

Title of Report:	Financial Performance Report 2014-15 Quarter Two
Report to be considered by:	Executive
Date of Meeting:	18 December 2014
Forward Plan Ref:	EX2830

Purpose of Report: To inform Members of the latest financial performance of the Council.

Recommended Action: For Members to note this report.

Reason for decision to be taken: To ensure that Members are fully aware of the latest financial position of the Council.

Other options considered: None

Key background documentation: Papers held in Accountancy

The proposals will help achieve the following Council Strategy principle:
 CSP6 - Living within our means

Portfolio Member Details	
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Date Portfolio Member agreed report:	20 November 2014

Contact Officer Details	
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Implications

Policy: n/a

Financial: If the forecast position occurs at the end of the financial year, there will be a corresponding impact on the Council's General Reserves of a reduction of £503k. The financial implications of the report have been detailed throughout the summary report and directorate appendices.

Personnel: n/a

Legal/Procurement: n/a

Property: n/a

Risk Management: n/a

Is this item relevant to equality?	Please tick relevant boxes		Yes	No
Does the policy affect service users, employees or the wider community and: <ul style="list-style-type: none"> <li data-bbox="167 860 1139 931">• Is it likely to affect people with particular protected characteristics differently? <input type="checkbox"/> <input checked="" type="checkbox"/> <li data-bbox="167 936 1043 1008">• Is it a major policy, significantly affecting how functions are delivered? <input type="checkbox"/> <input checked="" type="checkbox"/> <li data-bbox="167 1012 1166 1084">• Will the policy have a significant impact on how other organisations operate in terms of equality? <input type="checkbox"/> <input checked="" type="checkbox"/> <li data-bbox="167 1088 1187 1160">• Does the policy relate to functions that engagement has identified as being important to people with particular protected characteristics? <input type="checkbox"/> <input checked="" type="checkbox"/> <li data-bbox="167 1164 1027 1200">• Does the policy relate to an area with known inequalities? <input type="checkbox"/> <input checked="" type="checkbox"/> 				
Outcome (Where one or more 'Yes' boxes are ticked, the item is relevant to equality)				
Relevant to equality - Complete an EIA available at www.westberks.gov.uk/eia				<input type="checkbox"/>
Not relevant to equality				<input checked="" type="checkbox"/>

Is this item subject to call-in?	Yes: <input type="checkbox"/>	No: <input checked="" type="checkbox"/>
If not subject to call-in please put a cross in the appropriate box:		
The item is due to be referred to Council for final approval		<input type="checkbox"/>
Delays in implementation could have serious financial implications for the Council		<input type="checkbox"/>
Delays in implementation could compromise the Council's position		<input type="checkbox"/>
Considered or reviewed by Overview and Scrutiny Management Commission or associated Task Groups within preceding six months		<input type="checkbox"/>
Item is Urgent Key Decision		<input type="checkbox"/>
Report is to note only		<input checked="" type="checkbox"/>

Executive Summary

1. Introduction

- 1.1 This report presents the financial performance for quarter two of the 2014/15 financial year.
- 1.2 At quarter two, the forecast revenue position is an over spend of £503k.
- 1.3 57.5% of the capital programme has been committed at the end of quarter two.

2. Proposals

- 2.1 For Members to note this report.

3. Equalities Impact Assessment Outcomes

- 3.1 This report is not relevant to equality.

4. Conclusion

- 4.1 The quarter two position is showing a forecast over spend of £503k. Though the Council remains in a challenging financial environment, and is faced with making savings in excess of £5m, it has taken steps to maintain financial discipline and ensure that savings are deliverable.

Executive Report

1. Introduction

- 1.1 The financial performance reports provided to Members throughout the financial year are concerned with the under or over spend against the Council's approved budget.
- 1.2 At quarter two, the forecast revenue position is an over spend of £503k.
- 1.3 Of the total capital programme of £37.9 million 57.5% has been committed at the end of quarter two. Approximately £2.7 million of the programme is now expected to be re-profiled to 2015/16.

