0.207	0.177	0.030
School Effectiveness	0.937	0.771	-0.166	-0.119	-0.047
Early Years and Development	1.929	1.877	-0.052	-0.044	-0.008
Special Educational Needs	0.362	0.442	0.080	0.093	-0.013
Sub-Total	30.561	31.448	0.887	0.932	-0.045
DSG	-0.337	-0.337	0.000	0.000	0.000
TOTAL	30.224	31.111	0.887	0.932	-0.045

- 6.17 The underlying budget pressure is due to additional PFI costs totalling £0.680m this is explained further within Directorate Services. There is also a budget pressure on Access & Inclusion which is overspending by £0.207m.

6.18 Directorate Services

This service area is reporting a budget pressure of **£0.810m**. This is due mainly to an unfunded budget gap in relation to the council's contribution to its PFI schemes from the General Fund and is unchanged from last month. A growth bid will be made for 2019/20 to address this problem from next year.

6.19 Commissioning Partnership & Performance

The service is expected to overspend by **£0.008m**. This is a reduction of £0.009m from previous month.

6.20 Slough Children Services Trust

The current approved budget available for the Trust is £24.117m although in addition to this core funding additional specific grants are paid over to the trust. The budget will therefore breakeven and is shown below.

Detail	Budget	Forecast	Variance
	£'M	£'M	£'M
Core Grant	24.489	24.489	0.000
Support Services	0.385	0.385	0.000
DSG Services	0.507	0.507	0.000
Other Grant Funded Services	0.995	0.995	0.000
Transformation Funded Services	0.560	0.560	0.000
Other Services	0.069	0.069	0.000
TOTAL	27.005	27.005	0.000

6.21 Access and Inclusion

The service has an underlying budget pressure of **£1.188m** due to a pressure on the Transport Service; however various service initiatives will reduce the budget pressure to **£0.207m**. This has increased by £0.030m this month due to:

- a) Increase in the number of 1:1 journeys
- b) A rise in the number of SEN pupils accessing the service and
- c) Increase in the number of journeys made outside of the borough.

6.22 School Effectiveness

The service area is forecast to underspend by **£0.166m** due to staffing related cost savings.

6.23 Early Years & Development

The service is expecting to underspend by **£0.052m** due to some staffing vacancies.

6.24 Special Educational Needs & Disabilities (SEND)

SEND is expected to overspend by **£0.080m** reflecting the cost of additional staff needed to cover key core functions.

6.25 Dedicated Schools Grant (DSG)

The total funding provided to the Council for school services within the DSG for 2018/19 is **£68.903m**. The latest forecast shows that this will be overspent by **£2.004m**. When the balance carried forward from 17/18 is taken into account, the DSG will have an estimated cumulative overspend of **£7.068m** at the start of 19/20. This is due to the High Needs Block spending more than the available funds. A budget recovery plan is due to be presented to the January 19 Schools' Forum.

The DSG is also a statutory ringfenced account and any balances at the end of the year must be carried forward within this account to the next year. This latest overall position is summarised in the table below.

DSG SUMMARY 2018/19					
DETAILS	Revised Budget	Projected Outturn	Current Variance	Brought Forward	Carry Forward
	£'M	£'M	£'M	£'M	£'M
Central Services Schools Block	0.901	0.901	0.000	0.000	0.000
Early Years Block (EYB)	14.604	14.604	0.000	-0.450	-0.450
High Needs Block (HNB)	18.015	20.022	2.007	5.514	7.521
Schools' Block	35.383	35.380	-0.003	0.000	-0.003
Total	68.903	70.907	2.004	5.064	7.068

6.26 Management Action

The service is developing a plan to address the budget pressure on the High Needs Block within the DSG.

REGENERATION

- 6.27 The Directorate's revised budget is **£8.937m**. The latest net expenditure forecast for the year is **£10.331m** this gives a projected overspend of **£1.394m**. This is £0.025m less than the amount reported last month. This improvement relates to vacant posts. The directorate budget has reduced by £0.301m affecting building management, DMU and Neighbourhood services. The latest position is summarised below.

Regeneration - Summary						
DETAILS	Revised Budget	Projected Outturn	Revised Forecast	Full Year Variance	Last Month Variance	Change
	£'M	£'M	£'M	£'M	£'M	£'M
Directorate Management	0.405	0.197	0.197	-0.208	-0.193	-0.015
Major Infrastructure	3.965	3.781	3.781	-0.184	-0.184	0.000
Transport & Parking	2.118	2.018	2.018	-0.100	-0.100	0.000
Planning	0.520	0.495	0.495	-0.025	-0.025	0.000
Regeneration Development	-3.655	-3.655	-3.655	0.000	0.000	0.000
Regeneration Delivery	-0.856	-0.856	-0.856	0.000	0.000	0.000
Building Management	3.731	3.431	3.431	-0.300	-0.300	0.000
Economic Development	-0.071	0.169	0.169	0.240	0.240	0.000
Emergency Planning	0.203	0.134	0.134	-0.069	-0.059	-0.010
Strategic Housing	1.201	3.261	3.261	2.060	2.060	0.000
Neighbourhood Services	1.376	1.356	1.356	-0.020	-0.020	0.000
TOTAL	8.937	10.331	10.331	1.394	1.419	-0.025

6.28 Directorate Management Unit

This service is reporting a favourable variance as shown below.

Service	Revised Budget	Annual Forecast	Annual Variance	Last Variance	Change
	£'M	£'M	£'M	£'M	£'M
Directorate Management Unit	0.405	0.197	-0.208	-0.193	-0.015
Total	0.405	0.197	-0.208	-0.193	0.015

- 6.29 The Directorate Management Unit now have a budget of **£0.405m** following a budget transfer to other service areas to correct and realign the current staffing

establishment. This covers the cost of the Senior Management team and is expected to underspend due to vacant post.

