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# Financial Performance Report 2017/18

## Month Four – Supporting Information

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### 1. Introduction

- 1.1 The financial performance reports provided to Members throughout the financial year report the under or over spend against the Council's approved budget. The Month Four revenue forecast is an over spend of £949k against a net revenue budget of £117.4million.
- 1.2 The driver of the forecast over spend is a £949k over spend in Adult Social Care as a result of increased complexity of client needs and the upward cost pressures in commissioning services for both placements and home care.
- 1.3 In response to the volatility of some of the Council's budgets, three service specific risk reserves have been established in Adult Social Care, Children and Family Services and Legal Services. The levels of these reserves are informed by the level of risks in the service risk registers. The revenue forecasts are before any potential use of one off funding from the service specific risk reserves.

### 2. Changes to the 2017/18 Budget

- 2.1 The Council set a revenue budget of £117.4million for 2017/18. During the year budget changes may be approved for a number of reasons and approval limits are set out in the Council's Financial Regulations. Budget increases occur when budgets are brought forward 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. These budget changes are submitted to the Finance and Governance Group (FAGG) and must meet certain criteria to be approved. Other reasons for in year budget changes include drawing from reserves to support specific projects or to cover risks that have arisen and have previously been provided for. Budget changes are reported to Executive on a quarterly basis.

### 3. 2017/18 Savings and Income Generation Programme

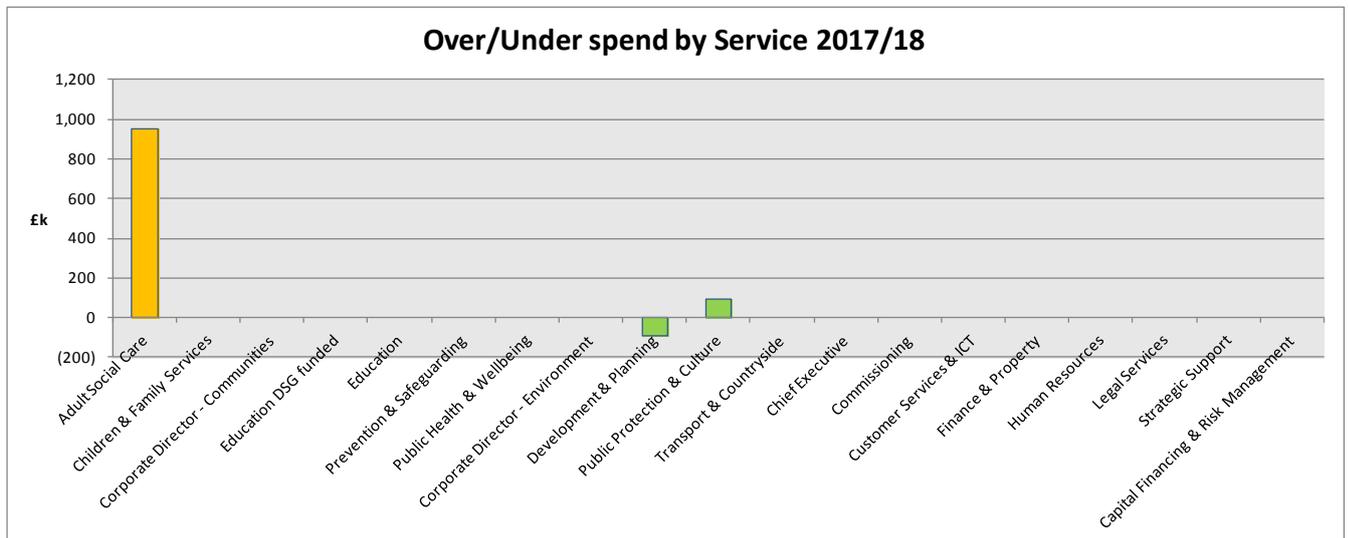
- 3.1 In order to meet the funding available, the 2017/18 revenue budget was built with a £4.712m savings and income generation programme. The programme is monitored on a monthly basis.

