

Financial Performance Report 2015-16 Quarter Three Executive - Supporting Information

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 Three the forecast revenue position is an overspend of £0.6m.

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	0
Corporate Director - Communities	275	275	0	0	0	0
Adult Social Care	39,948	39,948	(877)	0	(418)	(418)
Care Commissioning, Housing & Safeguarding	5,871	5,771	(63)	(100)	(435)	(335)
Children's Services	15,130	15,814	1,945	684	1,308	625
Education	10,905	11,155	0	250	389	139
Adult Social Care Change Programme	1,535	1,535	0	0	0	0
Prevention and Developing Community Resilience	518	567	0	49	82	34
Communities	73,461	74,343	1,004	882	926	44
Corporate Director	167	167	0	0	0	0
Highways & Transport	7,849	7,652	(66)	(197)	(196)	1
Planning & Countryside	3,935	3,681	0	(254)	(166)	88
Culture & Environmental	21,540	21,618	59	78	57	(21)
Environment	33,491	33,118	(7)	(373)	(305)	68
Chief Executive	514	499	0	(15)	(22)	(7)
Customer Services	2,010	2,021	0	11	(44)	(55)
Finance	1,758	1,767	0	9	0	(9)
Human Resources	1,150	1,172	16	22	48	26
Information Technology	2,825	2,806	(12)	(19)	(59)	(40)
Legal	972	1,042	0	70	115	45
Public Health	229	229	0	0	0	0
Strategic Support	3,574	3,545	(14)	(29)	(25)	4
Resources	13,032	13,081	(10)	49	13	(36)
Levies and Interest	4,947	4,938	0	(9)	(10)	(1)
Total	124,931	125,480	987	549	625	75

NB. Rounding differences may apply to nearest £k

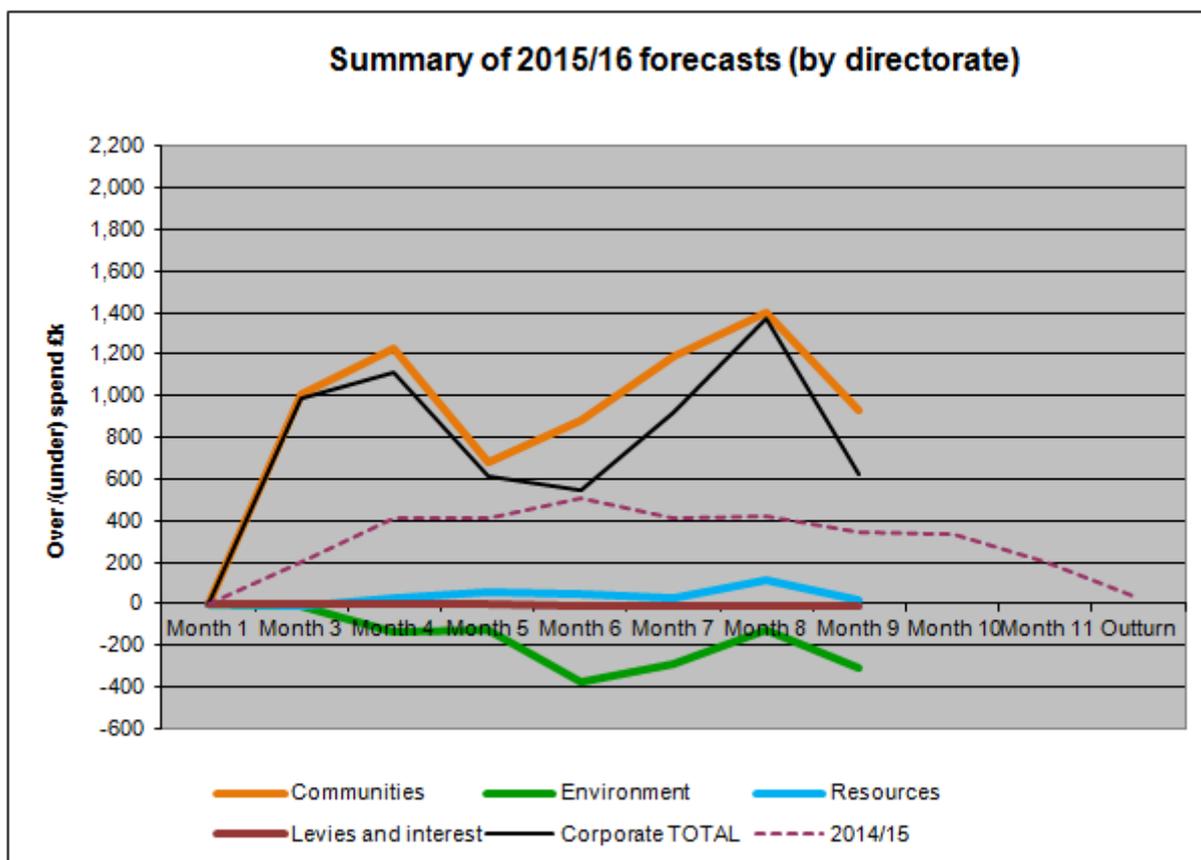
2.2 The Communities Directorate is forecasting an overspend of £926k at Quarter Three, which is an increase of £44k from Quarter Two. The overspend is primarily the result of a £1.3m pressure within Children's and Family Services, forecast overspends within Education of £0.4m and Prevention & Developing Community Resilience £0.1m, offset by savings within Adult Social Care and Care Commissioning, Housing & Safeguarding of £0.9m split approximately equally. 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 Three and Quarter Two reporting are as follows:

