

# Appendix A

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## Provisional Financial Outturn Report 2015-16 Executive Report

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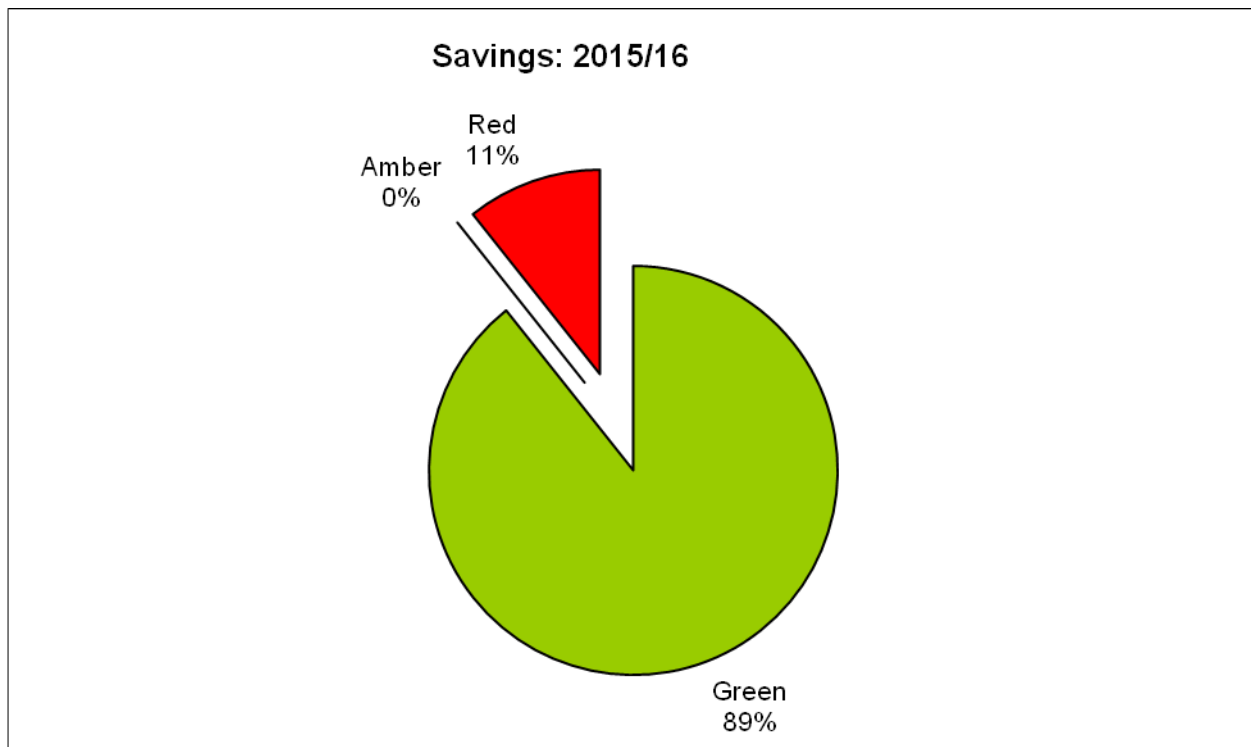
### 1. Introduction

- 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. This report summarises the provisional financial outturn for the Council in respect of the 2015-16 financial year. It should be noted that these figures are provisional and may change as a result of closedown or External Audit.
- 1.2** The total revenue expenditure in 2015-16 was £125m with a provisional year end over spend of £115k or 0.09% of net budget. This will lead to a reduction in the General Fund of the same amount. The Council has delivered outturns close to its budget requirement over recent years. Historically the Council under spend as a percentage of net budget was 0.44% in 2011-12, 0.5% in 2012-13, 0.37% in 2013-14 and 0.03% in 2014-15.
- 1.3** Financial year 2015-16 has been particularly challenging, with a savings programme of £5.9m required to set a balanced budget at the start of the financial year. This is set against a backdrop where over the last six years (including 2015-16), West Berkshire Council has had to find over £37m of revenue savings, which has been achieved through finding efficiencies, staff reductions and transforming services.
- 1.4** The key factors driving the challenging financial environment have been continued reductions in funding from Central Government coupled with minimal increases in Council Tax, which for West Berkshire, has seen no increases in four out of the last six years. Since 2013-14, the Council has been exposed to the volatility of our local business rate generation which represents both an opportunity to benefit from growth, but also a risk. Since the introduction of local business rate retention, growth has stagnated and a number of large appeals have reduced the Council's income.
- 1.5** To compound the funding issues above the Council has experienced significant demand led pressure on its social care budgets in 2015-16. The eligibility criteria for adults accessing social care services has been reduced from critical to the national substantial criteria as a result of the implementation of The Care Act. The Council has incurred a £3m shortfall in funding relating to the change, the New Ways of Working Programme has been implemented in response to the increased pressures is a significant strand of the Communities Directorate savings proposals for future years. Children's social care has seen increasing demand from children accessing support from the placement budget and the national shortage in skilled child protection social workers has resulted in escalating agency usage costs. Education Services has seen increasing demand for support services for children with disabilities and special educational needs Home to School Transport requirements.
- 1.6** The size of the Capital Programme is determined by the amount which the Council can afford to borrow together with other sources of capital funding including capital receipts, government grants and developers' contributions. Total capital expenditure in 2015-16 was £38.5m of which £12.5m was funded by new long term borrowing. This represented an under spend of £6.7m against the revised budget of £45.2m. The budget was revised during the course of the year to take account of funds brought forward from 2014-15, additional grant and section 106 funding allocated to schemes during the year and funds re-profiled into 2016-17. These changes have been explained in the quarterly budget monitoring reports to the Executive. The Capital Strategy Group met on the 24th May to review the capital outturn in detail and

recommended that £6.6 million should be carried forward into 2016-17 to enable schemes already underway to be completed and/or to meet future capital commitments with the remaining £100k to be set aside to fund any new pressures on the capital programme.