6.30 Major Infrastructure (Transport & Highways)

The Major Infrastructure service has an unchanged forecast of **£0.184m** underspend.

6.32 This is summarised below:

Service	Revised Budget	Annual Forecast	Annual Variance	Last Variance	Change
	£'M	£'M	£'M	£'M	£'M
Transport & Highways	1.048	0.935	-0.113	-0.113	-0.000
Public Transport	2.259	1.891	-0.368	-0.368	-0.000
Traffic Management System	0.400	0.418	0.018	0.018	-0.000
Community Transport	-0.019	0.287	0.306	0.306	0.000
Environmental Quality	0.242	0.224	-0.018	-0.018	0.000
Fleet Challenge	0.035	0.026	-0.009	-0.009	0.000
Total	3.965	3.781	-0.184	-0.184	0.000

6.33 The main variances within this area are explained as follows:

- **Community Transport** – is likely to overspend by **£0.306m** as a result of additional staff costs, higher leasing costs of and lower income than budgeted. This is offset by underspends on other services areas.
- **Transport & Highways** – an under spend of **£0.113m** is reported due to savings from vacant posts and recharges from Capital and Access Fund above the level expected.
- **Public Transport** – will underspend by **£0.368m** due to reduced activity on Concessionary Fares.

6.34 Transport & Parking

The Transport and Parking service is forecasting a new underspend of **£0.100m** and is summarised in the table below.

Service	Revised Budget	Annual Forecast	Annual Variance	Last Variance	Change
	£'M	£'M	£'M	£'M	£'M
Transport & Highways	1.782	1.702	-0.080	-0.080	0.000
Car Parks	0.442	0.422	-0.020	-0.020	0.000
Car Parks & Street works	-0.106	-0.106	0.000	0.000	0.000
Total	2.118	2.018	-0.100	-0.100	0.000

The reasons for the above variance are explained below:

- **Car Parks** – will underspend by **£0.020m** due to a surplus in total level of income collected across all sites. This £0.100m more than previously estimated due to additional temporary car parking spaces being provided on the currently vacant TVU site.
- **Transport & Highways** – have a projected underspend of **£0.080m** which is due to two staffing vacancies.

6.35 Planning

There are no budget pressures forecast for the Planning service as a whole at present and a underspend is forecast for year end of £0.025m in the local land charges. This is unchanged from last month. Most of these areas are heavily dependent on fee income and this is monitored regularly. Current income estimates show that this will be sufficient to meet budgeted levels. The latest position is summarised below:

Service	Revised Budget	Annual Forecast	Annual Variance	Last Variance	Change
	£'M	£'M	£'M	£'M	£'M
Local Land Charges	-0.071	-0.096	-0.025	-0.025	0.000
Planning Policy	0.337	0.337	0.000	0.000	0.000
Building Control	0.056	0.056	0.000	0.000	0.000
Development Management	0.198	0.198	0.000	0.000	0.000
Total	0.520	0.495	-0.025	-0.025	0.000

6.36 Regeneration Development

A breakeven position is reported across this service area for the current period. The Regeneration Development and delivery includes additional savings target of £0.660m and sufficient additional income has been realised to meet these targets by both departments.

Service	Revised Budget	Annual Forecast	Annual Variance	Last Variance	Change
	£'M	£'M	£'M	£'M	£'M
Asset Management	-0.261	-0.261	-0.187	-0.187	0.000
Commercial Properties	-0.339	-0.339	-0.012	-0.012	0.000
Age Concern	0.208	0.208	0.125	0.125	0.000
Capital Disposal & Feasibility	-0.213	-0.213	0.002	0.002	0.000
Strategic Acquisition Board	-3.055	-3.055	0.117	0.117	0.000
Property Management	-0.037	-0.037	0.001	0.001	0.000
Bus Station	0.042	0.042	-0.046	-0.046	0.000
Total	-3.655	-3.655	0.000	0.000	0.000

6.36 Regeneration Delivery

A breakeven position is reported across this service area for the current period. See comment above.

Service	Revised Budget	Annual Forecast	Annual Variance	Last Variance	Change
	£'M	£'M	£'M	£'M	£'M
Property Services	-0.856	-0.856	0.000	0.000	0.000
Total	-0.856	-0.856	0.000	0.000	0.000

6.37 Building Management

Building Management has an unchanged projected underspend of **£0.300m** due to income targets being exceeded on some sites such as *Britwell*, *Orchard Youth Centre* and *Manor Park Hall*. A budget transfer of -£0.244m was processed to realign to correct establishment. The current and forecast position is summarised below.

Service	Revised Budget	Annual Forecast	Annual Variance	Last Variance	Change
	£'M	£'M	£'M	£'M	£'M
Landmark Place	0.373	0.369	-0.004	-0.004	0.000
Building Management	0.227	0.137	-0.090	-0.090	0.000
Facilities Management	0.789	0.889	0.100	0.100	0.000

St. Martins Place	0.596	0.611	0.015	0.015	0.000
Community Caretakers	0.168	0.155	-0.013	-0.013	0.000
Corporate Landlord Function	1.578	1.270	-0.308	-0.308	0.000
Total	3.731	3.431	-0.300	-0.300	0.000

6.38 Economic Development

This service has an unchanged forecast overspend of **£0.240m** due to budget pressure in the Economic Development service. This is due to savings targets of £0.300m for income generation and the sponsorship of town hall assets which the service is struggling to achieve this year. The Directorate is looking at ways to increase income from other services to cover the shortfall. This is offset by savings of £0.060m due to vacancies in the service area.

