

## Financial Performance Report 2015-16 Quarter Two Executive Report

### 1. Introduction

- 1.1 The financial performance reports provided to Members throughout the financial year are concerned with the under or overspend against the Council's approved budget. At Quarter Two the forecast revenue position is an overspend of £0.5m.

### 2. Summary Revenue Forecast

- 2.1 Track by Month/Quarter:

Service	Current Net Budget	Annual Net Forecast	Forecast (under)/over spend			Change from last quarter
			Quarter One	Quarter Two	Quarter Three	
	£000	£000	£000	£000	£000	£000
DSG	(721)	(721)	0	0		0
Corporate Director - Communities	275	275	0	0		0
Adult Social Care	39,921	39,921	(877)	0		877
Care Commissioning, Housing & Safeguarding	5,847	5,747	(63)	(100)		(37)
Children's Services	15,032	15,716	1,945	684		(1,261)
Education	10,865	11,115	0	250		250
Adult Social Care Change Programme	1,212	1,212	0	0		0
Prevention and Developing Community Resilience	518	567	0	49		49
<b>Communities</b>	<b>72,949</b>	<b>73,831</b>	<b>1,004</b>	<b>882</b>		<b>(122)</b>
Corporate Director	167	167	0	0		0
Highways & Transport	7,850	7,653	(66)	(197)		(131)
Planning & Countryside	3,927	3,673	0	(254)		(254)
Culture & Environmental	21,555	21,633	59	78		19
<b>Environment</b>	<b>33,499</b>	<b>33,126</b>	<b>(7)</b>	<b>(373)</b>		<b>(366)</b>
Chief Executive	514	499	0	(15)		(15)
Customer Services	2,010	2,021	0	11		11
Finance	1,869	1,878	0	9		9
Human Resources	1,150	1,172	16	22		6
Information Technology	2,825	2,806	(12)	(19)		(7)
Legal	972	1,042	0	70		70
Public Health	229	229	0	0		0
Strategic Support	3,583	3,554	(14)	(29)		(15)
<b>Resources</b>	<b>13,152</b>	<b>13,201</b>	<b>(10)</b>	<b>49</b>		<b>59</b>
<b>Levies and Interest</b>	<b>5,331</b>	<b>5,322</b>	<b>0</b>	<b>-9</b>		<b>-9</b>
<b>Total</b>	<b>124,931</b>	<b>125,480</b>	<b>987</b>	<b>549</b>		<b>(439)</b>

NB. Rounding differences may apply to nearest £k

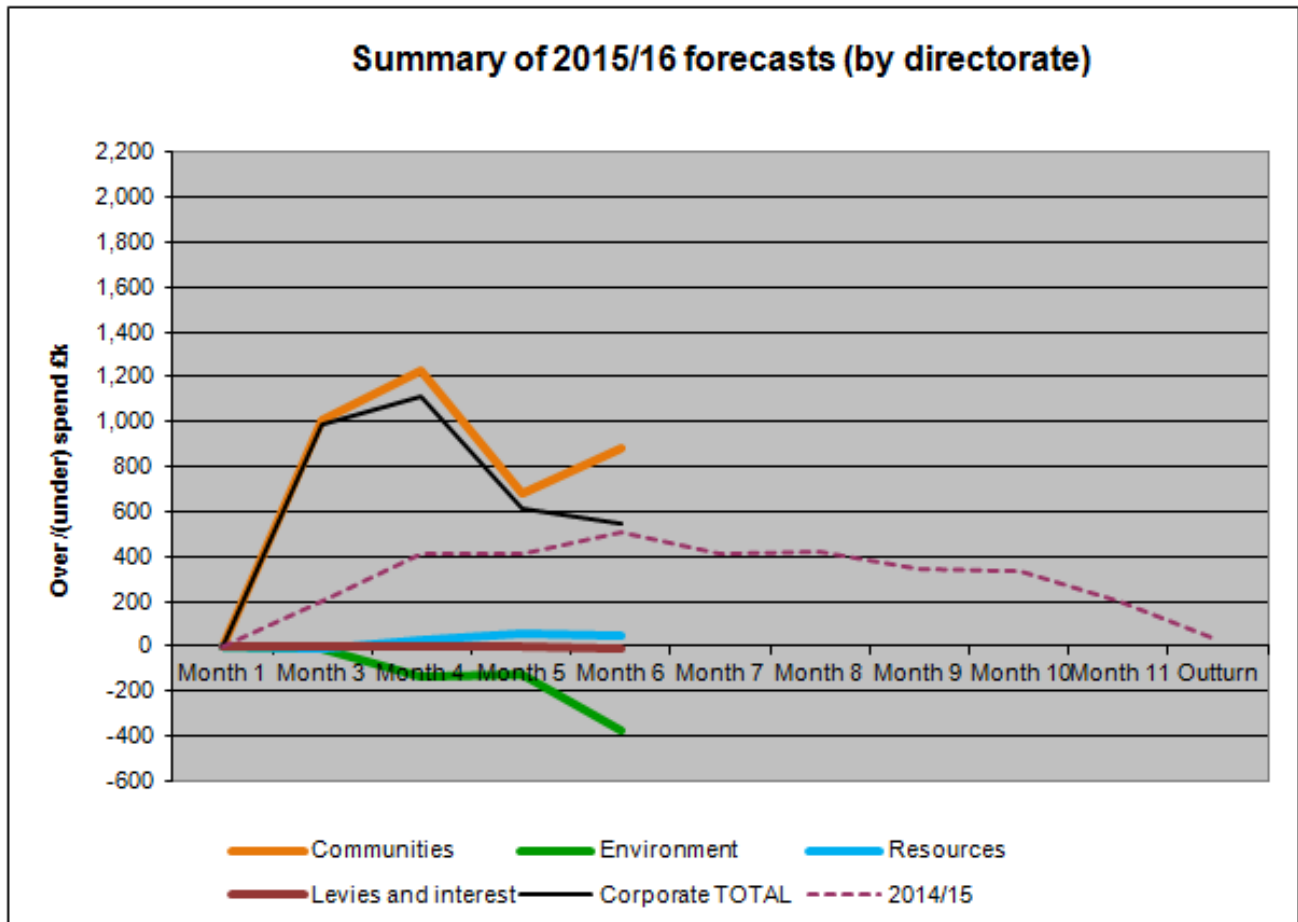
- 2.2 The Communities Directorate is forecasting an overspend of £882k at Quarter Two, which is a decrease of £122k from Quarter One. The overspend is primarily the result of a £0.7m pressure within Children's and Family Services and a forecast overspend within Education of £0.3m. The Directorate is looking to mitigate this forecast overspend position further and is reviewing all spending plans to see what can be delivered in year.