## 2. Background to the 2015/16 Budget

- 2.1 In order to meet the funding available, the 2015-16 budget was built with a savings programme of £5.9m. £627k of the 2015-16 savings programme was not met which equates to 11% of the total savings programme. The unmet savings comprised of £381k in Children's Services relating to children's placements and allowances, usage of joint arrangements and agency costs, and £246k in Education Services relating to Special Educational Home to Transport provision and Education Welfare income. Additional investment has been allocated against the pressure areas in Children's Services and Education Services as part of the 2016-17 budget build process to mitigate ongoing pressures.



## 3. Changes to the Budget 2015-16

- 3.1 During the year budget changes may be approved for a number of reasons. Budget increases will be seen when budgets are brought forwards from the previous year as a result of requests that are approved at year end, after the original budget has been set in early March. Budget decreases will be seen when budgets are carried forward into the following year. These budget changes are submitted to the Finance and Governance Group (FAGG) and must meet certain criteria to be approved. Other reasons for budget changes include drawing from reserves to support specific projects or to cover risks that have arisen and have previously been provided for.
- 3.2 Budget amendments are reported to the Executive on a quarterly basis and the full year summary is included in the table in Appendix D.

## 4. Review of 2015-16 Provisional Year End Revenue Outturn

The provisional year end revenue position for 2015-16 is an over spend of £115k. The figures included within this report are all provisional until the production of the Council's financial

statements. However, there has been very little movement in recent years between the outturn figure reported in this report and the final adjustments to the Council's General Reserve.

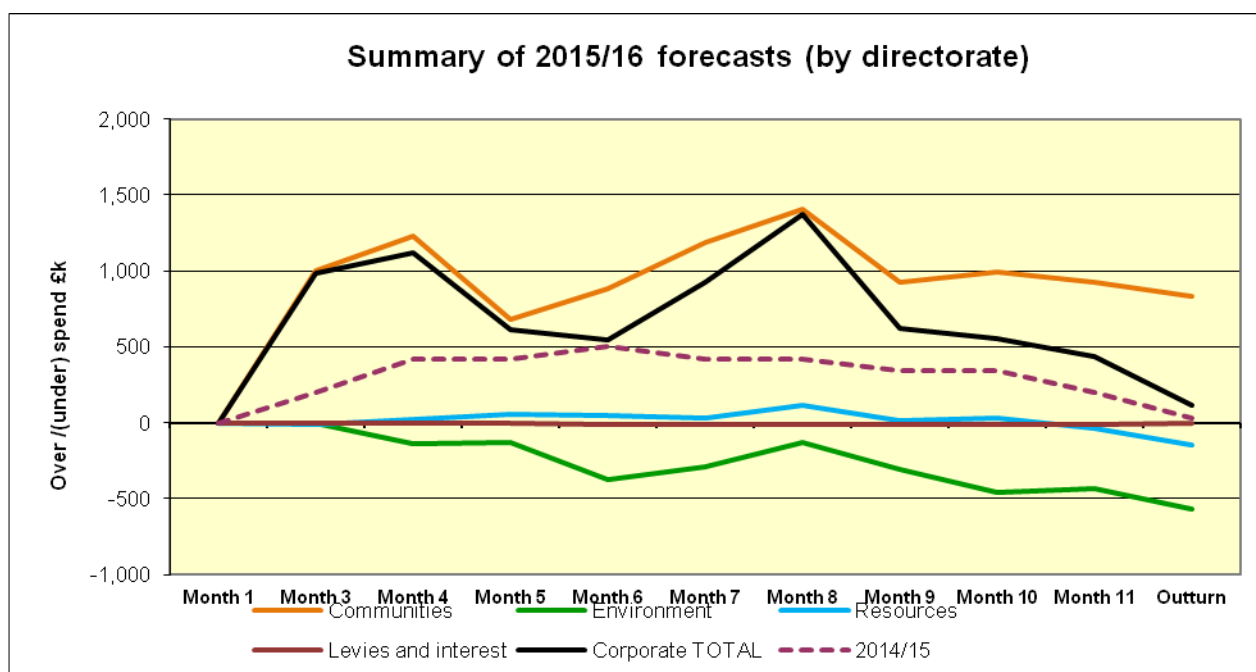
**4.1** The following table details quarterly financial reporting on a service basis.

Service	Current Net Budget	Annual Net Expenditure	Forecast (under)/over spend				Change from last Quarter
			Quarter One	Quarter Two	Quarter Three	YEAR END	
			£000	£000	£000	£000	
DSG	(721)	(721)	0	0	0	0	0
Corporate Director - Communities	275	276	0	0	0	1	1
Adult Social Care	37,794	37,365	(877)	0	(418)	(429)	(11)
Care Commissioning, Housing & Safeguarding	5,813	5,454	(63)	(100)	(435)	(359)	76
Children's Services	15,108	16,457	1,945	684	1,308	1,349	40
Education	10,944	11,130	0	250	389	186	(203)
Adult Social Care Change Programme	1,050	1,050	0	0	0	0	0
Prevention and Developing Community Resilience	369	453	0	49	82	84	2
<b>Communities</b>	<b>70,631</b>	<b>71,463</b>	<b>1,004</b>	<b>882</b>	<b>926</b>	<b>832</b>	<b>(94)</b>
Corporate Director	164	161	0	0	0	(3)	(3)
Highways & Transport	7,648	7,186	(66)	(197)	(196)	(462)	(266)
Planning & Countryside	3,708	3,616	0	(254)	(166)	(92)	74
Culture & Environmental Protection	21,490	21,479	59	78	57	(11)	(68)
<b>Environment</b>	<b>33,010</b>	<b>32,442</b>	<b>(7)</b>	<b>(373)</b>	<b>(305)</b>	<b>(568)</b>	<b>(263)</b>
Chief Executive	514	489	0	(15)	(22)	(25)	(3)
Customer Services	2,028	1,954	0	11	(44)	(74)	(30)
Finance	1,931	1,925	0	9	0	(6)	(6)
Human Resources	1,168	1,157	16	22	48	(11)	(59)
Information Technology	2,755	2,668	(12)	(19)	(59)	(87)	(28)
Legal	980	1,114	0	70	115	134	19
Public Health	(88)	(88)	0	0	0	0	0
Strategic Support	3,590	3,510	(14)	(29)	(25)	(80)	(55)
<b>Resources</b>	<b>12,878</b>	<b>12,729</b>	<b>(10)</b>	<b>49</b>	<b>13</b>	<b>(149)</b>	<b>(162)</b>
Movement through Reserves	(207)	(207)	0	0	0	0	0
Capital Financing & Management	8,619	8,619	0	(9)	(10)	0	10
<b>Levies and Interest</b>	<b>8,412</b>	<b>8,412</b>	<b>0</b>	<b>(9)</b>	<b>(10)</b>	<b>0</b>	<b>10</b>
<b>Total</b>	<b>124,931</b>	<b>125,046</b>	<b>987</b>	<b>549</b>	<b>625</b>	<b>115</b>	<b>(510)</b>