- (1) Adult Social Care is forecasting an underspend of £418k at Quarter Three which is a £418k change from an on line position reported at Quarter Two. This is due to the downward pressure on commissioning budgets, attributed to the new ways of working being increasingly rolled out across the service and the in year award of Continuing Health Care (CHC) funding.
- (2) The Care Commissioning, Housing and Safeguarding Service is forecasting a year end underspend of £435k at Quarter Three which is a £335k change on the position reported at Quarter Two. This is primarily due to an underspend in Supporting People services (£130k), lower numbers of Discretionary Housing Payments being approved (£151k) and £35k of Public Health Funding has been utilised to support homelessness prevention services.
- (3) Children's and Family Services are forecasting an overspend of £1.3m at Quarter Three. This is an increase of £625k on the position reported at Quarter Two, the main areas driving the change in forecast are additional placement and placement support pressures, increased agency costs due to a lower level of social worker recruitment than anticipated within the child protection teams, increases in the forecast for joint arrangements for Childcare Lawyers and Emergency Duty Team and the financial pressure resulting from the delayed implementation of the Youth Services restructure. The financial pressures within the service are being partially offset through the in year additional budget allocation.
- (4) The Education Service is forecasting a £389k overspend at Quarter Three which is an increase of £139k on the position at Quarter Two. The overspend forecast is primarily the result of significant pressures within the Special Educational Needs Home to School Transport Budgets, Disabled Children support packages and the Disability Support Team offset by a number of service wide savings strategies. The pressures identified and forecast have remained consistent between Quarters Two and Three. The assumptions in relation to effectiveness of the savings strategies in mitigating the pressures have been revised at Quarter Three leading to the increase in the forecast.
- (5) The Prevention and Developing Community Resilience Service is forecasting an overspend of £82k at Quarter Three. This is an increase of £34k from the forecast at Quarter Two as a result of extending agency

contracts following the identification of workload pressures within the team since the Ofsted judgement of inadequate.

- 2.3 The Environment Directorate is forecasting an underspend of £305k a reduction of £68k from Quarter Two. This underspend is primarily due to additional income from parking and development control and a saving in winter service costs with the reduction being mainly the slippage of the planning application for the Sandford Development and the associated fee.
- 2.4 The Resources Directorate is forecasting an overspend of £13k, which is a reduction of £36k from the reported overspend of £49k in Quarter Two. There are a number of forecast changes by Service, mainly reductions in Customer Service and ICT offsetting increases within HR and Legal.
- 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 89.3% of the 2015/16 capital programme is committed as at the end of December 2015. Forecast capital spend in the year is currently £42.2 million against a revised budget of £43.1 million with £0.9 million 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 – 88.5% of the Communities Programme is committed at the end of Quarter Three.
- (1) In Adult Social Care £368k grant funds for telecare equipment, the redevelopment of Chestnut Walk and supported living and self referral and assessment have been reprofiled to 2016/17. The budget has also been adjusted to allow for approximately £500k expenditure on occupational health equipment to be funded from capital in order to generate a net saving in the revenue budget.
 - (2) In Care Commissioning, Housing and Safeguarding the budget for Disabled facilities grants is expected to be underspent by £400k and it is planned to carry forward this sum to 2016/17 to contribute to the cost of the redevelopment of the Four Houses Corner gypsy and travellers' site.
 - (3) In Children's Services £28k of budget has also been transferred to the from the Corporate Allocation to fund a new system to provide complete, up to date and centralised information policies and procedures to all staff.
 - (4) The Education Services programme has been reviewed and revised by Capital Strategy Group and as a result £2.1m has been reprofiled to 2016/17. The majority of this sum relates to delays to the Spurcroft and Willows primary school schemes due to due to planning and environmental issues and problems with subcontractors. There is an underlying pressure in the current Education programme of approximately £1.3 million which will be taken into account in building the new capital programme for 2016/17 to 2020/21.
- 3.4 Environment – 92.4% of the total capital budget for Environment has been committed as at the end of Quarter Three.
- (1) In Highways & Transport, good progress is being made with the majority of Highways schemes including the replacement of street lights with LEDs and improvements to the A339 corridor. £1.9m has already been reprofiled, mainly in respect of access to the London Road Industrial Estate and a further £120k is expected to be reprofiled for the Hermitage to Hampstead Norreys cycle route, pedestrian crossing improvements in Hungerford and footpath improvements in Basildon.