The latest summary for this service area is shown below:

Service	Revised Budget	Annual Forecast	Annual Variance	Last Variance	Change
	£'M	£'M	£'M	£'M	£'M
Economic Development	-0.071	0.169	0.240	0.240	0.000
Total	-0.071	0.169	0.240	0.240	0.000

6.38 Emergency Planning

This service has a favourable variance of **£0.069m** due to vacancies in the Emergency Planning service area.

The latest summary for this service area is shown below:

Service	Revised Budget	Annual Forecast	Annual Variance	Last Variance	Change
	£'M	£'M	£'M	£'M	£'M
Emergency Planning	0.203	0.134	-0.069	-0.059	0.010
Total	0.203	0.134	-0.069	-0.059	0.010

6.39 Strategic Housing Services

This service area has an unchanged projected overspend of **£2.060m**. This is because of a significant overspend on the Temporary Accommodation service area of **£1.850m** and the on the Home Improvements service of **£0.210m**.

6.40 The latest position for Strategic Housing Services is summarised below:

Strategic Housing Services	Revised Annual Budget	Annual Forecast	Annual Variance	Last Variance	Change
	£'M	£'M	£'M	£'M	£'M
Housing Allocations	0.053	0.053	0.000	0.000	0.000
Housing Revenues & Reviews	0.097	0.097	0.000	0.000	0.000
Temporary Accommodation	0.108	1.958	1.850	1.850	0.000
Housing Advice & Homelessness	0.612	0.612	0.000	0.000	0.000
Customer & Business Support	0.141	0.141	0.000	0.000	0.000
Home Improvements	-0.073	0.137	0.210	0.210	0.000
Social Lettings	0.037	0.037	0.000	0.000	0.000
Strategic Housing	0.226	0.226	0.000	0.000	0.000
JEH – Pendeen Court	0.000	0.000	0.000	0.000	0.000
JEH – High Street	0.000	0.000	0.000	0.000	0.000
JEH – General Admin	0.000	0.000	0.000	0.000	0.000
Total	1.201	3.261	2.060	2.060	0.000

6.41 Temporary Accommodation (TA)

This is forecast to overspend by **£1.850m** due to the increased numbers being accommodated. The latest monthly projections do show a small reduction in numbers and the current homelessness is 430. The projections reflect this approximation for the year end forecast. The increase in homelessness numbers in comparison to previous years places pressure on the unit price being paid for some accommodation such as Bed & Breakfast. It is estimated B&B prices will rise to a unit price of over £60-£70 a night where currently the average unit price is at £55 per night.

6.42 Actions to mitigate

The council has provided transformation funding to assist in new initiatives aimed at improvements and reductions in cost. James Elliman Homes Ltd. has been created and will invest up to £18m in accommodation that will provide extra units for temporary accommodation in the future. The Government has also provided Flexible Homeless Grants to assist with the crisis. The Medium Term Financial Strategy currently includes additional growth for Temporary Accommodation from 2019/20.

- 6.43 The Service Lead for Strategic Housing is working on a few initiatives that are being discussed with Directors, including an independent review of the housing services with recommendations to assist and improve the service.

6.44 Home Improvements (HIA)

The HIA has a budgeted income level that cannot be achieved based on its current levels of funding and capacity. The service is expected to make an income based expenditure of approximately £1.250m. However the current expenditure capacity with its available resources is about £0.700m. As a result there will be a shortfall in income of **£0.210m**. In the short term the Service Lead is examining ways to secure additional grants and speed up the processing of claims both of which could lead to an increase in the 2018/19 income for the service. In the longer term other proposals including a growth bid to resolve this historic under funding could be considered.

6.45 Neighbourhood Services

The Neighbourhood Services service area is expected underspend by **-£0.020m**. This is unchanged from last month. There are some underlying pressures in the Regulation and Enforcement areas. However these pressures are being contained either through staff management or new initiatives for example via the HMO Licensing project. The budget for neighbourhood areas has reduced by £0.082m due to realignment of saving target.

Services	Revised Budget	Annual Forecast	Annual Variance	Last Variance	Change
	£'M	£'M	£'M	£'M	£'M
Caravan Parks	-0.085	-0.081	0.004	0.004	0.000
Enforcement	0.390	0.390	0.000	0.000	0.000
NET Team North	0.213	0.204	-0.009	-0.009	0.000
NET Team South	0.172	0.172	0.000	0.000	0.000
NET Team East	0.223	0.208	-0.015	-0.015	0.000
Neighbourhood Resilience	0.463	0.463	0.000	0.000	0.000
Total	1.376	1.356	0.020	0.020	0.000

6.46 Housing Revenue Account (HRA)

The HRA is budgeted to spend **£37.197m** this financial year, with budgeted income of **£36.026** expected, this gives a planned net deficit budget for the HRA of **£1.171m**. This deficit will be made up by a planned contribution from the housing reserves.

The capital programme for new developments is being reviewed which could require more funding from the HRA but most of this funding is already included in the current forecast. This is summarised in the table below, with further details attached as Appendix B.

Details	Revised Budget	Projected Outturn	Variance
	£'M	£'M	£'M
HRA Expenditure	37.197	37.197	0
HRA Income	-36.026	-36.026	0
Total	1.171	1.171	0

6.47 Management Action

The Regeneration Directorate has the following action to address its current budget issues.

- Examine and agree alternative proposals to deliver the savings that will not be achieved for sponsorship of town hall assets, both in this financial year and in subsequent years..

6.48 FINANCE & RESOURCES

This Directorate's current net budget is **£8.236m**. The latest assessment of the year end position is for a saving of **-£0.489m** (5.94%). This is an increase of **£0.460m** on the variance reported last month.