#### 4. Summary Revenue Forecast

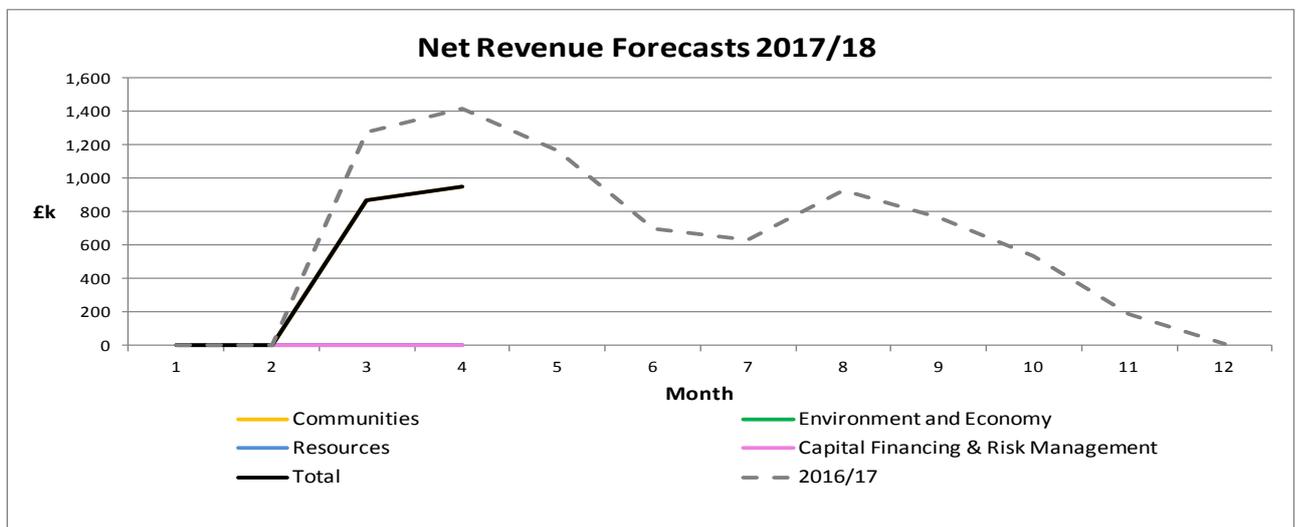
Directorate Summary	Current Net Budget	Forecast (under)/over spend		Change from Last Month
		Quarter One	Month Four	
	£000	£000	£000	£000
<b>Communities</b>	<b>62,475</b>	<b>870</b>	<b>949</b>	<b>79</b>
<b>Economy and Environment</b>	<b>30,684</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Resources</b>	<b>13,990</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Capital Financing &amp; Risk Management</b>	<b>10,261</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>117,410</b>	<b>870</b>	<b>949</b>	<b>79</b>

NB. Rounding differences may apply to nearest £k

4.1 At Month Four the Council’s revenue forecast is an over spend of £949k against a net revenue budget of £117.4million. The forecasts by Service are shown in the following chart.



4.2 The service driving the over spend is Adult Social Care with a forecast over spend of £949k. The following chart shows the monthly forecasts through 2017/18, with a 2016/17 comparison.



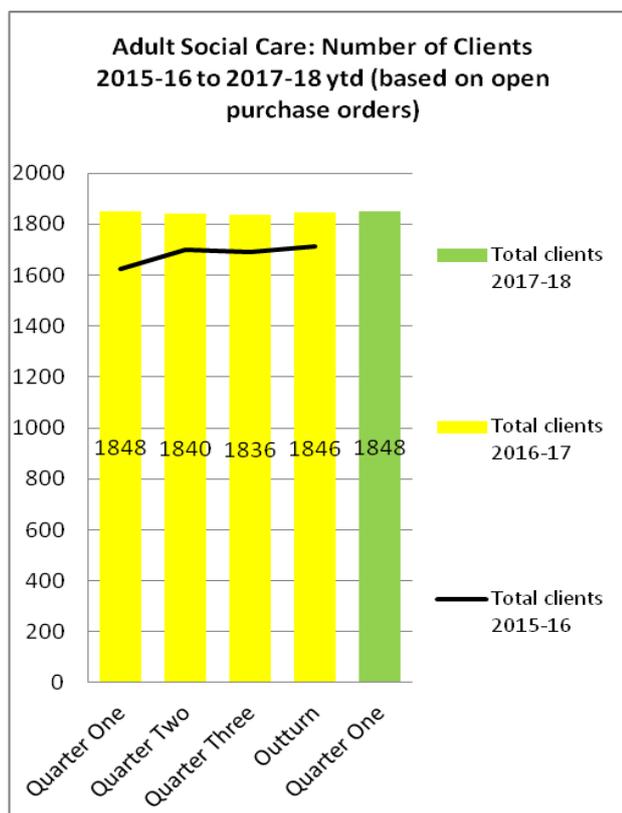
## 5. Communities Directorate Month Four Review

Communities	Current Net Budget	Forecast (under)/over spend		Change from Last Month
		Quarter One	Month Four	
	£000	£000	£000	£000
Adult Social Care	38,329	891	949	58
Children & Family Services	15,643	0	0	0
Corporate Director - Communities	211	0	0	0
Education DSG funded	(523)	0	0	0
Education	7,535	(21)	0	21
Prevention & Safeguarding	1,071	0	0	0
Public Health & Wellbeing	209	0	0	0
<b>Communities</b>	<b>62,475</b>	<b>870</b>	<b>949</b>	<b>79</b>

5.1 The forecast revenue over spend for the Communities Directorate is £949k against a budget of £62million. The revenue budget for the Communities Directorate 2017/18 was built with a savings programme of £2m.