NB. Rounding differences may apply to nearest £k

**4.2** The Year End over spend of £115k is a £510k reduction in the forecast position of £625k over spend at Quarter Three. In response to the Quarter Three forecast across the Council expenditure was deliberately slowed to offset the corporate position. Highways and Transport and Education Services in particular reduced expenditure. Education Services implemented a number of savings strategies inclusive of a recruitment freeze for non essential posts and slowing of expenditure. Highways and Transport generated additional income from car parking and incurred lower than anticipated expenditure on winter maintenance budgets as a result of the mild winter.

- 4.3 The following graph details the forecasting trend during 2015-16 together with a corporate total and comparison to 2014-15.



## 5. Review of Directorate Year End Positions

### 5.1 Communities Directorate:

Communities	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	0
Corporate Director	275	0	0	0	1	1
Adult Social Care	37,794	(877)	0	(418)	(429)	(11)
Care Commissioning, Housing & Safeguarding	5,813	(63)	(100)	(435)	(359)	76
Children's Services	15,108	1,945	684	1,308	1,349	40
Education	10,944	0	250	389	186	(203)
Adult Social Care Change Programme	1,050	0	0	0	0	0
Prevention and Developing Community Resilience	369	0	49	82	84	2
<b>Total</b>	<b>70,631</b>	<b>1,004</b>	<b>882</b>	<b>926</b>	<b>832</b>	<b>(94)</b>

- 5.2 The Communities Directorate Year End position for 2015-16 is an over spend of £832k which equates to 1.2% of the net directorate budget. This represents a decrease of £94k compared to the forecast year end overspend of £926k at Quarter Three.

### 5.3 Corporate Director

The Corporate Director's Year End position is online as was forecast at Quarter Three.

## 5.4 Adult Social Care

The Adult Social Care Service Year End position is an under spend of £429k, which is a £11k change from the forecast position at Quarter Three of a £418k under spend. The overall under spend and change between the Year End and Quarter Three is due to the downward pressure on the commissioning budgets attributed to the New Ways of Working in the service.

## 5.5 Care Commissioning, Housing and Safeguarding

The Care Commissioning, Housing and Safeguarding Service Year End position is an under spend of £359k, which is a £76k reduction in the under spend forecast at Quarter Three. The under spend has been generated through utilising previously ringfenced grants (unutilised Communities Grant £143k). Transferring clients funded from the supporting people budgets into Adult Social Care that meet eligibility criteria as part of the long term decommissioning of supporting people services (£70k) and lower levels of applicants meeting the essential eligibility criteria for Discretionary Housing Payments (£176k).

The change in position between the Year End and Quarter Three is primarily the result £36k of increase in Supporting People costs and a £29k increase in temporary accommodation costs. Increased temporary accommodation costs are as a result of lower levels of income than anticipated through increased vacancy rates.

## 5.6 Children's Services

Children's Services Year End position is an over spend of £1.35million, which is a £40k increase in the over spend of £1.3million forecast at Quarter Three. The over spend has been generated through pressures on demand led budgets in year. The main areas of over spend in year have been the placement budget, joint arrangements and the Child Protection Teams. £1.3million of one off additional budget has been allocated to the service in year to partially offset service pressures.

The placement budget which funds both placements and allowances ended the year with an over spend of £905k. The overspend was generated through increasing numbers of children accessing care. At the start of 2015-16, 282 children were in receipt of care funded from the placement budget; at the end of the financial year 295 children were funded from the placement budget.

In respect of joint arrangements at the end of the financial year Childcare Lawyers generated an over spend of £572k and the Emergency Duty Team £56k. Both joint arrangements are demand led and have seen higher than anticipated levels of demand throughout 2015-16. In respect of Childcare Lawyers, in financial year 2014-15 there was a change in legislation that required all cases to be resolved within a 26 week timeline. As a result of the change the number of cases processed dramatically increased in 2014-15 which has continued into the first quarter of 2015-16. Furthermore, the number of cases deemed complex which were processed in 2015-16 were higher than anticipated (13 cases), which increased the requirement for specialised support.

The over spend within the three main Child Protection Teams (Contact, Advice and Assessment Service, West and East Locality Teams), is a direct result of agency usage caused by the national shortage of Social Workers and difficulties in recruiting permanent members of staff. The two locality teams (East £189k overspend, West £226k overspend) employed additional agency workers in excess of the agreed establishment to provide support for current case load levels. The collective overspend across the two teams of £415k has been reduced by a £69k under spend on the Contact, Advice and Assessment Service budget. The Contact, Advice and Assessment Service benefited from additional one off in year funding from reserves as part of the service response to the recent Ofsted judgement.