The budget forecast variances for individual services between Quarter Two and Quarter One reporting are as follows:

- (1) Adult Social Care is forecasting on budget due to transfers of budgets from Adult Social Care to Children's Services between Quarter One and Quarter Two. The budget has been made available by releasing £400k from the Adult Social Care – Future Budget Requirements risk reserve and from capitalising £454k of the equipment expenditure which was previously funded from the revenue budget.
- (2) The Care Commissioning, Housing and Safeguarding Service is forecasting a year end underspend of £100k, a £37k improvement on Quarter One. Since then, the Conference and Review (CAR) team transferred across to a new service, the Prevention and Developing Community Resilience Service and the Quarter Two budget monitoring reporting has been adjusted to reflect this change of £37k.
- (3) Children's and Family Services are forecasting a net overspend of £684k as at Quarter Two. This is a reduction of £1.26 million on the Quarter One forecast and is primarily due to budget transfers from Adult Social Care of, £400k from the risk reserve and £454k from capitalising equipment, and additional investment of £478k within the Contact, Advise and Assessment Service (CAAS) as part of the overall Ofsted Improvement Plan investment of £668k.
- (4) The Education Service is forecasting a £250k overspend at Quarter Two compared to an on budget position at Quarter One. The overspend forecast is primarily the result of pressures generated within the Home to School Transport (£238k) and Disabled Children's Team (£219k) budgets, offset by savings across a number of areas and the implementation of various initiatives to slow down expenditure on items where there will be no detriment to service delivery.
- (5) The Prevention and Developing Community Resilience Service was established in Month 4. It is currently forecasting an overspend of £49k, an increase of £12k from the £37k overspend forecast in Quarter One, formerly showing on Care Commissioning, Housing and Safeguarding and as a result of an additional administration post in the CAR team to aid with increased workloads due to the number of children accessing resources in the Contact and Advice Service in Children's and Family Services.

- 2.3 The Environment Directorate is forecasting an underspend of £373k compared to a £7k underspend at Quarter One. This is primarily due to additional income from parking and development control.

- 2.4 The Resources Directorate is forecasting an overspend of £49k, which is an increased overspend of £59k from the £10k underspend in Quarter One. The major change from Quarter One is the lower income forecast within Legal Services.
- 2.5 Levies and Interest is forecasting a small increase to net interest received.
- 2.6 The following chart shows the forecasts per Directorate together with a corporate total and a comparison to last year.



### 3. Summary Capital Forecast

- 3.1 72% of the 2015/16 capital programme is committed as at the end of September 2015. Forecast capital spend in the year is currently £43.8 million against a revised budget of £45.2 million with a further £1.4 million now expected to be re-profiled into 2016/17. A breakdown of capital spend and commitments to date is shown in Appendix A(3).
- 3.2 Appendix A(3) also explains the changes from the original capital programme which was approved by the Council in March to the current revised capital programme. The changes mainly consist of budgets which were unspent at the end of 2014/15 which have been brought forward to 2015/16 to enable the continuation/completion of schemes already underway and additional external funding (mainly government grants and S106 contributions) which have been allocated since March less budgets which have been reprofiled to 2016/17.

- 3.3 Communities - 61.7% of the Communities Programme is committed at the end of Quarter Two.
- (1) In Adult Social Care funds will be moved between projects to accommodate an increase in the cost of the Notrees project. Additional spending on Telecare, allowed for in the current year budget is proceeding well, but funds set aside for prepayment cards are no longer needed for that purpose but will be used for a financial self assessment tool for the Client Financial Services. It is also planned to fund approximately £600k capital expenditure on occupational health equipment in order to generate a net saving in the revenue budget. The budget and forecast spend will be adjusted to reflect this in Quarter Three.
  - (2) In Care Commissioning, Housing and Safeguarding, the management of Home Repair Assistance grants is under review. A feasibility study is being undertaken for the redevelopment of the Four Houses Corner gypsy and traveller's site and it has been agreed that a contribution towards the cost of this scheme will be made from Council funding for the Disabled Facilities Grant programme unspent in 2014/15. The contract for the replacement for the RAISE system has now been let.
  - (3) The Children's Services budget for building works to foster carer's homes is expected to be spent in full this year.
  - (4) Underlying pressures of £1.1 million have arisen in 2014/15 and 2015/16 on the cost of a number of Education schemes, including the unexpected requirement to provide emergency temporary accommodation at Francis Baily Primary school. This is offset in the current financial year by £1.7m funding for schemes which need to be reprofiled, including the expansion of Spurcroft and the Willows primary schools which continue to be delayed due to planning and environmental issues. Spend in 2015/16 is therefore expected to be £0.6 million lower than the current year budget.
- 3.4 Environment - 86.9% of the total capital budget for Environment has been committed as at the end of September 2015.
- (1) Good progress is being made with the majority of Highways schemes including two major new schemes funded by the Challenge Fund grant from the Department for Transport (DfT), for replacement of street lights with LEDs and improvements to the A339 corridor.
  - (2) In Planning and Countryside, the cost of repairs to flood damaged rights of way are still expected to be contained within the amount of the Severe Weather Recovery grant brought forward from 2014/15 and additional investment in play area improvements will be funded from section 106 contributions.
  - (3) In Culture and Environmental protection capital maintenance programmes for leisure centre facilities and libraries and Shaw House are expected to be completed on schedule but £335k of the Waste Site budget will be reprofiled to 2016/17 to allow for Part 1 highways claims and for the future development of the household waste recycling centre (HWRC) at Padworth.