- (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, libraries and Shaw House are expected to be completed on schedule and £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 – 80.4% of the Resources programme is committed at the end of Quarter Three. 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 and the remainder of the Members' bids budget for 2014/15 will be allocated at the next panel meeting planned for January. Phase one of the Superfast Broadband project is now complete. Work on phase 2 began in October and the first parts of the extended network began to go live in December.

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 Three position is showing a forecast overspend of £0.6m. 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.

7. Consultation and Engagement

Subject to Call-In:

Yes: No:

- The item is due to be referred to Council for final approval
- Delays in implementation could have serious financial implications for the Council
- Delays in implementation could compromise the Council's position
- Considered or reviewed by Overview and Scrutiny Management Commission or associated Task Groups within preceding six months
- Item is Urgent Key Decision
- Report is to note only

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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Financial Performance Report 2015-16 Quarter Three Summary Revenue Forecast

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 Three the forecast revenue position is an overspend of £0.6m.

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	97,382,610	495,831	-97,607,670	-98,103,500	-495,830	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	39,947,528	50,588,088	49,810,640	-777,448	-10,640,560	-10,281,130	359,430	-418,018
Care Commissioning, Housing & Safeguarding	5,261,659	5,870,869	9,782,699	9,488,320	-294,379	-3,911,830	-4,052,920	-141,090	-435,469
Childrens Services	13,425,398	15,130,438	15,829,838	17,433,910	1,604,072	-699,400	-995,000	-295,600	1,308,472
Education	10,595,347	10,904,947	13,990,326	14,252,340	262,014	-3,085,380	-2,958,250	127,130	389,143
ASC Efficiency Programme	1,160,850	1,534,830	1,534,830	1,789,260	254,430	0	-254,430	-254,430	0
Prevention and Developing Community Resilience	449,330	517,930	695,260	849,370	154,110	-177,330	-249,250	-71,920	82,190
Communities	70,439,531	73,460,651	189,582,820	191,401,450	1,818,630	-116,122,169	-117,014,480	-892,311	926,319
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	12,772,090	202,411	-4,719,730	-5,118,140	-398,410	-195,999
Planning & Countryside	3,761,289	3,935,019	5,479,899	5,523,120	43,221	-1,544,880	-1,754,300	-209,420	-166,199
Culture & Environmental Protection	21,658,307	21,540,716	28,058,226	27,931,660	-126,566	-6,517,509	-6,333,440	184,069	57,504
Environment	33,209,644	33,492,434	46,274,553	46,393,620	119,067	-12,782,119	-13,205,880	-423,761	-304,694
Chief Executive	568,900	514,210	514,210	492,690	-21,520	0	0	0	-21,520
Customer Services	1,948,169	2,010,159	40,992,329	41,001,290	8,961	-38,982,170	-39,035,630	-53,460	-44,499
Finance	1,862,960	1,757,570	3,714,480	3,720,620	6,140	-1,956,910	-1,963,050	-6,140	0
Human Resources	1,126,190	1,149,960	1,500,680	1,551,030	50,350	-350,720	-352,670	-1,950	48,400
ICT & Corporate Support	2,801,949	2,824,679	3,710,869	3,640,080	-70,789	-886,190	-874,150	12,040	-58,749
Legal Services	962,160	971,710	1,214,030	1,237,980	23,950	-242,320	-151,390	90,930	114,880
Public Health & Wellbeing	-80,000	228,990	5,642,340	5,642,340	0	-5,413,350	-5,413,350	0	0
Strategic Support	3,455,599	3,574,189	3,892,669	4,008,330	115,661	-318,480	-459,640	-141,160	-25,499
Resources	12,645,926	13,031,467	61,181,606	61,294,360	112,754	-48,150,140	-48,249,880	-99,740	13,013
Movement Through Reserves	-117,000	-3,884,670	2,423,960	2,423,960	0	-6,308,630	-6,308,630	0	0
Capital Financing & Management	8,753,210	8,831,430	9,235,280	9,255,280	20,000	-403,850	-433,850	-30,000	-10,000
Levies & Interest	8,636,210	4,946,760	11,659,240	11,679,240	20,000	-6,712,480	-6,742,480	-30,000	-10,000
Total	124,931,312	124,931,311	308,698,219	310,768,670	2,070,451	-183,766,907	-185,212,720	-1,445,813	624,639