### (1) Adult Social Care

Adult Social Care is forecasting an over spend of £949k. The over spend is a result of increased complexity of client needs and the upward cost pressures in commissioning services for both placements and home care. Overall client numbers are holding steady which is in part attributable to the success of preventative and demand management strategies.



Mitigation strategies are in place to address the pressures the Service is facing and pressures are being reduced through one off under spends against non commissioning budgets.

**(2) Children and Family Services**

The Service is forecasting to budget.

We are currently forecasting a small under spend in the placements budget of £8k against a budget of £6,437k and in Prevention Services a pressure of £37k predominantly due to one off exceptional costs which are being managed within the overall Service budget.

**(3) Education**

The Education Service is forecasting an online position at month 4. This has changed from the £21k under spend reported at Quarter One because the pressure on residential placements has increased. There are savings in the service from the Elevate contract (School Improvement) and a vacant service manager post which are off-setting pressures in the Disabled Children’s Team.

**(4) Prevention & Safeguarding**

The Service is forecasting to budget.

**(5) Public Health & Wellbeing**

Public Health is forecasting to budget within the Public Health ring fenced grant. Any under spend will be transferred to the Public Health reserve.

**6. Economy and Environment and Directorate Month Four Review**

Economy and Environment	Current Net Budget	Forecast (under)/over spend		Change from Last Month
		Quarter One	Month Four	
	£000	£000	£000	£000
Corporate Director - Environment	174	0	0	0
Development & Planning	2,549	(121)	(95)	26
Public Protection & Culture	4,028	121	95	(26)
Transport & Countryside	23,933	0	0	0
<b>Economy and Environment</b>	<b>30,684</b>	<b>0</b>	<b>0</b>	<b>0</b>

6.1 The Directorate is currently forecasting an on line position against a budget of £30.7m. The revenue budget for the Economy and Environment Directorate was built with a savings programme of £1.31m.

**(1) Development & Planning**

The Service is forecasting an under spend of approx £95k which is due to an increase in the number of large planning applications during the first four months.

**(2) Public Protection & Culture**

The Service is forecasting an over spend of £95k. This is due to a payment from Kennet School for Kennet Leisure Centre of £43k which is still in dispute and the Activity Team experiencing reduced income.

**(3) Transport & Countryside**

The Service is forecasting an on line position.

**7. Resources Directorate Month Four Review**

Resources	Current Net Budget	Forecast (under)/over spend		Change from Last Month
		Quarter One	Month Four	
	£000	£000	£000	£000
Chief Executive	880	0	0	0
Commissioning	1,237	0	0	0
Customer Services & ICT	3,200	0	0	0
Finance & Property	3,712	0	0	0
Human Resources	1,541	0	0	0
Legal Services	1,059	0	0	0
Strategic Support	2,361	0	0	0
<b>Resources</b>	<b>13,990</b>	<b>0</b>	<b>0</b>	<b>0</b>

7.1 The Directorate is currently forecasting an on line position on a budget of £14m. The 2017/18 budget for Resources was built with a £1,140k savings programme.

7.2 All services are reporting on line positions.

**8. Risks**

8.1 In response to the volatility of some of the Council’s demand led budgets, a number of service specific risk reserves have been established. During 2016/17 a number of these risks occurred and led to budgetary pressures. However, the final outturn position enabled the Council to cover the budgetary pressures without calling on the reserves. There are three service specific risk reserves, the levels of which are informed by the risks in the service risk registers. The reserve levels are reviewed at budget board. The forecast position is before any use of these risk reserves.

**9. Transition Funding and Transformation Reserve**

The Council was awarded £1.37m in transition funding for 2017/18, which was allocated as:

Directorate	Service	Project Description	Transition Funding £	Agreed by	When
Communities	C&FS	Short Breaks	140,000	Council	4.3.2017
Environment	PPC	Libraries	200,000	Council	4.3.2017
Resources	SSU	Citizens Advice Bureau	30,000	Council	4.3.2017
		Transformation Reserve	1,000,000	Council	4.3.2017
		<b>Total</b>	<b>1,370,000</b>		

The Transformation Reserve was established in order to ensure that the Council has the resources to pursue transformation plans outlined in the MTFs and to invest in strategies that will bring future benefits to the organisation. To date, £299k has been allocated from this reserve.

## 10. Capital Financing and Risk Management Month Four Review

10.1 Income on interest on investments is currently forecast to be on line.

## 11. Options for Consideration

11.1 Not applicable – factual report for information

## 12. Proposals

12.1 To note the forecast position.

## 13. Conclusion

13.1 The Council is faced with delivering a savings programme of £4.712m in 2017/18 as well as addressing in year pressures as they arise, which are currently forecast to be £949k against a net revenue budget of £117.4 million. The Council has invested in identified pressure points as part of the 2017/18 budget process and will continue to maintain financial discipline, to ensure that the agreed savings programme is monitored and to find ways to offset the revenue over spend currently forecast. The Council has an excellent track record of managing the savings programme and minimising budget over spends, but if the forecast over spend remains at year end, it will impact on our reserves.