- 3.5 Resources - 61.4% of the Resources programme is committed at the end of Quarter Two. The London Road Industrial Estate Development Agreement has now been signed off but there is a risk of overspending on legal and consultancy costs for the scheme. The Agresso upgrade has been successfully implemented. Phase one of the Superfast Broadband project is due to be completed in the autumn and the contract for phase 2 has now been let and work on is expected to begin in October.

#### 4. Options for Consideration

- 4.1 N/a – factual report for information

#### 5. Proposals

- 5.1 N/a – factual report for information

#### 6. Conclusion

- 6.1 The Quarter Two position is showing a forecast overspend of £0.5m. The Council remains in a challenging financial environment, and is faced with delivering savings of just under £6m, as well as addressing significant in year pressures in the Communities Directorate. The Council is taking steps to maintain financial discipline and ensure that savings are deliverable.

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#### Subject to Call-In:

Yes: ☐ No: ☒

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"/>

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#### Strategic Aims and Priorities Supported:

The proposals will help achieve the following Council Strategy aim:

☒ **MEC – Become an even more effective Council**

The proposals contained in this report will help to achieve the following Council Strategy priority:

☒ **MEC1 – Become an even more effective Council**

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#### Officer details:

Name: Andy Walker  
Job Title: Head of Finance  
Tel No: 01635 519433  
E-mail Address: awalker@westberks.gov.uk

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## Appendix A (2)

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# Financial Performance Report 2015-16 Quarter Two Summary Revenue Forecast

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### 1. Introduction/Background

- 1.1 The financial performance reports provided to Members throughout the financial year are concerned with the under or overspend against the Council's approved budget. At Quarter Two the forecast revenue position is an overspend of £0.5m.

### 2. Supporting Information

- 2.1 The table below shows the revised annual budget and compares the budgeted expenditure and income to the most recent forecast provided by budget holders to determine the latest forecast position:

	Budget		Forecasted Performance						
	Original Budget for 2015/16 £	Revised Budget for 2015/16 £	Expenditure			Income			Net
			Annual Expenditure Budget for 2015/16 £	Annual Expenditure Forecast for 2015/16 £	Expenditure Variance for 2015/16 £	Annual Income Budget for 2015/16 £	Annual Income Forecast for 2015/16 £	Income Variance for 2015/16 £	Net Variance £
Education (DSG Funded)	-720,891	-720,891	96,886,779	97,334,040	447,261	-97,607,670	-98,054,930	-447,260	1
Corporate Director - Communities	275,000	275,000	275,000	395,000	120,000	0	-120,000	-120,000	0
Adult Social Care	39,992,838	39,920,468	50,561,028	49,946,990	-614,038	-10,640,560	-10,026,520	614,040	2
Care Commissioning, Housing & Safeguarding	5,261,659	5,847,389	9,752,629	9,766,280	13,651	-3,905,240	-4,018,890	-113,650	-99,999
Childrens Services	13,425,398	15,032,438	15,841,988	16,897,540	1,055,552	-809,550	-1,181,600	-372,050	683,502
Education	10,595,347	10,864,947	14,006,776	13,945,150	-61,626	-3,141,830	-2,830,200	311,630	250,003
ASC Efficiency Programme	1,160,850	1,211,920	1,211,920	1,466,340	254,420	0	-254,430	-254,430	-10
Prevention and Developing Community Resilience	449,330	517,930	695,260	798,970	103,710	-177,330	-232,450	-55,120	48,590
<b>Communities</b>	<b>70,439,531</b>	<b>72,949,201</b>	<b>189,231,380</b>	<b>190,550,310</b>	<b>1,318,930</b>	<b>-116,282,179</b>	<b>-116,719,020</b>	<b>-436,841</b>	<b>882,089</b>
Corporate Director - Environment	166,750	166,750	166,750	166,750	0	0	0	0	0
Highways & Transport	7,623,299	7,849,949	12,569,679	12,695,090	125,411	-4,719,730	-5,042,140	-322,410	-196,999
Planning & Countryside	3,761,289	3,926,779	5,471,659	5,495,780	24,121	-1,544,880	-1,822,880	-278,000	-253,879
Culture & Environmental Protection	21,658,307	21,555,177	28,063,386	28,021,370	-42,016	-6,508,209	-6,388,320	119,889	77,873
<b>Environment</b>	<b>33,209,644</b>	<b>33,498,654</b>	<b>46,271,473</b>	<b>46,378,990</b>	<b>107,517</b>	<b>-12,772,819</b>	<b>-13,253,340</b>	<b>-480,521</b>	<b>-373,004</b>
Chief Executive	568,900	514,340	514,340	499,340	-15,000	0	0	0	-15,000
Customer Services	1,948,169	2,010,159	40,992,329	41,085,560	93,231	-38,982,170	-39,064,400	-82,230	11,001
Finance	1,862,960	1,869,490	3,826,400	3,838,450	12,050	-1,956,910	-1,959,520	-2,610	9,440
Human Resources	1,126,190	1,149,830	1,500,550	1,509,630	9,080	-350,720	-337,300	13,420	22,500
ICT & Corporate Support	2,801,949	2,824,679	3,710,869	3,684,910	-25,959	-886,190	-879,150	7,040	-18,919
Legal Services	962,160	971,710	1,214,030	1,214,030	0	-242,320	-172,320	70,000	70,000
Public Health & Wellbeing	-80,000	228,990	5,078,390	4,777,920	-300,470	-4,849,400	-4,548,930	300,470	0
Strategic Support	3,455,599	3,582,599	3,888,379	3,912,840	24,461	-305,780	-359,740	-53,960	-29,499
<b>Resources</b>	<b>12,645,926</b>	<b>13,151,796</b>	<b>60,725,286</b>	<b>60,522,680</b>	<b>-202,606</b>	<b>-47,573,490</b>	<b>-47,321,360</b>	<b>252,130</b>	<b>49,524</b>
Movement Through Reserves	-117,000	-3,493,550	-518,710	-518,710	0	-2,974,840	-2,974,840	0	0
Capital Financing & Management	8,753,210	8,825,210	9,229,060	9,220,060	-9,000	-403,850	-403,850	0	-9,000
<b>Levies &amp; Interest</b>	<b>8,636,210</b>	<b>5,331,660</b>	<b>8,710,350</b>	<b>8,701,350</b>	<b>-9,000</b>	<b>-3,378,690</b>	<b>-3,378,690</b>	<b>0</b>	<b>-9,000</b>
<b>Total</b>	<b>124,931,312</b>	<b>124,931,312</b>	<b>304,938,489</b>	<b>306,153,330</b>	<b>1,214,841</b>	<b>-180,007,177</b>	<b>-180,672,410</b>	<b>-665,233</b>	<b>549,608</b>