Appendix A (3)

Financial Performance Report 2015-16 Quarter Three Summary Capital Budget

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 Three the forecast capital position in the year is currently £42.2 million against a revised budget of £43.1 million with a further £0.9 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
	£	£	£	£	£	£	%	£	%
<i>Resource Directorate</i>									
Chief Exec	45,000	-	0	45,000	36,080	8,920	19.8%	10,000	-2.4%
Finance	105,000	207,230	-27,500	284,730	202,343	82,387	28.9%	7,124	26.4%
ICT and Corporate Support	1,294,440	335,600	2,732,570	4,362,610	2,304,666	2,057,944	47.2%	1,236,226	18.8%
Strategic Support	61,000	30,030	16,500	107,530	62,795	44,735	41.6%	-	41.6%
<i>Total for Resource Directorate</i>	1,505,440	572,860	2,721,570	4,799,870	2,605,884	2,193,986	45.7%	1,253,349	19.6%
<i>Communities Directorate</i>									
Adult Social Care	875,460	229,990	131,420	1,236,870	256,766	980,104	79.2%	148,184	67.3%
Care Commissioning, Housing & Safeguarding	2,063,500	1,104,340	364,270	3,532,110	1,961,803	1,570,307	44.5%	897,245	19.1%
Childrens Services	20,000	2,210	27,500	49,710	13,750	35,960	72.3%	13,750	44.7%
Education Services	15,574,660	768,310	-1,112,610	15,230,360	11,347,804	3,882,556	25.5%	3,106,785	5.1%
<i>Total for Communities Directorate</i>	18,533,620	2,104,850	-589,420	20,049,050	13,580,123	6,468,927	32.3%	4,165,964	11.5%
<i>Environment Directorate</i>									
Culture & Environmental Protection (CEP)	506,080	770,570	0	1,276,650	399,137	877,513	68.7%	161,159	56.1%
Highways & Transport	10,178,920	762,570	5,551,000	16,492,490	12,937,329	3,555,161	21.6%	2,984,556	3.5%
Planning & Countryside	135,000	153,440	248,930	537,370	307,600	229,770	42.8%	133,757	17.9%
<i>Total for Environment Directorate</i>	10,820,000	1,686,580	5,799,930	18,306,510	13,644,066	4,662,444	25.5%	3,279,472	7.6%
Totals	30,859,060	4,364,290	7,932,080	43,155,430	29,830,073	13,325,357	30.9%	8,698,785	10.7%