The change in position between the Year End and Quarter Three is primarily the result of increased financial pressure on the additional placement budget (£64k increase from Quarter Three to £141k over spend at year end), which funds one off purchases such as vaccinations and travel to contact sessions. Further information was received from the host authority for the Childcare Lawyers joint arrangement resulting in an increase in financial pressure (£127k increase from Quarter Three to a £572k over spend at year end).

The £191k increase across Childcare Lawyers and additional placement costs was partially offset via a decrease in the over spend forecast for the placement budget (£57k). The agency pressure across the three main child protection teams (Contact, Advice and Assessment Service and the East and West Locality Teams) reduced (£24k). In response to increased financial pressures. Expenditure across non essential supplies and services budgets was deliberately slowed in the final quarter generating a reduction of £70k.

## **5.7 Education**

The Education Service Year End position is an over spend of £186k which is a £203k decrease from the £389k over spend forecast at Quarter Three. The over spend position has been generated through in year pressures on the Special Educational Needs Home to School Transport Budgets (£275k over spend), and the Disabled Children's residential care and community support budgets (£206k overspend). The pressures have been partially offset by the implementation of service wide strategies to reduce none essential expenditure and where possible hold posts vacant.

The change in position is the result of a reduction in expenditure against Special Educational Needs Home to School Transport (£34k). The local Clinical Commissioning Group (CCG) reimbursed costs paid from the Council's Child and Adolescent Mental Health Service (CAMHs) budget (£22k). Increased income was generated within Children's Centres (£16k) and Educational Welfare Services (£6k).

Extra salary savings through vacancies were achieved across the service (£16k). Expenditure across non essential supplies and services budgets including planned maintenance was deliberately slowed to offset pressures within the service generating a reduction of £109k between Quarter Three and the year end.

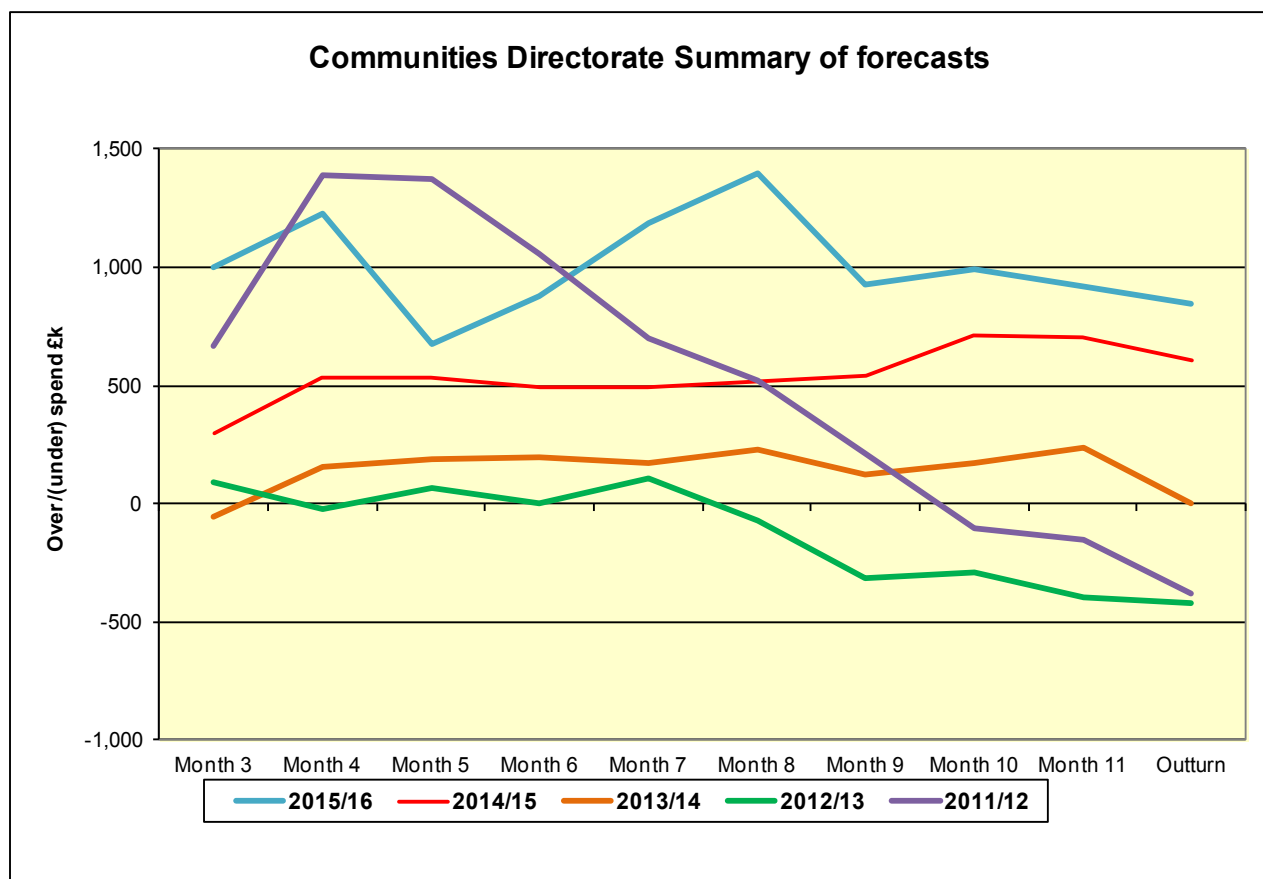
## **5.8 Adult Social Care Change Programme**

The Adult Social Care Change Programme Year End position is on line, which is unchanged from the Quarter Three forecast.

## **5.9 Prevention and Developing Community Resilience**

The Prevention and Developing Community Resilience Service's Year End position is an over spend of £84k, which is a £2k increase from their forecast position at Quarter Three of £82k. The pressure has occurred within the Quality Assurance and Safeguarding Service (QAAS) as a result of starting the financial year with 70% Agency workforce and an increased numbers of Child Protection Conferences resulting from an increased volume of referrals to Children Services following the post Ofsted Improvement Plan.