## Appendix A (3)

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# Financial Performance Report 2015-16 Quarter Two Summary Capital Budget

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### 1. Introduction/Background

- 1.1 The financial performance reports provided to Members throughout the financial year are concerned with the under or overspend against the Council's approved budget. At Quarter Two the forecast capital position in the year is currently £43.8 million against a revised budget of £45.2 million with a further £1.4 million now expected to be re-profiled into 2016/17.

### 2. Supporting Information

- 2.1 The table below shows the original annual capital budget, changes to arrive at the revised annual capital budget and spend and commitments to date:



### **Summary by Service**

Service Area	Original Budget 2015/16	14/15 Slippage	Other Agreed Changes to 2015/16 Budget (2)	Revised Budget for 2015/16 (1)	Total Expenditure 2015/16	Variance from Revised Budget		Committed (order placed, not yet paid)	Revised Budget Uncommitted
	£	£	£	£	£	£	%	£	%
<b><u>Resource Directorate</u></b>									
Chief Exec	45,000	-	0	45,000	31,534	13,466	29.9%	10,000	7.7%
Finance	105,000	207,230	0	312,230	175,145	137,085	43.9%	11,641	40.2%
ICT and Corporate Support	1,294,440	335,600	2,732,570	4,362,610	1,526,311	2,836,299	65.0%	1,151,209	38.6%
Strategic Support	61,000	30,030	16,500	107,530	55,440	52,090	48.4%	-	48.4%
<b><u>Total for Resource Directorate</u></b>	<b>1,505,440</b>	<b>572,860</b>	<b>2,749,070</b>	<b>4,827,370</b>	<b>1,788,431</b>	<b>3,038,939</b>	<b>63.0%</b>	<b>1,172,850</b>	<b>38.7%</b>
<b><u>Communities Directorate</u></b>									
Adult Social Care	875,460	229,990	0	1,105,450	176,842	928,608	84.0%	136,211	71.7%
Care Commissioning, Housing & Safeguarding	2,063,500	1,104,340	364,270	3,532,110	1,024,342	2,507,768	71.0%	58,346	69.3%
Childrens Services	20,000	2,210	0	22,210	0	22,210	100.0%	-	100.0%
Education Services	15,574,660	768,310	988,020	17,330,990	5,965,948	11,365,042	65.6%	6,202,250	29.8%
<b><u>Total for Communities Directorate</u></b>	<b>18,533,620</b>	<b>2,104,850</b>	<b>1,352,290</b>	<b>21,990,760</b>	<b>7,167,132</b>	<b>14,823,628</b>	<b>67.4%</b>	<b>6,396,807</b>	<b>38.3%</b>
<b><u>Environment Directorate</u></b>									
Culture & Environmental Protection (CEP)	506,080	937,570	-167,000	1,276,650	257,394	1,019,256	79.8%	275,590	58.3%
Highways & Transport	10,178,920	762,570	5,881,000	16,822,490	8,258,527	8,563,963	50.9%	6,869,745	10.1%
Planning & Countryside	135,000	153,440	0	288,440	213,470	74,970	26.0%	99,136	-8.4%
<b><u>Total for Environment Directorate</u></b>	<b>10,820,000</b>	<b>1,853,580</b>	<b>5,714,000</b>	<b>18,387,580</b>	<b>8,729,392</b>	<b>9,658,188</b>	<b>52.5%</b>	<b>7,244,471</b>	<b>13.1%</b>
<b>Totals</b>	<b>30,859,060</b>	<b>4,531,290</b>	<b>9,815,360</b>	<b>45,205,710</b>	<b>17,684,954</b>	<b>27,520,756</b>	<b>60.9%</b>	<b>14,814,129</b>	<b>28.1%</b>

(1)	<b><i>Revised budget includes additional grants and contributions received and/or allocated in 2015/16, less funds reprofiled into 2016/17</i></b>					
(2)	<b><i>Approved budget changes</i></b>					
	<b><u>Resources</u></b>					
	<i>Additional grant to Greenham Common Trust funded from Local Area Agreement reward fund</i>				16,500	<b><i>Approved CSG 15/07</i></b>
	<i>External funding for Superfast Broadband Budget</i>				2,732,570	<b><i>Approved CSG 08/09</i></b>
					<b>2,749,070</b>	
	<b><u>Communities</u></b>					
	<i>Additional S106 funding for Purchase of DYSOs approved by Asset Management Group</i>				364,270	<b><i>Approved CSG 15/07</i></b>
	<i>Reprofiling of Schools schemes approved by CSG in January 2015 not included in original budget</i>				988,020	<b><i>Approved CSG 15/07</i></b>
					<b>1,352,290</b>	
	<b><u>Environment</u></b>					
	<i>Reprofiling from 14/15 approved at CSG Dec 14 but not included in original budget</i>					
	<i>81583 A4 Calcot Widening</i>				500,000	<b><i>Approved CSG 15/07</i></b>
	<i>81508 LR1E A339 Access</i>				290,000	<b><i>Approved CSG 15/07</i></b>
	<i>81594 Upgrading Parking Equipment</i>				190,000	<b><i>Approved CSG 15/07</i></b>
	<i>2015/16 Budget for LED Street Lighting approved by Executive on 23rd April 2015</i>				4,344,000	<b><i>Approved CSG 15/07</i></b>
	<i>2015/16 Budget for A339 Improvements approved by Executive on 23rd April 2015</i>				2,476,000	<b><i>Approved CSG 15/07</i></b>
	<i>London Road Estate access improvements reprofiled to 2016/17</i>				-1,539,000	<b><i>Approved CSG 15/07</i></b>
	<i>Great Shefford Flood Alleviation Scheme reprofiled to 2016/17</i>				-280,000	<b><i>Approved CSG 15/07</i></b>
	<i>A340 rail bridge Aldermaston footway reprofiled to 2016/17</i>				-100,000	<b><i>Approved CSG 15/07</i></b>
	<i>Adjustment to budget as Car Park budget double counted</i>				-167,000	<b><i>Approved CSG 15/07</i></b>
					<b>5,714,000</b>	
	<b><i>Total Budget changes approved by Capital Strategy Group</i></b>				<b>9,815,360</b>	

## Appendix A (4)

# Financial Performance Report 2015-16 Quarter Two Summary Budget Movements

## 1. Introduction/Background

- 1.1 The financial performance reports provided to Members throughout the financial year are concerned with the under or overspend against the Council's approved budget and the budget movements across the Council. At Quarter Two the total budget movements net to the original budget.