(1)	Revised budget includes additional grants and contributions received and/or allocated in 2015/16, less funds reprofiled into 2016/17			
(2)	Approved budget changes			
	<u>Resources</u>			
	<i>Additional grant to Greenham Common Trust funded from Local Area Agreement reward fund</i>	16,500	Approved CSG 15/07	
	<i>Superfast Broadband Budget set up</i>	2,732,570	Approved CSG 08/09	
	<i>Corporate Contingency fund to 86042 Communities</i>	-27,500	Approved CSG 16/11	
		2,721,570		
	<u>Communities</u>			
	<i>Additional S106 funding for Purchase of DYSOs approved by Asset Management Group</i>	364,270	Approved CSG 15/07	
	<i>Reprofiling of Schools schemes approved by CSG in January 2015 not included in original budget</i>	988,020	Approved CSG 15/07	
	<i>Reprofiling of Telecare system to future years</i>	-248,580	Approved CSG 12/10	
	<i>Reprofiling of Notrees and Chestnut Walk to future years</i>	-40,000	Approved CSG 12/10	
	<i>TrX System from Corporate Contingency fund</i>	27,500	Approved CSG 16/11	
	<i>Reprofiling Supported Living</i>	-50,000	Approved CSG 05/01	
	<i>Reprofiling Prepayment card</i>	-30,000	Approved CSG 05/01	
	<i>Additional Budget for OT Equip</i>	500,000	Approved CSG 05/01	
	<i>Reprofiling of Education Schemes to 2016/17</i>	-2,100,630	Approved CSG 05/01	
		-589,420		
	<u>Environment</u>			
	<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	Approved CSG 15/07	
	<i>81508 LRIE A339 Access</i>	290,000	Approved CSG 15/07	
	<i>81594 Upgrading Parking Equipment</i>	190,000	Approved CSG 15/07	
	<i>2015/16 Budget for LED Street Lighting approved by Executive on 23rd April 2015</i>	4,344,000	Approved CSG 15/07	
	<i>2015/16 Budget for A339 Improvements approved by Executive on 23rd April 2015</i>	2,146,000	Approved CSG 15/07	
	<i>London Road Estate access improvements reprofiled to 2016/17</i>	-1,539,000	Approved CSG 15/07	
	<i>Great Shefford Flood Alleviation Scheme reprofiled to 2016/17</i>	-280,000	Approved CSG 15/07	
	<i>A340 rail bridge Aldermaston footway reprofiled to 2016/17</i>	-100,000	Approved CSG 15/07	
	<i>Application of S106 to Newbury Public Open Spaces (approved by Portfolio Holder)</i>	132,250	Approved CSG 12/10	
	<i>Application of S106 to Hunters Hill Play Area (approved by Portfolio Holder)</i>	113,280	Approved CSG 12/10	
	<i>Application of S106 to Open Space Imps (approved by Portfolio Holder)</i>	3,400	Approved CSG 12/10	
		5,799,930		
	Total Budget changes approved by Capital Strategy Group	7,932,080		

Appendix A (4)

Financial Performance Report 2015-16 Quarter Three 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 Three 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 Three:

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	39,948	(45)	Budget increases: £445k 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. Transfer to CCHS to fund Direct Payment Support moved from external service to inhouse £18k, £6k for a new epayments system and the movement of 1 post £10k.
Care Commissioning, Housing & Safeguarding	5,262	5,871	609	Grant funding brought forward from 14/15 to be spent in 15/16 (Local Welfare Provision, Community Plus Fund, DHP, Healthwatch, Housing Support). Transfer from ASC to fund Direct Payment Support moved from external service to inhouse £18k, £6k for a new epayments system and the movement of 1 post £10k.
Children's Services	13,425	15,130	1,705	£668k from reserves for the Ofsted Improvement Plan and £98k for Foster Carers, £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	10,905	310	Grant funding brought forward from 14/15 to be spent in 15/16 (SEN £256k, Pupil Premium £13k and Pan Berkshire Hub £12k). Additional budget of £40k for Foster Carers. Reduction of £10k relating to the ICT suite loan.
Adult Social Care Change Programme	1,161	1,535	374	Budget increases: £500k brought forward funding from 14/15. Budget decreases: £445k transfer into Adult Social Care, £55k budget transfer to CCHS. Movement in Reserves of £373k.
Prevention and Developing Community	449	518	69	£69k grant brought forward from 14/15 for Troubled families.
Communities	70,439	73,461	3,021	
Corporate Director	167	167	0	
Highways & Transport	7,623	7,849	226	Transport grant brought forward from 14/15 to be spent in 15/16, plus transfer from reserves for a procurement review
Planning & Countryside	3,761	3,935	174	Budgets carried forward from 14/15 for specific projects plus transfer of £106 for Grounds Maintenance, plus cross service budget move
Culture & Environmental Protection	21,658	21,540	(118)	Transfer to Capital Financing, plus cross service budget movement
Environment	33,209	33,491	282	
Chief Executive	569	514	(55)	Corporate training budget allocation
Customer Services	1,948	2,010	62	Transfers from reserves (some to pay for Corporate costs relating to NNDR)
Finance	1,863	1,758	(105)	Transfer through reserves, accounting movement
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	3,574	119	Grant funding brought forward from 14/15 to be spent 15/16
Resources	12,645	13,032	387	
Levies and Interest	8,637	4,947	(3,690)	Movement through reserves of all budget changes
Total	124,931	124,931	0	