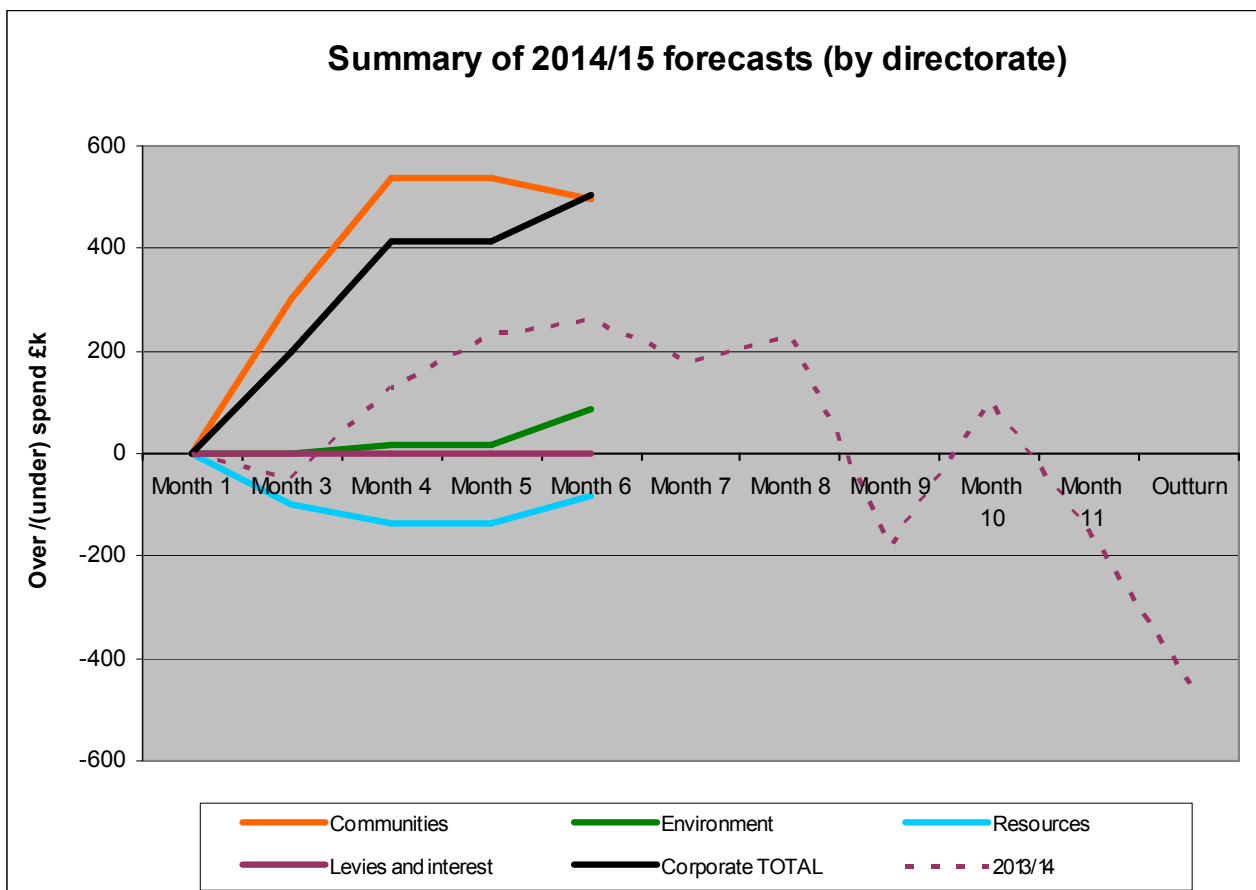
2. Summary Revenue Forecast

Service	Revised Net Budget	Annual Net Forecast	Forecast (under)/over spend				Change from last quarter
			Quarter One	Quarter Two	Quarter Three	Year End	
	£000	£000	£000	£000	£000	£000	£000
DSG	(721)	(721)	0	0			0
Corporate Director - Communities	282	282	0	0			0
Adult Social Care	36,646	36,646	0	0			0
Care Commissioning, Housing & Safeguarding	6,649	6,590	0	(59)			(59)
Children's Services	13,444	13,919	220	475			255
Education	11,683	11,764	81	81			0
Adult Social Care Change Programme	1,169	1,169	0	0			0
Communities	69,152	69,649	301	497	0	0	196
Corporate Director	166	166	0	0			0
Highways & Transport	7,621	7,603	(84)	(18)			66
Planning & Countryside	4,242	4,272	29	30			1
Culture & Environmental Protection	21,436	21,512	53	76			23
Environment	33,465	33,553	(2)	88	0	0	90
Chief Executive	520	520	0	0			0
Customer Services	1,902	1,847	0	(55)			(55)
Human Resources	1,206	1,204	(14)	(2)			12
Information Technology	2,790	2,796	0	6			6
Finance	1,997	1,997	0	0			0
Legal	948	1,010	0	62			62
Public Health	97	97	0	0			0
Strategic Support	3,520	3,427	(86)	(93)			(7)
Resources	12,980	12,898	(100)	(82)	0	0	18
Levies and Interest	5,561	5,561	0	0	0	0	0
Total	121,158	121,660	199	503	0	0	304