## 2. Supporting Information

- 2.1 The table below shows the changes by Service to the original net budget position at Quarter Two:

Service	Original Net Budget £000	Current Net Budget £000	Variance £000	Explanation of Significant Budget Changes
DSG	(721)	(721)	0	
Corporate Director - Communities	275	275	0	
Adult Social Care	39,993	39,921	(72)	Budget increases: £394k transfer from the Adult Social Care Change Programme, £400k release of ASC Risk Fund. Budget decreases: £400k budget transfer in relation to the ASC risk fund release and £454k budget transfer in relation to the capitalisation of equipment - to Children's Services.
Care Commissioning, Housing & Safeguarding	5,262	5,847	585	Grant funding brought forward from 14/15 to be spent in 15/16 (Local Welfare Provision, Community Plus Fund, DHP, Healthwatch, Housing Support).
Children's Services	13,425	15,032	1,607	£668k from reserves for the Ofsted Improvement Plan, £400k additional budget from the ASC risk fund, £454k additional budget from capitalising equipment within ASC, £87k from reserves for a severance payment.
Education	10,595	10,865	270	Grant funding brought forward from 14/15 to be spent in 15/16 (SEN £244k, Pupil Premium £13k and Pan Berkshire Hub £12k).
Adult Social Care Change Programme	1,161	1,212	51	Budget increases: £500k brought forward funding from 14/15. Budget decreases: £394k transfer into Adult Social Care, £55k budget transfer
Prevention and Developing Community	449	518	69	£69k grant brought forward from 14/15 for Troubled families.
<b>Communities</b>	<b>70,439</b>	<b>72,949</b>	<b>2,510</b>	
Corporate Director	167	167	0	
Highways & Transport	7,623	7,850	227	Transport grant brought forward from 14/15 to be spent in 15/16, plus transfer from reserves for a procurement review
Planning & Countryside	3,803	3,927	124	Budgets carried forward from 14/15 for specific projects plus transfer of \$106 for Grounds Maintenance
Culture & Environmental Protection	21,617	21,555	(62)	Transfer to Capital Financing
<b>Environment</b>	<b>33,210</b>	<b>33,499</b>	<b>289</b>	
Chief Executive	569	514	(55)	Corporate training budget allocation
Customer Services	1,948	2,010	62	Grant funding brought forward from 14/15 to be spent 15/16
Finance	1,863	1,869	6	Grant funding brought forward from 14/15 to be spent 15/16
Human Resources	1,126	1,150	24	Transfer of Collaborative Leadership budgets from Services
Information Technology	2,802	2,825	23	Allocation of Corporate training budget
Legal	962	972	10	Allocation of Corporate training budget
Public Health	(80)	229	309	Transfer of budget from reserves
Strategic Support	3,455	3,583	128	Grant funding brought forward from 14/15 to be spent 15/16
<b>Resources</b>	<b>12,645</b>	<b>13,152</b>	<b>507</b>	
<b>Levies and Interest</b>	<b>8,637</b>	<b>5,331</b>	<b>(3,306)</b>	Movement through reserves of all budget changes
<b>Total</b>	<b>124,931</b>	<b>124,931</b>	<b>0</b>	

## Appendix A (5i)

# Financial Performance Report 2015-16 Quarter Two Directorate Summaries - Communities

## 1. Revenue

Service	Net Budget	Forecast (under)/over spend				Change from last quarter
		Quarter One	Quarter Two	Quarter Three	Year End	
	£000	£000	£000	£000	£000	£000
DSG	(721)	0	0			0
Corporate Director	275	0	0			0
Adult Social Care	39,921	(877)	0			877
Care Commissioning, Housing & Safeguarding	5,847	(63)	(100)			(37)
Children's Services	15,032	1,945	684			(1,261)
Education	10,865	0	250			250
Adult Social Care Change Programme	1,212	0	0			0
Prevention and Developing Community Resilience	518	0	49			49
<b>Total</b>	<b>72,949</b>	<b>1,004</b>	<b>882</b>	<b>0</b>	<b>0</b>	<b>(122)</b>

### 1.1 Overview

The forecast revenue overspend for the Communities Directorate as a whole is £882k against the budget of £72.9 million net, which equates to 1.2% of the directorate budget. This represents a decrease in the overspend from Quarter One of £122k. Of this change, amounts of £400k and £454k of budget have transferred from Adult Social Care to Children's Services. The remainder of this change since Quarter One is primarily a decrease to the Children's overspend of £1.26 million, which is partially offset by higher than budgeted spend within Education and Prevention and Developing Community Resilience.

- (1) Corporate Director - The Corporate Director's cost centre is forecasting an on budget position.
- (2) Adult Social Care - The Adult Social Care Service is forecasting an on budget position. This is due to transfer of budgets from Adult Social Care to Children's Services between Quarter One and Quarter Two. The budgets have been made available by releasing £400k from the Adult Social Care – Future Budget Requirements risk reserve and from capitalising £454k of the equipment expenditure which was previously funded from the revenue budget.
- (3) Care Commissioning, Housing and Safeguarding - The Care Commissioning, Housing and Safeguarding Service is forecasting a year end underspend of £100k, a £37k improvement on Quarter One. Since

then, the Conference and Review (CAR) team transferred across to a new service, the Prevention and Developing Community Resilience Service and the Quarter Two budget monitoring reporting has been adjusted to reflect this change of £37k.