Appendix A (5i)

Financial Performance Report 2015-16 Quarter Three Directorate Summaries - Communities

1. Revenue

Service	Net Budget £000	Forecast (under)/over spend				Change from last quarter £000
		Quarter One £000	Quarter Two £000	Quarter Three £000	Year End £000	
DSG	(721)	0	0	0		0
Corporate Director	275	0	0	0		0
Adult Social Care	39,948	(877)	0	(418)		(418)
Care Commissioning, Housing & Safeguarding	5,871	(63)	(100)	(435)		(335)
Children's Services	15,130	1,945	684	1,308		625
Education	10,905	0	250	389		139
Adult Social Care Change Programme	1,535	0	0	0		0
Prevention and Developing Community Resilience	518	0	49	82		34
Total	73,461	1,004	882	926	0	44

1.1 Overview

The forecast revenue overspend for the Communities Directorate is £926k against the budget of £73.5 million net, which equates to 1.3% of the directorate budget. This represents an increase to the overspend from Quarter Two of £44k. The change since Quarter Two is the of, an increase to the Children's overspend of £625k, Education £139k and an additional pressure of £34k in the Prevention and Developing Community Resilience service, partially offset by reductions in Adult Social Care (£418k) and Care Commissioning, Housing and Safeguarding (£335k).

- (1) Corporate Director - The Corporate Director's cost centre has forecast an on line position in both Quarters Two and Three.
- (2) Adult Social Care - The Adult Social Care Service is forecasting an underspend of £418k at Quarter Three which is a £418k change from an on line position reported at Quarter Two. This is due to the downward pressure on commissioning budgets, attributed to the new ways of working being increasingly rolled out across the service and the in year award of Continuing Health Care (CHC) funding.
- (3) Care Commissioning, Housing and Safeguarding - The Care Commissioning, Housing and Safeguarding Service is forecasting a year end underspend of £435k at Quarter Three which is a £335k change on the position reported at Quarter Two. This is primarily due to an underspend in Supporting People services (£130k), lower numbers of Discretionary Housing Payments being approved (£151k) and £35k of

Public Health Funding has been utilised to support homelessness prevention services.

- (4) Children's Services - Children's Services is forecasting an overspend of £1.31 million at Quarter Three. This is an increase of £625k on the position reported at Quarter Two, the main areas driving the change in forecast are:

Pressure on the placement budget has increased by £152k to a total pressure of £962k at Quarter Three. The number of children supported by the placement budget which covers both Looked after Children and allowances has increased from 271 at Quarter Two to 287 at Quarter Three. Of the 287 children funded from the placement budget, 153 are deemed to be Looked after Children.

The pressure on placement support budgets has moved from a £3k forecast overspend position at Quarter Two to a £77k forecast overspend at Quarter Three. Placement support budgets fund one off purchases such as vaccinations and travel for contact sessions (£49k pressure), the salary cost of the Leaving Care Team and Family Placement Service (£28k pressure).

The Child Protection Teams combined forecast overspend has increased by £170k to a forecast pressure of £370k at Quarter Three. The increase is the result of a revision and reduction at Month Seven of the anticipated level of recruitment of social workers in the financial year, predominately in the Contact Advice and Assessment Service (CAAS), increasing the forecast level of agency usage within the teams.

The forecast financial pressures against both the Childcare Lawyers and Emergency Duty Team joint arrangements have increased in response to information provided at Month Eight by Reading Borough Council (the Lead Authority). The forecast overspend against the Childcare Lawyers budget has increased by £165k to £445k and the forecast for the Emergency Duty Team has increased by £30k to a forecast overspend of £56k at Quarter Three.

At Quarter Three the service continues to forecast a financial pressure of £123k as a result of the requirement for a second consultation before implementation of the Youth Services restructure.

The financial pressures within the service are being partially offset through the in year additional budget allocation.

- (5) Education - The Education Service is forecasting an overspend of £389k at Quarter Three which is an increase of £139k on the position at Quarter Two.

Within the current financial year significant pressures have been identified against the Special Educational Needs Home to School Transport Budgets (£305k at Quarter Three), Disabled Children support packages (£206k at Quarter Three), and the Disability Support Team (forecast at Quarter Three has increased by £31k to a pressure of £50k as a result of agency usage to cover long term sickness absence).