- 6.49 This forecast assumes that the council wide savings of **£1.826m** will be allocated across the council Directorates and will be achieved in full.

The latest position is summarised below:

Finance & Resources - Summary					
DETAILS	Revised Budget	Projected Outturn	Full Year Variance	Last Month Variance	Change
	£'M	£'M	£'M	£'M	£'M
Customer & Communications	0.398	0.519	0.121	0.121	0.000
Organisation Development & HR	1.299	1.475	0.176	0.076	0.100
Governance	1.620	1.805	0.185	0.038	0.147
Digital & Strategic IT	1.045	0.980	-0.065	-0.065	0.000
Finance	-3.878	-3.787	0.091	0.156	-0.065
Transactional Services	7.891	7.616	-0.275	-0.275	0.000
Corporate and Departmental	-0.139	-0.861	-0.722	-1.000	0.278
TOTAL	8.236	7.747	-0.489	-0.949	0.460

6.50 Customer & Communications

This area is now projected to overspend by **£0.121m**. This forecast now includes previously identified budget pressures where it was assumed compensating savings would be identified.

Service	Revised Budget	Projected Outturn	Variance	Last Variance	Change	Budget (YTD)	Actual (YTD)	Variance (YTD)
	£'M	£'M	£'M	£'M	£'M	£'M	£'M	£'M
Information Governance	0.076	0.071	-0.005	-0.005	0.000	0.056	0.054	-0.003
Media & Communications	0.365	0.445	0.080	0.080	0.000	0.274	0.381	0.107
Events	0.003	0.022	0.019	0.019	0.000	0.002	0.047	0.045
Fireworks	0.011	0.007	-0.004	-0.004	0.000	0.008	-0.006	-0.014
Printing	-0.057	-0.027	0.030	0.030	0.000	-0.043	-0.043	-0.001
Total	0.398	0.519	0.121	0.121	0.000	0.298	0.432	0.134

The reasons for this variance in more detail are as follows:

- Information Governance - a **£0.005m** saving is reported due to the transfer of the FOI service budget the corresponding pressure relating from severance payments and agency staffing to the Digital & Strategic IT service
- Media and Communications – is now expected to overspend by **£0.080m** due to additional staff agency costs;
- Events Administration – is reporting a budget pressure of **£0.019m** due to costs of events outstripping the income generated;
- Fireworks – this event is projecting a saving of **£0.004m** as latest estimates of the total cost is now likely to be less than the available resources; and
- Printing – the estimated total costs of printing will exceed the level of income received via recharges by **£0.030m**. The recharge rate is being examined as a means of increasing recharged income.

6.51 Organisation Development & HR

The OD&HR service is projected to overspend by **£0.176m** as the previously identified underlying pressures are now included in the formal reported variance. This is summarised in the table below.

Service	Revised Budget	Projected Outturn	Variance	Last Variance	Change	Budget (YTD)	Actual (YTD)	Variance (YTD)
	£'M	£'M	£'M	£'M	£'M	£'M	£'M	£'M
Human Resources	0.897	0.975	0.078	-0.022	0.100	0.673	0.808	0.135
Health and Safety	0.142	0.233	0.091	0.091	0.000	0.107	0.165	0.059
Training	0.233	0.231	-0.002	-0.002	0.000	0.175	0.107	-0.067
Equalities	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Union Work	0.027	0.036	0.009	0.009	0.000	0.020	0.028	0.009
The Slough academy Project	0.000	0.000	0.000	0.000	0.000	0.000	-0.005	-0.005
Total	1.299	1.475	0.176	0.076	0.100	0.974	1.104	0.130

6.52 The reasons for this variance are:

- Human Resources – an overspend of **£0.078m** is expected due to staffing related cost pressures;
- Health and Safety – is forecast to overspend by **£0.091m** as a result of a combination of factors such as the Occupational Health contract costs (£0.011m), the Devolved software licence fee (£0.018m) and recharge income target (£0.062m) that will not be fully realised;

6.53 Governance

The budgets within the Governance service have a projected overspend of **£0.185m**. This is due mainly to a **£0.093m** pressure from the Procurement Service resulting from a budget reduction relating to a saving from a deleted AD post and a £0.068m shortfall against planned income due to the fact that this is a non major election year. This is summarised in the table below with further details following.

Service	Revised Budget	Projected Outturn	Variance	Last Variance	Change	Budget (YTD)	Actual (YTD)	Variance (YTD)
	£'M	£'M	£'M	£'M	£'M	£'M	£'M	£'M
Law & Corporate Governance	0.061	0.289	0.228	0.135	0.093	0.046	0.254	0.208
Corporate Procurement	0.224	0.190	-0.034	-0.080	0.046	0.168	0.109	-0.060
Committees Services	0.793	0.782	-0.011	-0.029	0.018	0.595	0.597	0.003
Elections	0.226	0.294	0.068	0.076	-0.008	0.169	0.253	0.084
Electoral Registration	0.087	0.040	-0.047	-0.042	-0.005	0.065	0.026	-0.039
Mayoralty/Civic	0.094	0.094	-0.000	-0.002	0.002	0.071	0.067	-0.004
Group Support	0.135	0.117	-0.018	-0.018	0.000	0.102	0.086	-0.016
Total	1.620	1.805	0.185	0.040	0.145	1.216	1.392	0.176

The reasons for this variance are:

- Law and Corporate Governance - is expected to overspend by **£0.228m**. This is caused by the fact that having realised the saving linked to the out-sourcing of the legal service there are still other recharge income targets that are not expected to be met. There is also a pressure in relation to the Library case and unbudgeted additional HB Law charges.