- (4) Children's Services - Children's Services is forecasting an overspend of £684k as at Quarter Two. This is a reduction of £1.26 million on the Quarter One forecast and is primarily due to budget transfers from Adult Social Care of, £400k from the risk reserve and £454k from capitalising equipment, and additional investment of £478k within the Contact, Advise and Assessment Service (CAAS) as part of the overall Ofsted Improvement Plan investment of £668k.

The key financial pressures within the service at Quarter Two are:

- Increased placements and allowances £810k (against a net budget of £5.5 million, an increase of £31k on Quarter One).
- Pressures within the three Child Protection Teams predominantly as a result of employing high cost agency staff to cover vacant social worker posts, a forecast net overspend of £200k (against a total budget of £2.65 million) after £448k has been forecast to be spent as part of the Ofsted Improvement Plan investment.
- Joint arrangements £305k across Childcare Lawyers and the Emergency Duty Team (over a combined net budget of £465k).
- Youth Services £150k pressure (against a budget of £394k), as a result of a delay in the new service structure implementation, arising from the delayed consultation. The new service structure will be operational as of 1<sup>st</sup> September.2015.

The forecast includes a number of modelling assumptions around the recruitment of permanent staff (the Recruitment & Retention Strategy). Currently 11 of the 31 social worker posts across the three child protection teams are covered by members of agency staff. This is an improvement of three permanent staff since Quarter One. Over the course of the financial year the Recruitment & Retention Strategy is anticipated to achieve replacement of a further 8 agency workers with permanent members of staff. There is also £105k of agency expenditure in the management team, partially relating to supernumerary posts which have been commissioned in order to respond to the recent Ofsted judgement of inadequate.

Of the £668k investment into Children's and Family Services as part of the Ofsted Improvement plan, the additional spend can be broken down into the following areas:

- £478k investment into the Contact, Advice and Assessment Service to cover an increased agency spend forecast without budget in Quarter One.
- £64k investment into additional management posts (CSE Coordinator and a Children's Commissioner), not forecast in Quarter One.

- £126k investment in Training & Development and Audit, which was not forecast in Quarter One.
- (5) Education - The Education Service is forecasting an overspend of £250k at Quarter Two compared to an on budget position at Quarter One. The key pressures within the service are:
- Home to School Transport (HTST) budget pressure of £238k. This consists of a £315k pressure in the Special Education Needs transport which is being offset by an underspend in the Mainstream and Pupil Referral Units (PRU's) transport.
  - Disabled Children's Team (DCT) pressure of £219k. This has arisen mainly through the increase to Disability Care Packages of £109k (against a net budget of £436k) and Disabled Children's Residential Placements of £98k (against a net budget of £263k).
  - Education Welfare Officers (EWO) has an income target pressure of £28k. This has been a challenging target for the financial year which is now reported as red in the savings review.
  - The Pre-School Teacher Counselling has a pressure of £51k due to the low intake of training courses.
  - Other pressures on the budget total £47k, mainly in Education Psychologist and the Planning and Access service due to covering off the salaries savings and income target.
  - The pressures are offset by savings in Children in Public Care £26k, SEN Assessments £17k, Early Years Provision £40k, Premature Retirement Costs of £43k and Property £44k.
  - The Service has seen significant pressures and to reduce the forecast overspend the Service has implemented various strategies mainly across HTST in order to reduce the overall overspend by a further £165k. Together with the other elements above this delivers a net £250k overspend position within the Education Service.
- (6) Adult Social Care Change Programme - The Adult Social Care Change Programme is forecasting an on budget position.
- (7) Prevention and Developing Community Resilience - The Prevention and Developing Community Resilience Service was established in Month 4. It is currently forecasting an overspend of £49k, an increase of £12k from the £37k overspend forecast in Quarter One, formerly showing on Care Commissioning, Housing and Safeguarding.

The pressure has occurred within the CAR team as a result of the increased demand processed within the Contact Advice and Assessment Service (Children's and Family Services), due to the post-inspection Ofsted

Improvement Plan. This is leading to increased numbers of child protection conferences, which are the responsibility of the CAR team. Additional agency staff have been recruited to process the increased workloads however it may be necessary to create establishment posts to cover this additional work and to enable permanent recruitment, thereby reducing overall costs although this is not forecast whilst ongoing demand is assessed.

## 1.2 Risks identified

### (1) Adult Social Care:

- (a) Care Act - Historically the overall ASC forecast position held a large risk in that it was based on the ability to hold demand at a static level despite having to support an ageing population. The change in eligibility created through the Care Act is anticipated to result in growth in the size of care packages provided to existing clients plus additional clients accessing care that previously would have fallen under the Council's eligibility threshold. It is still very early to make firm judgments on the impact of the Care Act as we still have a number of existing clients to review by the end of the year and around 100 people to deal with at the 'front door'. What is becoming clear is that the new ways of working in Adult Social Care are having a positive impact on the number of people that we are able to support without the need to provide long term services.
- (b) Risk Register - ASC maintains a Risk Register to identify potential budget pressures. The key risks include:
- NHS Continuing Healthcare - The Continuing Health Care (CHC) framework provides for the CCG to review cases where CHC funding is in place. In the event of the service users health condition having improved they may no longer be eligible for such funding and therefore the costs would fall back on the Council.
  - Ordinary Residence - There are always risks surrounding ordinary residence with claims made by other local authorities that WBC should be funding a person's care package. WBC has no means to identify when further claims will be made but is ensuring that it has chased up all WB residents living in supported living in other areas and made OR claims where appropriate.
  - Learning Disability – The risk of unknown clients presenting. Whilst young people with learning disabilities living in our area are carefully monitored, there are on occasion, clients that present with significant needs for whom we have no prior knowledge.
  - Learning Disability clients at risk - There are currently 22 clients at risk of their circumstances changing due to family carers becoming frail or unstable family home situations. If the risk materialises there would be significant pressure on the Service.
  - Deprivation of Liberty Safeguarding - New legislation has resulted in a significant increase in the number of referrals to be dealt with and therefore costs. A report on the likely impact was considered by Members last year

and it was agreed that this would be held as a risk item for 2015-16. It will need to be considered as a base budget pressure for future years.