5.10 The following graph shows the past four years forecasting trends and outturn for the Communities Directorate.



### 5.11 Environment Directorate:

Environment	Net Budget £000	Forecast (under)/over spend				Change from last Quarter £000
		Quarter One £000	Quarter Two £000	Quarter Three £000	Year End £000	
Corporate Director	164	0	0	0	(3)	(3)
Highways & Transport	7,648	(66)	(197)	(196)	(462)	(266)
Planning & Countryside	3,708	0	(254)	(166)	(92)	74
Culture & Environmental Protection	21,490	59	78	57	(11)	(68)
<b>Total</b>	<b>33,010</b>	<b>(7)</b>	<b>(373)</b>	<b>(305)</b>	<b>(568)</b>	<b>(263)</b>

5.12 The revenue under spend for the Environment Directorate as a whole is £568k which equates to 1.7% of the net budget and is a reduction of £263k from Quarter Three. In the last quarter the Environment Directorate responded to the Corporate request to slow down all non essential spending to assist the overall budget position.

### 5.13 Highways and Transport

The Highways and Transport Service outturn is an under spend of £462k. There have been in year pressures within the Service due to consultancy costs associated with the Sandford Development and the Newbury Transport Interchange. These have been managed by a continued increase in parking income and a saving in the winter service and emergency costs due to the mild weather.

Income from car parking continued to perform well in the last quarter and a reduced cost for emergencies and the winter service operation increased the Year End position from a forecast of £196k under spend at Quarter Three to a £462k under spend.

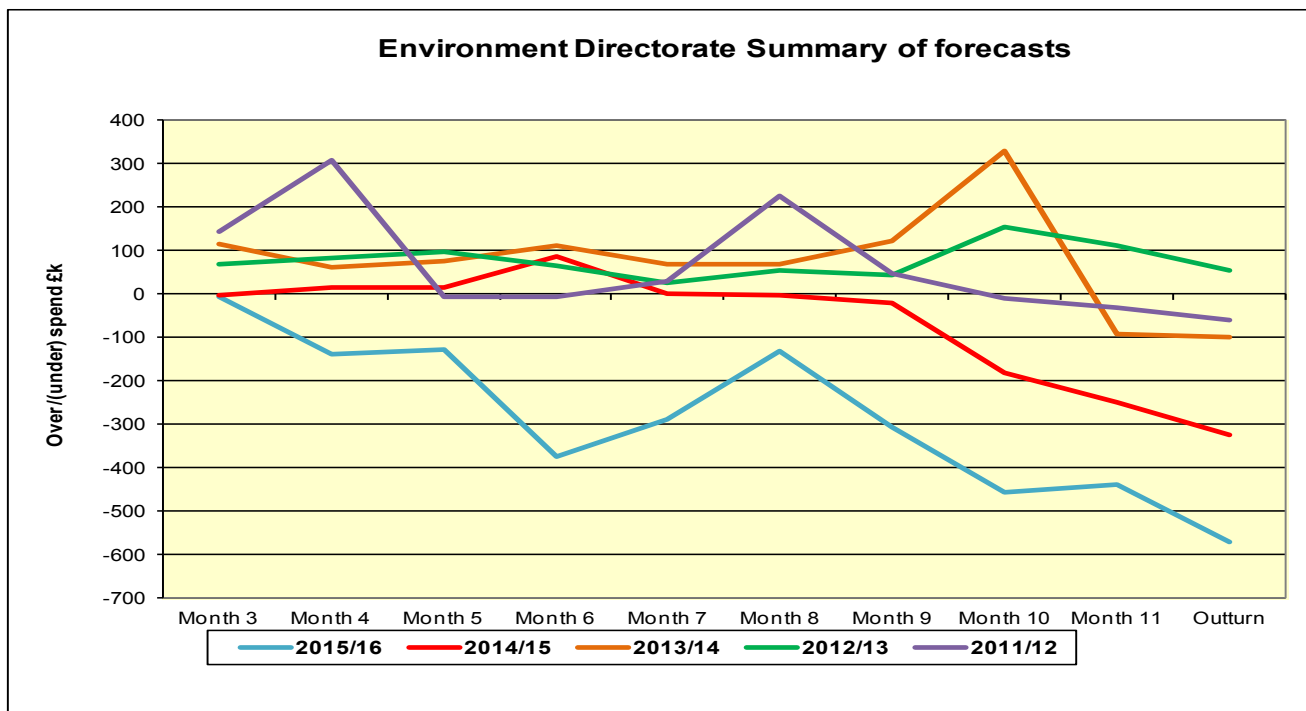
**5.14 Planning and Countryside**

The Planning and Countryside Service finished the year with an under spend of £92k. During the year income from development control has continued to increase, which has helped the Service manage pressures arising from tree safety work and the loss of contributions from Newbury Town Council towards the Public Conveniences. The main reason for the reduction from Quarter Three relates to court costs which have been awarded against the Council in respect of the Faraday Plaza development and Firlands Farm planning inquiries

**5.15 Culture and Environmental Protection**

The Culture and Environmental Protection outturn position is an under spend of £11k. Pressures from reduced income in the Activity Team West Berkshire were mitigated by a saving in the waste due to a reduction in landfill volumes and an increase in income at Shaw House.

**5.16** The following graph shows the past four years forecasting trends and outturn for the Environment Directorate.





## 5.17 Resources Directorate:

Resources	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)	(25)	(3)
Customer Services	2,028	0	11	(44)	(74)	(30)
Finance	1,931	0	9	0	(6)	(6)
Human Resources	1,168	16	22	48	(11)	(59)
ICT and Corporate	2,755	(12)	(19)	(59)	(87)	(28)
Legal	980	0	70	115	134	19
Public Health	(88)	0	0	0	0	0
Strategic Support	3,590	(14)	(29)	(25)	(80)	(55)
<b>Total</b>	<b>12,878</b>	<b>(10)</b>	<b>49</b>	<b>13</b>	<b>(149)</b>	<b>(162)</b>

**5.18** The Resources Directorate as a whole is showing a £149k under spend against a budget of £12.88 million net. This is a reduction of £162k from the reported over spend of £13k in Quarter Three. The main changes from Quarter Three were due to some additional funding from Public Health for training and vaccinations; delayed recruitment within Customer Services and a deliberate slowing down of non essential expenditure in response to the corporate forecast over spend.