- Corporate Procurement – is reporting an underspend of **£0.034m** in the Procurement Team due to staff vacancies. This more than offsets the pressure caused by income targets that will not be achieved;
- Committee Services - is projected to underspend by **£0.011m** due to staff vacancy saving and higher than budgeted income from schools;
- Election Service – have a reported budget pressure of **£0.068m** due to a shortfall against planned income caused by the fact that this is a non major election year.
- Electoral Registration - projects an underspend of **£0.047m** due to a one-off prior year income retrieved from suspense account; and
- Group Support – has a forecast underspend of **£0.018m** due to staff vacancies and lower than budgeted expenditure on running costs.

6.54 Digital & Strategic IT

This service is forecast to underspend by **£0.065m**. The previously reported budget pressures due to increased IT costs have been offset by pension growth income of £0.420m.

6.55 The latest budget summary for this Service Area is reported in the table below.

Service	Revised Budget	Projected Outturn	Variance	Last Variance	Change
	£'M	£'M	£'M	£'M	£'M
IS & IT	0.782	0.683	-0.099	-0.099	0.000
Systems Support & Development	0.191	0.191	-0.000	-0.000	0.000
Information Governance-FOI	0.072	0.106	0.034	0.034	0.000
Total	1.045	0.980	-0.065	-0.065	0.000

6.56 Finance

This Service Area is currently reporting a budget **£0.091m** pressures mainly due to consultancy cost of £0.042m and bank charges £0.047m.

Service	Revised Budget	Projected Outturn	Variance	Last Variance	Change
	£'M	£'M	£'M	£'M	£'M
Finance Miscellaneous	0.125	0.123	-0.002	-0.022	0.020
Corporate Finance	-3.057	-2.914	0.143	0.113	0.030
Insurance and Risk	0.426	0.426	0.000	0.046	-0.046
Internal Audit	0.190	0.190	0.000	0.068	-0.068
Investigations Unit	0.042	0.025	-0.017	-0.017	0.000
Flooding/Extreme Weather	0.032	0.000	-0.032	-0.032	0.000
Finance & Resources	-1.637	-1.637	0.000	0.000	0.000
Total	-3.878	-3.787	0.091	0.156	-0.064

6.58 Transactional Services

Transactional Services is now forecast to underspend by **£0.275m** as the budget pressures previously reported will now be met by contract novation work being undertaken with arvato.

6.59 The latest position is shown below:

Service	Revised Budget	Projected Outturn	Variance	Last Variance	Change	Budget (YTD)	Actual (YTD)	Variance (YTD)
	£'M	£'M	£'M	£'M	£'M	£'M	£'M	£'M
Transactional Services	7.891	7.616	-0.275	-0.275	0.000	7.501	7.159	-0.342
Total	7.891	7.616	-0.275	-0.275	0.000	7.501	7.159	-0.342

6.60 Corporate & Departmental Services

The council has retained an additional £1m of Business rates collected for being a member of the Berkshire wide NNDR pilot. The variance has reduced due to additional IAS 19 charge and an increase in telephone costs.

6.61 The latest position is shown below:

Service	Revised Budget	Projected Outturn	Variance	Last Variance	Change
	£'M	£'M	£'M	£'M	£'M
Corporate & Departmental	-0.139	-0.861	-0.722	-1.000	0.278
Total	-0.139	-0.861	-0.722	-1.000	0.278

6.62 Management Actions

A corporate decision is needed on how to allocate the historic savings.

6.63 CHIEF EXECUTIVE SERVICES

This area is projected to underspend by **-£0.171m**. This movement is the result of a review of the forecast shown for Environmental Services and the DSO. These are explained in more detail below. The latest summary for the service is shown below:

Service	Revised Budget	Projected Outturn	Variance	Last Variance	Change
	£'M	£'M	£'M	£'M	£'M
Local Welfare Provision	0.275	0.275	0.000	0.000	0.000
Improvement & Development	0.000	0.000	0.000	0.000	0.000
Executive's Office	0.334	0.600	0.266	0.242	0.024
Strategy and Performance	0.703	0.760	0.057	0.055	0.002
Prevent	0.000	0.000	0.000	0.000	0.000
Environmental Services	12.732	14.117	1.385	1.331	0.055
DSO	0.000	-1.879	-1.879	-1.805	-0.074
Total	14.044	13.873	-0.171	-0.177	0.006

6.64 Executive Office

There is a projected budget pressure of **£0.266m** on this budget. This is due a combination of staffing cost overspend due to the use of agency staff totalling **£0.061m**, consultancy fees of **£0.154m**, unbudgeted legal fees and disciplinary investigation costs of **£0.031m** as well as extra costs for corporate subscriptions of **£0.020m**.

6.57 Strategy & Performance

The area has a projected overspend of **£0.057m**. This is due to cost of redundancies resulting for the recent service restructure. This is summarised below:

Service	Revised Budget	Projected Outturn	Variance	Last Variance	Change	Budget (YTD)	Actual (YTD)	Variance (YTD)
	£'M	£'M	£'M	£'M	£'M	£'M	£'M	£'M
Policy and Performance	0.219	0.144	-0.075	-0.021	-0.054	0.164	0.163	-0.001
Policy & Scrutiny	0.484	0.616	0.132	0.076	0.056	0.363	0.445	0.082
Total	0.703	0.760	0.057	0.055	0.002	0.527	0.608	0.081

6.65 Environmental Services

This area has a reported pressure of £1.385m due to the Waste Management contract cost.