## (2) Children's Services

- (a) Placements and Allowances - The pressures on the Looked after Children budgets are anticipated to continue in 2015-16. At the start of the current financial year 282 children are in receipt of care or allowances funded via the placement budget of which c.60% are "looked after" children. Tight controls are maintained on children entering the care system, but because children must be protected from the risk of significant harm overall numbers cannot be fully controlled and we are not always able to meet the needs through WBC placements.
- (b) Churn and Instability in the Workforce - Significant levels of churn in both agency staff and the permanent work force in 2014-15 created a significant financial pressure which is anticipated to continue in 2015-16. The national shortage in qualified Child Protection workers has resulted in a very competitive recruitment market and demand for high cost agency staff. The Recruitment and Retention Strategy was implemented with support from members to address the dependency on agency staff in 2014-15. Early signs for recruitment in 2015-16 have been positive, with reliance on agency staff to cover key Social Worker posts having reduced to 11 of 31 by Quarter Two. It is anticipated this will reduce to three by the start of 2016-17.

## (3) Education:

- (a) During the financial year there have been significant pressures in the Disabled Children's Team, community based packages, residential placements and within the HTST (Special Education Need's). Given the risk a further detailed assessment is underway to review the likely number of children accessing these services by the year end. Forecasting in respect of HTST budgets is not reliable until Month Seven, the start of the new academic year.

The Service has implemented various strategies to reduce the overall overspend with targets forecast to deliver a net £165k and bring the Education Service forecast to a net £250k overspend as at Quarter Two. Although the service is taking measures to mitigate these pressures the responsibility is to make sure children are not placed at risk and are provided with the services required.

The strategies that are in place to reduce expenditure are:

- An in depth review by the service managers of the detailed activities around the HTST (SEN)
- A recruitment freeze in place
- A reduction on non-essential expenditure, and
- Further investigation of the availability and utilisation of grants both in Education Services and the School Services



## 2. Capital

Service	2015/16 Original Capital Programme £000	2015/16 Revised Capital Programme £000	Amount spent/ committed to 30/9/15 £000	Forecast spend in year £000	Forecast under/over spend in year £000
Adult Social Care	875	1,105	313	816	(289)
Care Commissioning, Housing & Safeguarding	2,064	3,532	1,083	3,532	0
Children's Services	20	22	0	22	0
Education	15,575	17,331	12,168	16,709	(622)
<b>Total</b>	<b>18,534</b>	<b>21,990</b>	<b>13,564</b>	<b>21,079</b>	<b>(911)</b>

2.1 61.7% of the Communities Programme is committed at the end of Quarter Two.

- (1) In Adult Social Care funds will be moved between projects to accommodate an increase in the cost of the Notrees project. Additional spending on Telecare, allowed for in the current year budget is proceeding well, but funds set aside for prepayment cards are no longer needed for that purpose but will be used for a financial self assessment tool for the Client Financial Services. It is also planned to fund approximately £600k capital expenditure on occupational health equipment in order to generate a net savings in the revenue budget. The budget and forecast spend will be adjusted to reflect this in Quarter Three.
- (2) In Care Commissioning, Housing and Safeguarding, the Homes Improvement Agency (HIA) has given notice on its contract to manage Home Repair Assistance grants, so the management of this programme is under review. A feasibility study is being undertaken for the redevelopment of the Four Houses Corner gypsy and traveller's site. Proposals for the timing of and funding of this scheme will be reported in Quarter Three. It is likely that a contribution towards the cost of the scheme will be made from Council funding for the Disabled Facilities Grant programme, provided grants allocated but not paid at the end of the financial year can be paid from next year's budget. The contract for the replacement for the RAISE system has now been let.
- (3) The Children's Services budget for building works to foster carer's homes is expected to be spent in full this year.
- (4) Underlying pressure £1.09 million has arisen in 2014/15 and 2015/16 on the cost of a number of Education schemes, including the unexpected requirement to provide emergency temporary accommodation at Francis Baily Primary school. This is offset in the current financial year by £1.71m funding for schemes which need to be reprofiled, including the expansion of Spurcroft and the Willows primary schools which continue to be delayed due to planning and environmental issues. Spend in 2015/16 is therefore expected to be £0.62 million lower than the current year budget. However the underlying pressure of approximately £1.09m is expected to be felt in 2016/17 programme. Officers are actively seeking savings in other schemes in the 2016/17 programme to help offset this pressure.

## Appendix A (5ii)

# Financial Performance Report 2015-16 Quarter Two Directorate Summaries - Environment

## 1. Revenue

Service	Net Budget	Forecast (under)/over spend				Change from last quarter
		Quarter One	Quarter Two	Quarter Three	Year End	
	£000	£000	£000	£000	£000	£000
Corporate Director	167	0	0			0
Highways & Transport	7,850	(66)	(197)			(131)
Planning & Countryside	3,927	0	(254)			(254)
Culture & Environmental Protection	21,555	59	78			19
<b>Total</b>	<b>33,499</b>	<b>(7)</b>	<b>(373)</b>	<b>0</b>	<b>0</b>	<b>(366)</b>

### 1.1 Overview

The forecast revenue underspend for the Environment Directorate as a whole is £366k.

#### (1) Highways and Transport

The Highways and Transport Service is forecasting an underspend of £197k, a change of -£131k from the reported £66k underspend at Quarter One. The major change to the forecast outturn is due to the additional parking income.

#### (2) Planning and Countryside

The Planning and Countryside Service is forecasting an underspend of £254k; the change from Quarter One is due to increased income in Development Control, which has also been used to offset a few relatively small pressures.

#### (3) Culture and Environmental Protection

Culture and Environmental Protection is forecasting an overspend of £78k mainly due to a payment of £43k from Kennet Leisure which has not yet been agreed, together with some salary pressures within the Service and an increase in the business rates valuation at the museum following last year's opening.