## 14. Consultation and Engagement

14.1 Nick Carter – Chief Executive, John Ashworth – Director, Rachael Wardell - Director

### 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**

### Officer details:

Name: Andy Walker  
Job Title: Head of Finance

## Month Four – Supporting Information

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## Equality Impact Assessment - Stage One

We need to ensure that our strategies, policies, functions and services, current and proposed have given due regard to equality and diversity as set out in the Public Sector Equality Duty (Section 149 of the Equality Act), which states:

- “(1) A public authority must, in the exercise of its functions, have due regard to the need to:**
- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;**
  - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; This includes the need to:**
    - (i) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;**
    - (ii) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;**
  - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it, with due regard, in particular, to the need to be aware that compliance with the duties in this section may involve treating some persons more favourably than others.**
- (2) The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.**
- (3) Compliance with the duties in this section may involve treating some persons more favourably than others.”**

The following list of questions may help to establish whether the decision is relevant to equality:

- Does the decision affect service users, employees or the wider community?
- (The relevance of a decision to equality depends not just on the number of those affected but on the significance of the impact on them)
- Is it likely to affect people with particular protected characteristics differently?
- Is it a major policy, or a major change to an existing policy, significantly affecting how functions are delivered?
- Will the decision have a significant impact on how other organisations operate in terms of equality?
- Does the decision relate to functions that engagement has identified as being important to people with particular protected characteristics?
- Does the decision relate to an area with known inequalities?
- Does the decision relate to any equality objectives that have been set by the council?

Please complete the following questions to determine whether a full Stage Two, Equality Impact Assessment is required.

<b>What is the proposed decision that you are asking the Executive to make:</b>	No decision
<b>Summary of relevant legislation:</b>	
<b>Does the proposed decision conflict with any of the Council’s key strategy priorities?</b>	
<b>Name of assessor:</b>	Melanie Ellis
<b>Date of assessment:</b>	8.8.17

<b>Is this a:</b>		<b>Is this:</b>	
<b>Policy</b>	<b>No</b>	<b>New or proposed</b>	<b>No</b>
<b>Strategy</b>	<b>No</b>	<b>Already exists and is being reviewed</b>	<b>No</b>
<b>Function</b>	<b>No</b>	<b>Is changing</b>	<b>No</b>
<b>Service</b>	<b>No</b>		

<b>1. What are the main aims, objectives and intended outcomes of the proposed decision and who is likely to benefit from it?</b>	
<b>Aims:</b>	
<b>Objectives:</b>	
<b>Outcomes:</b>	
<b>Benefits:</b>	

<b>2. Note which groups may be affected by the proposed decision. Consider how they may be affected, whether it is positively or negatively and what sources of information have been used to determine this.</b>  (Please demonstrate consideration of all strands – Age, Disability, Gender Reassignment, Marriage and Civil Partnership, Pregnancy and Maternity, Race, Religion or Belief, Sex and Sexual Orientation.)		
<b>Group Affected</b>	<b>What might be the effect?</b>	<b>Information to support this</b>
Age		
Disability		
Gender Reassignment		
Marriage and Civil		

Partnership		
Pregnancy and Maternity		
Race		
Religion or Belief		
Sex		
Sexual Orientation		
<b>Further Comments relating to the item:</b>		

<b>3. Result</b>	
<b>Are there any aspects of the proposed decision, including how it is delivered or accessed, that could contribute to inequality?</b>	<b>No</b>
<b>Please provide an explanation for your answer:</b>	
<b>Will the proposed decision have an adverse impact upon the lives of people, including employees and service users?</b>	<b>No</b>
<b>Please provide an explanation for your answer:</b>	

If your answers to question 2 have identified potential adverse impacts and you have answered ‘yes’ to either of the sections at question 3, or you are unsure about the impact, then you should carry out a Stage Two Equality Impact Assessment.

If a Stage Two Equality Impact Assessment is required, before proceeding you should discuss the scope of the Assessment with service managers in your area. You will also need to refer to the [Equality Impact Assessment guidance and Stage Two template](#).

<b>4. Identify next steps as appropriate:</b>	
<b>Stage Two required</b>	
<b>Owner of Stage Two assessment:</b>	
<b>Timescale for Stage Two assessment:</b>	

Name:

Date:

Please now forward this completed form to Rachel Craggs, Principal Policy Officer (Equality and Diversity) ([rachel.craggs@westberks.gov.uk](mailto:rachel.craggs@westberks.gov.uk)), for publication on the WBC website.