Service	Revised Budget	Projected Outturn	Variance	Last Variance	Change
	£'M	£'M	£'M	£'M	£'M
Waste Management	3.763	5.174	1.411	1.383	0.028
Chalvey Transfer Station	1.583	1.483	-0.100	-0.100	0.000
Cleansing	1.948	1.892	-0.056	-0.056	0.000
Public Conveniences	0.000	0.000	0.000	0.029	-0.029
Domestic Refuse	4.374	4.362	-0.012	-0.012	0.000
Grounds Maintenance	0.770	0.931	0.161	0.159	0.002
Waste & Environment	0.294	0.276	-0.019	-0.072	0.054
Total	12.732	14.117	1.385	1.330	0.055

6.66 DSO

There is a projected surplus of **£1.879m** due to further capital recharges. The budget surplus of £1.879m is based upon the DSO's own direct costs including its own office staff. However, it does not include the cost of the services provided by the Council to the DSO such as HR, Health & Safety, Procurement, Corporate Accountancy, share of the costs of Microsoft licences and Agresso, Communications etc.

The Environmental services and the DSO are now expected to underspend by **£0.494m** due to the net saving between the budget pressure of £1.413m from the new Waste Management contract and the budget surplus of £1.879m on the DSO.

7 SAVINGS

7.01 Current Position

As part of its budget plans at the start of the year the Council committed to revenue savings of **£7.042m**. At present **£2.152m** have already been saved which is 31% of the total agreed. This is an improvement of £0.200m on the reported position last month. The latest position in relation to these savings is shown in the table below.

RAG SAVINGS SUMMARY						
Directorate	Savings Agreed	Amount Saved	Will be Saved	Will Not Be Saved	%age Saved	%age Will be Saved
Adult & Communities	1.273	1.080	1.273	0.000	85%	100%
Regeneration	2.305	0.000	2.005	0.300	0%	87%
Finance & Resources	3.260	1.072	3.260	0.000	33%	100%
Chief Executive	0.204	0.000	0.204	0.000	0%	100%
TOTAL	7.042	2.152	6.742	0.300	28%	96%
Percentage	100%	31%	96%	4%		

7.02 Forecast Position

At present the forecast is that the council will achieve 96% (**£6.742m**) of the savings agreed at the start of the year, of this £2.152m have already been declared as achieved. Savings to the value of £0.300m from the Regeneration Directorate have now been declared as will not be achieved. This is also unchanged to the position reported last month.

7.03 RAG Analysis

RAG SAVINGS SUMMARY				
Directorate	GREEN	AMBER	RED	Total
Adult & Communities	920	353	0	1,273
Regeneration	2,005	0	300	2,305
Finance & Resources	2,952	308	0	3,260
Chief Executive	204	0	0	204
TOTAL	5,831	911	300	7,042
Percentages	83%	13%	4%	100%
	96%			

7.04 Full details are shown in Appendix C

8 VIREMENTS

8.01 The following virements have been prepared since the last quarter.

- a) **£1.2m** from below the line to finance £0.754m and resources and regeneration £0.446m.
- b) **£0.216m** to Chief Executive from Regeneration
- c) **£0.751m** to Finance & Resources
- d) **£0.233m** to Regeneration

8.02 Cabinet is requested to approve the transfer of budgets between the services shown in accordance with the financial procedure rules. Full details are shown in the table below.

Virement Ref	Reason for Budget Adjustment	Below the Line Additions	Chief Executive	Finance and Resources	Regeneration	Regeneration
PL-456	Realignment of Defunct Code (Staffing budget)			189,400	-189,400	
PL-485	Realignment of Defunct Codes		244,000		-244,000	
PL-498	Audit Fee Budgets	-334,000		334,000		
PL-500	Realignment of Defunct Codes		-27,900		27,900	
PL-554	Realignment of Savings to services			-91,230.00	91,230	
PL-560	Realignment of Savings to services			100,269.00	100,269	
PL-563	Realignment of Savings to services	-446,130			446,130	
PL-564	Realignment of Savings to services				330,150	-330,150
PL-565	Funding of IT License Pressures	-420,000		420,000		
Grand Total		-1,200,130	216,100	751,901	562,979	-330,150

WRITE OFFS

8.03 Write offs totalling £ have been agreed over the past 3 months. Cabinet is requested to approve these write offs in accordance with the council's financial procedures rules.

WRITE-OFF SCHEDULE			
3rd Quarter 2018/19			
Reason	NNDR	Council Tax	Total
	£	£	£
Unable to trace/ Absconded	68,131.94	3,311.96	71,443.90
Vulnerable persons			
Deceased		10,515.56	10,515.56
Statute Barred/Unable to Enforce		6,247.64	6,247.64
Bankruptcy		4,204.21	4,204.21
Instruction from Client			
Dissolved/Proposal to Strike/Liquidation/Administration	660,254.40		660,254.40
Miscellaneous (including uneconomical to pursue)	10,752.94	9,301.92	20,054.86
Credit Balances	-178,742.58	-419.25	-179,161.83
TOTAL	560,396.70	33,162.04	593,558.74

9 CONCLUSIONS

- 9.1 The current General Fund revenue position for the Council is an over spend of **£6.386m**.
- 9.2 The General Fund revenue position for the Council as forecast at the end of the financial year is an over spend of **£2.121m**.
- 9.3 The forecast for the Council's Housing Revenue Account (HRA) is a planned net expenditure of **£1.171m** which will be funded from specific housing reserves.
- 9.4 The DSG is expected to overspend by **£2.004m** and have a cumulative net overspend of **£7.067m** by the end of the year
- 9.5 Management actions are being prepared and implemented to address some of the underlying budget issues raised in the report.