### 1.2 Risks identified

None

## 2. Capital

Service	2015/16 Original Capital Programme	2015/16 Revised Capital Programme	Amount spent/ committed to 30/9/15	Forecast spend in year	Forecast under/over spend in year
	£000	£000	£000	£000	£000
Highways & Transport	10,179	16,822	15,128	16,822	0
Planning & Countryside	135	288	313	288	0
Culture & Environmental Protection	506	1,277	533	742	(535)
<b>Total</b>	<b>10,820</b>	<b>18,387</b>	<b>15,974</b>	<b>17,852</b>	<b>(535)</b>

2.1 86.9% of the total capital budget for Environment has been committed as at the end of September 2015.

- (1) Good progress is being made with the majority of Highways schemes including 2 major new schemes funded by Challenge Fund grant from the Department for Transport (DfT), which were added to the capital programme by the Executive in April – the replacement of street lights with LEDs (£4.3m planned spend in 2015/16) and improvements to the A339 corridor (£2.5m spend in 2015/16).
- (2) In Planning and Countryside, the cost of repairs to flood damaged rights of way are still expected to be contained within the amount of the Severe Weather Recovery grant brought forward from 2014/15 and additional investment in play area improvements will be funded from section 106 contributions.
- (3) In Culture and Environmental protection capital maintenance programmes for leisure centre facilities and libraries and Shaw House are expected to be completed on schedule. £335k of the Waste Site budget will be reprofiled to 2016/17 to allow for Part 1 highways claims and for the future development of the household waste recycling centre (HWRC) at Padworth.

## Appendix A (5iii)

# Financial Performance Report 2015-16 Quarter Two Directorate Summaries - Resources

## 1. Revenue

Service	Net Budget	Forecast (under)/over spend				Change from last quarter
		Quarter One	Quarter Two	Quarter Three	Year End	
	£000	£000	£000	£000	£000	£000
Chief Executive	514	0	(15)			(15)
Customer Services	2,010	0	11			11
Finance	1,869	0	9			9
Human Resources	1,150	16	22			6
ICT and Corporate Support	2,825	(12)	(19)			(7)
Legal	972	0	70			70
Public Health	229	0	0			0
Strategic Support	3,583	(14)	(29)			(15)
<b>Total</b>	<b>13,152</b>	<b>(10)</b>	<b>49</b>	<b>0</b>	<b>0</b>	<b>59</b>

### 1.1 Overview

The forecast revenue overspend for the Resources Directorate as a whole is £49k against the budget of £13.2 million net which is an increased overspend of £59k from the reported £10k underspend in Quarter One. The major change from Quarter One is the lower income forecast within Legal Services.

#### (1) Chief Executive

The Chief Executive's budget is currently showing a £15k underspend due to some salary savings.

#### (2) Customer Services

Customer Services is forecasting an £11k overspend. There are several small pressures including increased IT and agency costs throughout the Service.

#### (3) Finance

The Finance Service is forecasting a £9k overspend. Additional survey and repair costs incurred by the Authority in their capacity as landlord together with additional training and consultancy costs have been offset by a decreased forecast for bank charges and some salary savings.

#### (4) Human Resources

The HR Service is predicting an overspend of £22k due to a reduction of training income and since Quarter One, an increased requirement for occupational health services.

(5) ICT

The ICT Service is forecasting an underspend of £19k. Pressures identified have been managed within the Service and additional income is forecast from the in house printing facilities.

(6) Legal Services

Legal Services is forecasting an overspend of £70k. Salary savings within the Service are currently offsetting a worsening income forecast.

(7) Public Health

Public Health is forecasting to budget within the Public Health ring fenced grant. However following the Chancellor's announcement on 4<sup>th</sup> June whereby he announced in year cuts of £200m to "Department of Health non NHS" funding, it is expected that Public Health may have to find savings in 2015 of up to 6% of their total budget.

(8) Strategic Support

Strategic Support is currently forecasting an underspend of £29k. The service has in year pressures due to an increase in Members' allowances. These pressures are currently being managed within the Service with savings generated in IT, postage and salaries.

1.2 Risks identified

None

## 2. Capital

Service	2015/16 Original Capital Programme	2015/16 Revised Capital Programme	Amount spent/ committed to 30/9/15	Forecast spend in year	Forecast under/over spend in year
	£000	£000	£000	£000	£000
Chief Executive	45	45	42	45	0
ICT and Corporate Support	1,294	4,363	2,678	4,363	0
Finance	105	312	187	312	0
Strategic Support	61	108	55	108	0
<b>Total</b>	<b>1,505</b>	<b>4,828</b>	<b>2,962</b>	<b>4,828</b>	<b>0</b>

### 2.1 61.4% of the Resources programme is committed at the end of quarter 2.

The London Road Industrial Estate Development Agreement has now been signed off but there is a risk of overspending on legal and consultancy costs for the scheme.

In Finance the Agresso upgrade has been successfully implemented. The remainder of the members' bids budget for 2014/15 was allocated to schemes in March 2015 and another panel meeting is planned for December.

Phase one of the Superfast Broadband project is due to be completed in the autumn and the contract for phase 2 has now been let and work on phase 2 is expected to begin in October.

The Council's 2015/16 contribution to shop mobility has been paid in full. Parish planning and vibrant village grants outstanding from 2014/15 have also been paid and the current year's grants will be allocated later in the year.

# Appendix B

## Equality Impact Assessment

Is this item relevant to equality?	Please tick relevant boxes	Yes	No
Does the policy affect service users, employees or the wider community and:			
• Is it likely to affect people with particular protected characteristics differently?		<input type="checkbox"/>	<input checked="" type="checkbox"/>
• Is it a major policy, significantly affecting how functions are delivered?		<input type="checkbox"/>	<input checked="" type="checkbox"/>
• Will the policy have a significant impact on how other organisations operate in terms of equality?		<input type="checkbox"/>	<input checked="" type="checkbox"/>
• 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"/>
• Does the policy relate to an area with known inequalities?		<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Outcome</b> (Where one or more 'Yes' boxes are ticked, the item is relevant to equality)			
Relevant to equality - Complete an EIA available at <a href="http://intranet/EqIA">http://intranet/EqIA</a>			<input type="checkbox"/>
Not relevant to equality			<input checked="" type="checkbox"/>