In response to these pressures a number of service wide strategies were implemented:

- An in depth review of the SEN Home to School Transport activities and other SEND expenditure.
- A recruitment freeze.
- A reduction on non-essential expenditure against all supplies and services budgets.
- Utilisation of grant funding where feasible.

The pressures identified and forecast have remained consistent between Quarters Two and Three. The assumptions in relation to effectiveness of the savings strategies in mitigating the pressures have been revised at Quarter Three leading to the increase in the forecast.

- (6) Adult Social Care Change Programme - The Adult Social Care Change Programme is forecasting an on line position.
- (7) Prevention and Developing Community Resilience - The Prevention and Developing Community Resilience Service is forecasting an overspend of £82k at Quarter Three. This is an increase of £34k from the forecast at Quarter Two. The increase is the result of extending agency contracts following the identification of workload pressures within the team since the Ofsted judgement of inadequate.

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 200 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 were in receipt of care or allowances funded via the placement budget. 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. During the current financial year there has been a trend of increasing numbers of children either in placements or in receipt of allowances funded from the placement budget. It should be noted that although total numbers have increased, the number of Looked after Children in placements has reduced.
- (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 has continued 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; however assumptions regarding the level of permanent appointments anticipated between Quarter Three and the end of the financial year have been revised. It is anticipated that the service will still be reliant on agency workers to cover social worker posts at the start of financial year 2016-17.

(3) Education

- (a) Disabled Children's support budgets - The number of children accessing support via either residential placements or community based support packages has been increasing. Tight controls are in place to ensure that all care packages are appropriate.

2. Capital

Service	2015/16 Original Capital Programme £000	2015/16 Revised Capital Programme £000	Amount spent/ committed to 31/12/15 £000	Forecast spend in year £000	Forecast under/over spend in year £000
Adult Social Care	875	1,237	405	1,237	0
Care Commissioning, Housing & Safeguarding	2,064	3,532	2,859	3,132	(400)
Children's Services	20	50	28	50	0
Education	15,575	15,230	14,455	15,175	(55)
Total	18,534	20,049	17,747	19,594	(455)

2.1 88.5% of the Communities Programme is committed at the end of Quarter Three.

- (1) In Adult Social Care funds will be moved between projects to accommodate an increase in the cost of the Notrees project. 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. £368k grant funds for telecare equipment, the redevelopment of Chestnut Walk and supported living and self referral and assessment have been reprofiled to 2016/17. The budget has also been adjusted to allow for approximately £500k expenditure on occupational health equipment to be funded from capital in order to generate a net savings in the revenue budget.
- (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. For this reason, the budget for Disabled facilities grants is also expected to be underspent by £400k and it is planned to carry forward this sum to 2016/17 to contribute to the cost of the redevelopment of the Four Houses Corner gypsy and travellers' site.
- (3) The Children's Services budget for building works to foster carer's homes is expected to be spent in full this year. £27.5k has also been transferred from the Corporate Allocation to fund a new system to provide complete, up to date and centralised information policies and procedures to all staff.
- (4) The Education Services programme has been reviewed and revised by Capital Strategy Group and as a result £2.1m has been reprofiled to 2016/17. The majority of this sum relates to delays to the Spurcroft and Willows primary school schemes due to planning and environmental issues and problems with subcontractors. There is an underlying pressure

in the current Education programme of approximately £1.3 million which will be taken into account in building the new capital programme for 2016/17 to 2020/21 by transferring funds from other schemes planned for future years. A small underspend is reported on corporate buildings maintenance and fire remedial programme.

Appendix A (5ii)

Financial Performance Report 2015-16 Quarter Three 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		0
Highways & Transport	7,849	(66)	(197)	(196)		1
Planning & Countryside	3,935	0	(254)	(166)		88
Culture & Environmental Protection	21,540	59	78	57		(21)
Total	33,491	(7)	(373)	(305)	0	68

1.1 Overview

The forecast revenue underspend for the Environment Directorate as a whole is £305k a reduction of £68k from Quarter Two.

(1) Highways and Transport

The Highways and Transport Service is forecasting an underspend of £196k. Pressures within the Service due to consultancy costs associated with the Sandleford Development and the Newbury Transport Interchange have been offset by a continued increase in parking income and a saving in the winter service costs in Quarter Three due to the mild weather.