Appendices Attached

- 'A' - General Fund Revenue Summary
- 'B' - HRA Account Summary
- 'C' - Savings Review

Background Papers

- '1' - Supporting working papers held in finance

APPENDIX A – REVENUE GENERAL FUND 2018/19

Directorate	Revised Budget	Projected Outturn	Planned In Year Savings	Revised Outturn	Full Year Variance	Last Month Variance	Change
	£'M	£'M	£'M	£'M	£'M	£'M	£'M
<u>Adult & Communities</u>							
Adult Social Care	33.758	35.313	-0.821	34.492	0.734	0.734	0.000
Public Health	-0.612	-0.612	0.000	-0.612	0.000	0.000	0.000
Community and Skills	6.268	5.939	0.000	5.939	-0.329	-0.329	0.000
Enforcement and Regulation	0.418	0.513	0.000	0.513	0.095	0.095	0.000
Total	39.832	41.153	-0.821	40.332	0.500	0.500	0.000
<u>Children Learning & Skills</u>							
Directorate Services	0.942	1.752	0.000	1.752	0.810	0.808	0.002
Commissioning Partnerships	0.073	0.081	0.000	0.081	0.008	0.017	-0.009
Slough Children's' Service Trust	24.117	24.117	0.000	24.117	0.000	0.000	0.000
Access and Inclusion	2.201	2.408	0.000	2.408	0.207	0.177	0.030
School Effectiveness	0.937	0.771	0.000	0.771	-0.166	-0.119	-0.047
Early Years and Development	1.929	1.877	0.000	1.877	-0.052	-0.044	-0.008
Special Educational Needs & Disabilities	0.362	0.442	0.000	0.442	0.080	0.093	-0.013
Sub Total	30.561	31.448	0.000	31.448	0.887	0.932	-0.045
Dedicated Schools Grant (DSG)	-0.337	-0.337	-0.337	-0.337	0.000	0.000	0.000
Total	30.224	31.111	-0.337	31.111	0.887	0.932	-0.045
<u>Regeneration</u>							
Directorate Management Unit	0.405	0.197	0.000	0.197	-0.208	-0.193	-0.015
Major Infrastructure	3.965	3.781	0.000	3.781	-0.184	-0.184	0.000
Transport & Parking	2.118	2.018	0.000	2.018	-0.100	-0.100	0.000
Planning	0.520	0.495	0.000	0.495	-0.025	-0.025	0.000
Regeneration Delivery	-3.655	-3.655	0.000	-3.655	0.000	0.000	0.000
Regeneration Development	-0.856	-0.856	0.000	-0.856	0.000	0.000	0.000
Building Management	3.731	3.431	0.000	3.431	-0.300	-0.300	0.000
Economic Development	-0.071	0.169	0.000	0.169	0.240	0.240	0.000
Emergency Planning	0.203	0.134	0.000	0.134	-0.069	-0.059	-0.010
Strategic Housing Services	1.201	3.261	0.000	3.261	2.060	2.060	0.000
Neighbourhood Services	1.376	1.356	0.000	1.356	-0.020	-0.020	0.000
Total	8.937	10.331	0.000	10.331	1.394	1.419	-0.025
<u>Finance & Resources</u>							
Customer and Communications	0.398	0.519	0.000	0.519	0.121	0.121	0.000
Organisation Development & HR	1.299	1.475	0.000	1.475	0.176	0.076	0.100
Governance	1.620	1.805	0.000	1.805	0.185	0.038	0.147
Digital & Strategic IT	1.045	0.980	0.000	0.980	-0.065	-0.065	0.000
Corporate Resources	-3.878	-3.787	0.000	-3.787	0.091	0.156	-0.065
Transactional Services	7.891	7.616	0.000	7.616	-0.275	-0.275	0.000
Corporate and Departmental	-0.139	-0.861	0.000	-0.861	-0.722	-1.000	0.278
Total	8.236	7.747	0.000	7.747	-0.489	-0.949	0.460
<u>Chief Executive Office</u>							
Local Welfare Provision	0.275	0.275	0.000	0.275	0.000	0.000	0.000
Improvement & Development	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Executive's Office	0.334	0.600	0.000	0.600	0.266	0.242	0.024
Strategy & Performance	0.703	0.760	0.000	0.760	0.057	0.055	0.002
Prevent	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Environmental Services	12.732	14.117	0.000	14.117	1.385	1.331	0.055
DSO	0.000	-1.879	0.000	-1.879	-1.879	-1.805	-0.074
Total	14.044	13.873	0.000	13.873	-0.171	-0.177	0.006
GRAND TOTAL	101.273	104.215	-1.158	103.394	2.121	1.724	0.396
% of revenue budget over/(under)					2.09%		
Non Departmental Cost	0.472						
Total Budget	101.745						

Appendix B – HOUSING REVENUE ACCOUNT 2018/19

Housing Revenue Account	Revised Budget	Annual Forecast	Annual Variance	Last Variance	Change in Variance
	£'M	£'M	£'M	£'M	£'M
EXPENDITURE					
Management Team (& Recharges)	4.374	4.374	0.000	0.000	0.000
Supported Housing	0.030	0.030	0.000	0.000	0.000
Tenant Services	1.560	1.560	0.000	0.000	0.000
Neighbourhood Housing Area North	0.494	0.494	0.000	0.000	0.000
Neighbourhood Housing Area South	0.389	0.389	0.000	0.000	0.000
Neighbourhood Housing Area East	0.451	0.451	0.000	0.000	0.000
Arears & Investigations	0.515	0.515	0.000	0.000	0.000
Client Services Team	1.174	1.174	0.000	0.000	0.000
Neighbourhood Resilience & Enforcement Team	0.324	0.324	0.000	0.000	0.000
Housing Allocations	0.061	0.061	0.000	0.000	0.000
Tenants Participation Team	0.246	0.246	0.000	0.000	0.000
Lettings	0.215	0.215	0.000	0.000	0.000
Leaseholder Team	0.220	0.220	0.000	0.000	0.000
Housing Repairs	8.550	8.550	0.000	0.000	0.000
Loans, Bad Debt & Council Tax	6.648	6.648	0.000	0.000	0.000
Depreciation & Funding of Capital	11.946	11.946	0.000	0.000	0.000
INCOME					
Dwelling Rents	-31.537	-31.537	0.000	0.000	0.000
Garage Rents	-0.491	-0.491	0.000	0.000	0.000
Shop Rent	-0.635	-0.635	0.000	0.000	0.000
Other Rents	-0.800	-0.800	0.000	0.000	0.000
Leaseholder Service Charges	-0.869	-0.869	0.000	0.000	0.000
General Service Charges	-1.679	-1.679	0.000	0.000	0.000
Interest	-0.015	-0.015	0.000	0.000	0.000
Total	1.171	1.171	0.000	0.000	0.000