### 5.19 Chief Executive

The Chief Executive's budget had a £25k under spend due to some salary savings and the release of some small unspent budgets

### 5.20 Customer Services

The main areas of under spend relate to delayed recruitment because of the recruitment freeze within the Contact Centre together with some savings in pension costs and legal cost recovery. The change of £30k from the Quarter Three forecast is due to the delays in recruitment.

### 5.21 Finance

In year pressures due to credit card charges and additional training costs have been managed within the Service via increased property rental and salary savings in order to bring the Service outturn in at a £6k under spend.

### 5.22 Human Resources

The HR Service had a year end under spend of £11k mainly as a result of some savings within the Supplies and Services budgets. There was a reduction of £59k from the Quarter Three forecast of £48k over spend as a result of funding from Public Health of £25k for training and vaccinations, together with delays to training programmes and some additional income within the last quarter of the year.

### 5.23 ICT and Corporate Support

The ICT Service has an under spend of £87k from a forecast under spend position of £59k in Quarter Three. The main changes were due to a staffing restructure and recruitment delays together with some cost waivers due to supplier problems.

## 5.24 Legal

Legal Services outturn is an over spend of £134k. Pressures arose due to reduced income opportunities and increased costs within the disbursements budget as a result of some high profile legal cases and Judicial Reviews. This over spend is an increase of £19k from Quarter Three. This is as a result of additional costs for planning inquiries which have been finalised in the last three months.

## 5.25 Public Health

Public Health has made savings to accommodate the in year cut to their grant of £355k. The net budget shown above represents an £80k contribution towards services which support the Public Health function, a net draw down from the Public Health Reserve of £38k together with a contribution of £45k for a Capital Project.

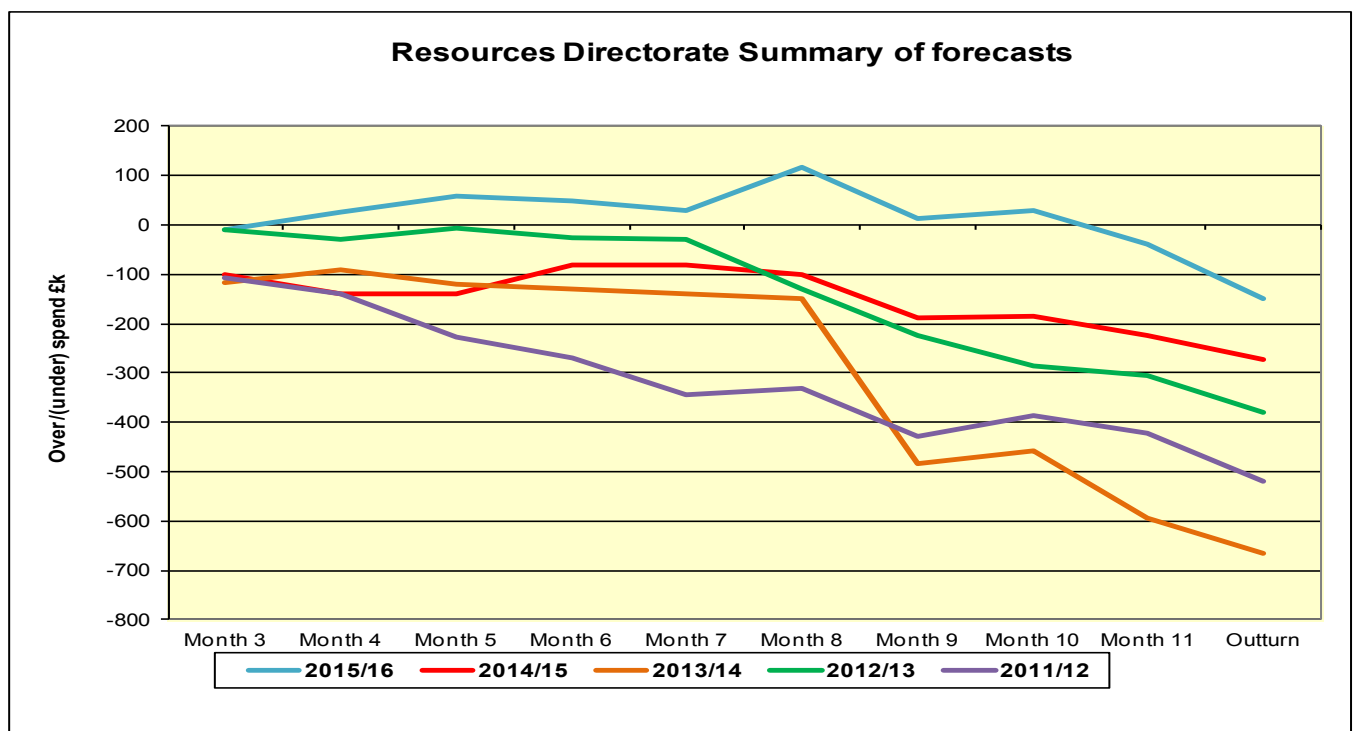
The final amount transferred to the Public Health Reserve in accordance with the conditions of the grant determination was £272k.

This under spend was mainly the result of an additional grant for the Health Premium Incentive Scheme; delayed start to several projects; a lower cost for substance misuse initiatives; and a lower outturn on the smoking cessation programme

## 5.26 Strategic Support

Strategic Support outturn is an under spend of £80k which is a change of £55k from Quarter Three. Savings have been made in IT through a reduction in software packages, reductions in contributions to local voluntary agencies, lower costs of the Individual Electoral Reform changes, together with a deliberate slowing down of expenditure within the last quarter in line with Corporate guidance.