(2) Planning and Countryside

The Planning and Countryside Service is forecasting an underspend of £166k; the change from Quarter Two is mainly due to the receipt for the planning application for the Sandleford Development determination of which has slipped and so some of the fee will now need to be carried forward into next year due to delays with the application.

(3) Culture and Environmental Protection

Culture and Environmental Protection is forecasting an overspend of £57k mainly due to a payment of £43k from Kennet Leisure which has not yet been agreed, together with an increase in the business rates valuation at the museum following last year's opening. The pressures have increased since Quarter Two due to reduced income within the Activity Team West Berkshire but have been offset by a saving in the Waste contract due to a reduction in landfill costs.

1.2 Risks identified

The payment due from Kennet School for Kennet Leisure Centre will continue into 2016/17.

2. Capital

Service	2015/16 Original Capital Programme £000	2015/16 Revised Capital Programme £000	Amount spent/ committed to 30/12/15 £000	Forecast spend in year £000	Forecast under/over spend in year £000
Highways & Transport	10,179	16,492	15,922	16,372	(120)
Planning & Countryside	135	537	441	537	0
Culture & Environmental Protection	506	1,277	560	943	(334)
Total	10,820	18,306	16,923	17,852	(454)

2.1 92.4% of the total capital budget for Environment has been committed as at the end of December 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). £1.9m has already been reprofiled, mainly in respect of access to the London Road Industrial Estate and a further £120,000 is expected to be reprofiled for the Hermitage to Hampstead Norreys cycle route, pedestrian crossing improvements in Hungerford and footpath improvements in Basildon.
- (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 Three 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)	(22)		(7)
Customer Services	2,010	0	11	(44)		(55)
Finance	1,758	0	9	0		(9)
Human Resources	1,150	16	22	48		26
ICT and Corporate Support	2,825	(12)	(19)	(59)		(40)
Legal	972	0	70	115		45
Public Health	229	0	0	0		0
Strategic Support	3,574	(14)	(29)	(25)		4
Total	13,032	(10)	49	13	0	(36)

1.1 Overview

The forecast revenue over spend for the Resources Directorate as a whole is £13k against the budget of £13.03 million net. This is a reduction of £36k from the reported over spend of £49k in Quarter Two.

(1) Chief Executive

The Chief Executive's budget is currently showing a £22k underspend due to some salary savings and the release of some small budgets which have not been spent to date.

(2) Customer Services

Customer Services is forecasting £45k underspend compared to an overspend of £11k in quarter two. The change is due to some additional income from the Registrar's Service; a lower forecast for the superannuation costs and salary savings in the Contact Centre.

(3) Finance

The Finance Service is forecasting on line.

(4) Human Resources

The HR Service is predicting an overspend of £48k, an increase of £26k due to increase in occupational health use and charges and a further reduction in training income.

(5) ICT

The ICT Service is forecasting an underspend of £59k from a forecast underspend position of £19k in Quarter Two. The main change is due to a reduced forecast in postage costs and some additional salary savings.

(6) Legal Services

Legal Services is forecasting an overspend of £115k an increase in £45k from Quarter Two as a result of Judicial Reviews that have taken place in the past 3 months.

(7) Public Health

Public Health has made savings to take into account the in year cut of £355k to their grant and is forecasting to budget within the remaining ring fenced grant.

(8) Strategic Support

Strategic Support is currently forecasting an underspend of £25k a change of £4k from Quarter Two.

1.2 Risks identified

2. Capital

Service	2015/16 Original Capital Programme £000	2015/16 Revised Capital Programme £000	Amount spent/ committed to 31/12/15 £000	Forecast spend in year £000	Forecast under/over spend in year £000
Chief Executive	45	45	46	45	0
ICT and Corporate Support	1,294	4,363	3,541	4,363	0
Finance	105	285	209	285	0
Strategic Support	61	108	63	108	0
Total	1,505	4,801	3,859	4,801	0

2.1 80.4% of the Resources programme is committed at the end of Quarter Three.

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 January.

Phase one of the Superfast Broadband project is now complete. Work on phase 2 began in October and the first parts of the extended network began to go live in December.

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"/>
Outcome (Where one or more 'Yes' boxes are ticked, the item is relevant to equality)			
Relevant to equality - Complete an EIA available at http://intranet/EqIA			<input type="checkbox"/>
Not relevant to equality			<input checked="" type="checkbox"/>