SAVING MONITOR 2018/19							
Directorate	Service	Savings Agreed	Amount Saved	Will Not Be Saved	Savings Item	RAG	Comments
A&C	Adult Social Care	32	32	0	Redesign of supported employment service	GREEN	
A&C	Adult Social Care	200	249	0	Continuing Health Care (transfer of funding responsibility from NHS)	GREEN	More savings have been made in these 2 areas to compensate for the cancellation of the saving in relation to the Curve below
A&C	Adult Social Care	150	278	0	Re-assessments to reduce Personal Budget levels	GREEN	
A&C	Adult Social Care	150	171	0	Direct Payment recoupment	GREEN	
A&C	Adult Social Care	100	100	0	Increase in income (for those not currently paying)	GREEN	
A&C	Adult Social Care	200		0	Vacant posts (one off)	GREEN	Keep vacant for 18/19 where possible
A&C	Communities and Leisure	323	250	0	Leisure Services - leisure contract management savings	Amber	Savings only going to be £250K on Leisure Contract
A&C	Communities and Leisure	88		0	Make the Curve self funding	GREEN	Achieved by overachieving on savings 2 & 3 above
A&C	Regulatory Services	30		0	Review of management structure to delivery the SAFE services or other alternative delivery	Amber	On going, not yet finished
TOTAL		1,273	1,080	0			

Directorate	Service	Savings Agreed	Amount Saved	Will Not Be Saved	Savings Item	RAG	Comments
Regen	Regeneration Delivery	583	0	0	Asset Management - Rental Income- Increase rent for Crown Court 65k, Strategic acquisitions 115k and commercial properties rents	GREEN	
Regen	Regeneration Delivery	350	0	0	Recharging of Staff Time to Capital Projects - to generate more income through recharging more staff time to Capital.	GREEN	
Regen	Planning	8	0	0	At least a 35% reduction in subsidy through additional income from discretionary work, expected increase in application numbers off the back of local plan review/growth agenda and review of fees and charges.	GREEN	
Regen	Planning	11	0	0	Reduction in subsidy - from income from pre-application and increased planning application numbers	GREEN	
Regen	Neighbourhood Services	82	0	0	Review of management structure to deliver the SAFE services or other alternative delivery		
Regen	Planning	4	0	0	Reducing specialist consultancy support by training existing staff to undertake both petroleum licensing and environmental permitting.	GREEN	

Directorate	Service	Savings Agreed	Amount Saved	Will Not Be Saved	Savings Item	RAG	Comments
Regen	Building Management	10	0	0	Additional income - Maximise Use of Office Space - Embed flexible and mobile working to get better use of office space. Develop commercial approach to floor space at SMP through external lettings.	GREEN	
Regen	Building Management	5	0	0	FM Contracts Review - Review all FM Contracts to establish if savings can be made.	GREEN	
Regen	Planning	2	0	0	Re-negotiate landfill monitoring contract	GREEN	
Regen	Regeneration Delivery	700	0	0	Strategic Acquisition board	GREEN	Full year effect of 2017/18 investments
Regen	Transport Planning	150	0	0	Charging Staff time to capital	GREEN	
Regen	All Regeneration	200	0	200	Income Generation	RED	
Regen	Planning	50	0	0	LED Lighting - HRA Contribution	GREEN	
Regen	All Regeneration	100	0	100	Sponsorship of Town Centre assets	RED	
Regen	Neighbourhood Services	50	0	0	Income generation through delivery of a licencing service for private landlords, housing associations etc	GREEN	
TOTAL		2,563	0	300			

Directorate	Service	Savings Agreed	Amount Saved	Will Not Be Saved	Savings Item	RAG	Comments
F&R	Governance	25	25	0	Delete vacant level 5 post & Savings related to AD for procurement	GREEN	
F&R	Governance	122	122	0	Legal Service - delete Vacant posts	GREEN	
F&R	Finance	60	60	0	Audit fee reductions	GREEN	
F&R	Finance	225	225	0	Increased Treasury Management returns	GREEN	
F&R	Council Wide	640	640	0	2017/18 Senior Management Restructure	GREEN	
F&R	Council Wide	450	0	0	Reduction in Agency Staff	GREEN	
F&R	Council Wide	1,376	0	0	Service Lead Reviews	GREEN	
Regen	Strategy & Performance	54	0	0	Deletion of Policy Support for Children Services	GREEN	
F&R	All F&R	308	0	0	Restructure of Finance and Resources	Amber	
TOTAL		3,260	1,072	0			
Chief Executive	Environmental Services	204	0	0	Environmental Services Review	GREEN	
TOTAL		204	0	0			

RAG LEGEND	
GREEN	Delivered or on track to be delivered in full
AMBER	Partial delivery or likely to not be delivered in full
RED	Will not be implemented or likely to be not be implemented