## 5.27 The following graph shows the past four years forecasting trends and outturn for the Resources Directorate.



## 5.28 Levies and Interest:

Levies and Interest	Net Budget	Forecast (under)/over spend				Change from last Quarter
		Quarter One	Quarter Two	Quarter Three	Year End	
	£000	£000	£000	£000	£000	£000
Movement through Reserves	(207)	0	0	0	0	0
Capital Financing & Management	8,619	0	(9)	(10)	0	10
<b>Total</b>	<b>8,412</b>	<b>0</b>	<b>(9)</b>	<b>(10)</b>	<b>0</b>	<b>10</b>

5.29 The Levies and Interest year end position is on line.

## 6. Review of 2015-16 Capital Provisional Outturn

Directorate	Original Budget	Revised Budget	Total Expenditure	Variance from Revised Budget	
	£000	£		£	%
Communities	18,534	21,281	19,383	(1,898)	8.9%
Environment	10,820	19,035	16,225	(2,810)	14.8%
Resources	1,505	4,903	2,919	(1,984)	40.5%
<b>Totals</b>	<b>30,859</b>	<b>45,219</b>	<b>38,527</b>	<b>(6,692)</b>	

6.1 Total capital expenditure in 2015-16 was £38.5m. This represents an under spend of £6.7m, against the revised budget of £45.2m and is detailed at Appendix C. The budget was revised during the course of the year to take account of funds brought forward from 2014-15, additional grant and section 106 funding allocated to schemes during the year and funds re-profiled into 2016-17, and these changes have been explained in the quarterly budget monitoring reports to the Executive. The Capital Strategy Group met on the 24th May to review the capital outturn in detail and recommended that £6.6 million should be carried forward into 2016-17 to enable schemes already underway to be completed and/or to meet future capital commitments with the remaining £100k to be set aside to fund any new pressures on the capital programme. Changes from the original to revised budget, reasons for under spending in each directorate and the amounts to be carried forward or set aside are explained in more detail below.

### 6.2 Communities Directorate

6.3 The Communities Directorate total capital expenditure in 2015-16 was £19.3m, an under spend of 8.9% against the revised budget of £21.3m

### 6.4 Adult Social Care

The difference from original to revised budget consists of £230k bought forward from 2014-15; £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; and £500k added to the budget to fund occupational health equipment previously funded from revenue in order to generate revenue saving. The under spend against the revised budget mainly consists of:

- (a) £30k on the prepayment card system because the system selected did not require capital spend in 2015-16; however it is proposed to carry forward this amount to due to 2016-17 to buy IT equipment and the software to carry out financial assessments remotely;

- (b) £110k on Aids and Adaptations because demand was lower than expected in 2015/16, but this amount is expected to be spent in 2016/17;
- (c) £174k for new equipment and ICT for implementation of the Care Act, because phase 2 of the Care Act was delayed by central government.

All the above amounts were funded from ring-fenced Adult Social Care capital grant. CSG recommended that the full amount should be carried forward to 2016/17.

## **6.5 Care Commissioning, Housing and Safeguarding**

The difference from original to revised budget consists of £1.1m brought forward from 2014-15 and £1.3m additional Section 106 added for the purchase of former shared ownership properties for use as temporary accommodation and for the Council's contribution to Redwood House. The budget for Disabled Facilities Grants (DSG) was under spent by £875k of which £466k consists of grants allocated for which bills have not yet been submitted. CSG agreed to carry forward the remainder of this sum to 2016-17 to contribute to meet future DSG commitments and to contribute to the cost of the redevelopment of the Four Houses Corner gypsy and travellers' site. In addition £165k on the replacement for the RAISE system as invoicing for the new system has been slower than expected – CSG also agreed for this sum to be carried forward. The remainder of the under spend mainly consisted of £74k on Home Repair Assistance grants due to delays in processing grants which are now being addressed by bringing administration in house. However the Housing Service did not expect the unspent funds for 2015/16 to be spent on grants in addition to the new year budget of £50k, so CSG agreed for this sum to be set aside to fund emerging pressures on the 2016/17 capital programme.

## **6.6 Children's Services**

The difference from original to revised budget was due to a £28k Corporate Allocation to fund a new system to provide complete, up to date and centralised information policies and procedures to all staff. Half of the budget for this system was spent in 2015-16 and the implementation is expected to be completed in 2016-17. CSG therefore agreed for the remainder of this budget to be carried forward. There was no expenditure against the £22k budget for building works to foster carers' homes because no adaptation requests to secure permanency arrangements for Looked After Children were requested this year and we were able to improve our permanency arrangements without this being required. CSG agreed for this sum to be set aside to fund pressures on the 2016/17 capital programme.

## **6.7 Education Services (Excluding Corporate Property)**

The difference from original to revised budget consists of £768k bought forward from 2014-15 and £2.1m which was re-profiled to 2016-17. The reprofiled amount consisted mainly of the Spurcroft and Willows schemes which were both delayed because a key subcontractor employed on both schemes went into receivership. The overall under spend against the revised budget is £44k which consists of minor under spends across the whole programme, of no more than £11k per scheme. CSG recommended that the full under spend should be carried forward to 2016/17.

## **6.8 The Corporate Property programme (included in Education Services)**

The under spend of £228k was mainly due to an under spend on Fire Risk remedial works because a manufacturer of doors supplying two major projects went into administration. CSG agreed that that this amount should be carried forward to 2016/17 to enable the completion of these schemes.

## **6.9 Environment Directorate**

**6.10** The Environment Directorate's total capital expenditure in 2015-16 was £16.2m, an under spend of 14.8% against the revised budget of £19.0m.