- 2.1 In Communities, Children's Services are forecasting an over spend of £475k, an increase of £255k from quarter one. Pressures have increased in placement budgets due to a change in the mix of children and services and the forecast pressure is now £856k. High cost residential placements have increased by three children from last quarter and fostering increased by two children. The overall

Children's Services pressure is being reduced by under spends in Youth Services and from increased contributions from Public Health. Education is forecasting an over spend of £81k in the areas of Disabled Children's placements and Pre School Teacher Counselling. Care Commissioning, Housing and Safeguarding is forecasting an under spend of £59k due to a reduction in the commissioning activity in supporting people.

- 2.2 The Environment Directorate is forecasting an over spend of £88k mainly as a result of lower forecast income in Culture and Environmental Protection plus additional costs for vegetation and tree works in Planning and Countryside. This is offset by small savings in Highways and Transport, which have reduced since last quarter due to a reduction in forecast income from S278 supervision fees.
- 2.3 The Resources Directorate is forecasting an under spend of £82k largely from additional income and salary savings in Strategic Support and IT savings in Customer Services. Legal Services is forecasting an over spend due to income shortfall and increased coroner's court costs.
- 2.4 Levies and Interest is currently forecasting on line.
- 2.5 The chart below shows the forecasts per Directorate together with a corporate total and a comparison to last year.



3. Summary Capital Forecast

3.1 57.5% of the 2014/15 capital programme is committed as at the end of September 2014. Forecast capital spend in the year is currently £35.2 million against a revised budget of £37.9 million with a further £2.7 million now expected to be re-profiled into 2015/16 (in addition to £2.4 million already re-profiled at the end of quarter one). The summary capital forecast is shown in Appendix 1b.

3.2 Communities

56.9% of the Communities programme has been committed at the end of quarter two. No variance from the revised budget is reported for Adult Social Care. Housing grants are now expected to be under spent by £30k as a result of concerns about the performance of the Home Improvement Agency (HIA), as reported at quarter one, although the HIA has now put in place additional resources to help clear the backlog. The Education programme is expected to under spent by a further £2.1m against the revised budget (i.e. after allowing the re-profiling of £1,988k at the end of quarter one). This is mainly as a result of delays to the Willows and Spurcroft Primary expansions because of planning issues and the postponement of the scheme to relocate the Reintegration Services, as no suitable properties are currently available.

3.3 Environment

55.1% of the Environment capital programme has been committed as at the end of quarter two. In Culture and Environmental protection, the Museum project has been successfully completed on budget. Good progress is being made with highways schemes despite delays due to flooding earlier in the year. However £380k of the programme is still expected to be re-profiled to 2015/16, mainly due to delays to Network Rail's programme of works. In Planning and Countryside, the programme of work is underway to improve key rights of way, to repair damage caused by floods and to refurbish play areas. The cost of repairs to flood damaged rights of way is expected to be covered by the Severe Weather Recovery grant which the Council has already received. However the availability of this funding is dependent on the final settlement of the Bellwin claim which is still awaited.

3.4 Resources

88.1% of the Resources programme is committed as at the end of quarter two although this includes a commitment of £564k on the Superfast Broadband Project which will be offset by a grant still to be received from BDUK. All major ICT schemes are currently on schedule, but £150k of the budget for Superfast Broadband needs to be re-profiled in line with the agreed contract schedule. The majority of the Chief Executive's capital budget relates to the London Road Industrial Estate project, and is required for legal and consultancy costs prior to the signing of a development agreement. In Finance, £65k of the members' bids fund has been allocated to schemes but not yet claimed, £68k has been allocated to new schemes by the September panel, leaving £88k available for the next panel planned in February 2015. In Strategic Support, applications for parish planning grants are expected to be processed over the next few months.

4. Conclusion

4.1 The quarter two position is showing a forecast over spend of £503k. Though the Council remains in a challenging financial environment, and is faced with making

savings in excess of £5 million, it has taken steps to maintain financial discipline and ensure that savings are deliverable.

Appendices

Appendix 1a and 1b - Summary revenue and capital forecasts

Appendix 2a-c – Directorate summaries

Consultees

Local Stakeholders: n/a

Officers Consulted: Corporate Board

Trade Union: n/a