## **6.11 Highways & Transport**

The difference from original to revised budget consists of £763k re-profiled from 2014-15; the addition of £6.5m for the replacement of street lights with LEDs and improvements to the A339 corridor, of which £5.5m is funded from DfT grant and the remainder from revenue savings from the more energy efficient street lights; and £2.1m which was re-profiled to 2016-17 mainly relating to access improvements to the London Road Industrial Estate. The under spend against the revised budget consists of:

- (a) £93k on land drainage due to invoices not being paid before the end of the financial year. All works were completed by the end of March; however this did not leave enough time to measure, process invoices and make payment before the end of the financial year.
- (b) £280k on widening of the Boundary road bridge due to delays in Network Rail's Bridge replacement project as part of the electrification programme.
- (c) £190k for upgrading parking equipment due to protracted contract negotiations.
- (d) £806k on improvements to the A339 corridor, due to the postponement of the Thornford Road Roundabout works as it clashed with a number of other Highway projects in the area.
- (e) The A339/LRIE Project started a month later than anticipated. This funding has now been spent and £80k for carriageway treatment due to insufficient time to measure and process invoices on works completed in March before the end of the financial year.

The majority of Highways capital spend was funded from Department of Transport Grant and developers contributions. CSG agreed for the full amount of the under spend to be carried forward to 2016/17 to meet outstanding commitments.

## **6.12 Planning and Countryside**

The difference from original to revised budget consists of £153k brought forward from 2014-15 and £249k Section 1016 allocated to open space improvements. The under spend against the revised budget mainly consists of £93k on Newbury open spaces and £33K on improvements to the Hunter's Hill play area. These schemes are both funded from Section 106 and are already committed. CSG agreed for the full amount of the under spend to be carried forward to 2016/17 to meet outstanding commitments.

## **6.13 Culture and Environmental Protection**

The difference from original to revised budget consists of £631k brought forward from 2014-15 and £167k transferred to the highways budget for the resurfacing of the Shaw House car park. Under spending against the revised budget consists of £335k on the Waste Site which needs to be carried forward to 2016-17 to allow for Part 1 highways claims and for the possible future development Padworth site (subject to negotiations with Veolia); £151k on Carbon management which is planned to be carried forward for future investment in energy saving schemes; £207k for maintenance of Shaw House which is planned to be spent on restoration of the historic boundary wall in 2016-17; and £61k earmarked for structural repairs to libraries which were put on hold pending decisions about the revenue budget for libraries. CSG

agreed for the full amount of the under spend to be carried forward to 2016/17 to meet future commitments.

#### **6.14 Resources Directorate**

**6.15** The Resources Directorate total capital expenditure in 2015-16 was £2.9m, an under spend of 40.5% against the revised budget of £4.9m.

#### **6.16 Chief Executive**

There were no changes between the Chief Executive's original and revised budget. The budget for the Visions was under spent by £8k.

#### **6.17 Finance Service**

The difference from original to revised budget for the Finance Service consists of £207k reprofiled from 2014-15 and £32k allocated from the Corporate Contingency to Children's and Legal Services. The under spend against the revised budget mainly consists of a £134k under spend on the Members bids budget of which £77k has been allocated to projects but not yet spent. CSG agreed for the full amount of the under spend to be carried forward including the remaining £57k unallocated funds for members bids which will be added to the £80k budget for 2016-17 to be allocated in the next round.

#### **6.18 ICT**

In ICT the difference from original to revised budget consists of £334k re-profiled from 2014-15. The budget for Superfast Broadband was also increased by £2,733k to include external funding for the project from government grant and contributions from the other Berkshire Local Authorities, West Berkshire Parishes and the Local Enterprise Partnership (LEP), less £111,000 of West Berkshire's contribution which was reprofiled to 2016-17, to help meet the cost of phase 2 of the project. The under spend against the revised budget mostly consists of a £1.5m under spend on the superfast broadband project. This was because phase 1 of the project has been completed with a lower than expected contribution required from the public sector partners. This sum, which consists entirely of government grant and contributions from other local authorities, will be set aside to fund later stages of the overall project. In addition the corporate core switches scheme was under spent by £62k and the VPN firewall replacements were under spent by £65k because we were able to extend the life of these assets by an additional year. CSG agreed for the full amount of the underspend to be carried forward for these purposes.

#### **6.19 Public Health**

In the Public Health Service the difference from original to revised budget consists of £85k from S106 and revenue funding which was allocated to fund the Victoria Park splash pad. This budget was fully spent so there was no variance from the revised budget.

#### **6.20 Legal Services**

A revised budget of £4,900 was created for Legal Services to update the IKEN system by transferring this amount from the Corporate Contingency in Finance. The majority of this budget was spent in 2015-16 and CSG agreed for the remainder to be carried forward to complete the project.

#### **6.21 Strategic Support**

In Strategic Support the difference from original to revised budget consists of £30k brought forward from 2014-15; £16k Local Area Agreement reward grant transferred to Greenham

Common Trust to support community based projects; and £7k government grant allocated for new equipment for local elections. The service budget was under spent by £21k on Parish Planning.

## 6.22 Customer Services

There was no original budget for Customer Services. However £34k was spent in 2015-16 on feasibility for the replacement HR/Payroll system. CSG agreed for this over spend will need to be carried forward to 2016-17 and funding found from within the 2016-17 budget for the continuation of this project.

## 7. Options for Consideration

7.1 N/a – factual report for information

## 8. Proposals

8.1 N/a – factual report for information

## 9. Conclusion

- 9.1 The Council set a balanced budget for 2015-16 based on a savings programme of £5.9m. £5.2m of savings were delivered within the financial year. Against a back drop of continued local and national financial volatility, the Council has managed to achieve a relatively small revenue overspend of £115k in what has been a challenging year. This has been achieved through effective management of its finances over the last twelve months.
- 9.2 Increasing demand across social care budgets during 2015-16 has put the Council's resources under considerable strain. At Quarter Three the forecast Year End position for the Council was an overspend of £625k, but via a deliberate slowing of non-essential expenditure across services, the corporate position was reduce to a Year End provisional overspend of £115k.
- 9.3 The Council has made significant investment into identified pressure points as part of the 2016-17 budget setting process.

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### 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

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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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