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# Financial Performance Report 2017/18 - Quarter Three – 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 Quarter Three revenue forecast is an over spend of £860k against a net revenue budget of £117.4m, which is 0.7% of the net budget. This report proposes the release of £509k from the Adult Social Care risk reserve and the figures in this report show the over spend after the release of reserves. If the reserve were not released, the over spend would be £1.37m.
- 1.2 The Communities Directorate is forecasting an over spend of £966k. The main driver is a £485k over spend in Adult Social Care, after the proposed release of a further £509k from the risk reserve. The over spend is as a result of commissioning rates continuing to increase above the rate of inflation for both homecare and placements in care homes. There has been a small increase in client numbers and an increase in the complexity, with two new clients in the last two months with significant care needs. We are experiencing a challenging market with one homecare provider withdrawing and one care home closing, which is impacting on the rates we are able to commission care packages at.
- 1.3 Children and Family Services are forecasting a pressure of £389k, an increase of £280k from last quarter. Education is forecasting an over spend of £364k, an increase of £124 from last quarter. The Education and Children's over spends are both predominantly as a result of residential placement pressures. The increase from last quarter is due to additional placement costs together with staffing and agency pressures. Public Health is forecasting an under spend of £300k which will be used to cover the cost of other directorate activity, where this contributes to Public Health outcomes. The remainder of the Communities Directorate is on line.
- 1.4 Economy & Environment are forecasting an over spend of £126k and the Resources Directorate is forecasting an under spend of £232k.
- 1.5 In response to the volatility of some of the Council's budgets, three service specific risk reserves were 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. £392k was released from the Adult Social Care risk reserve at Quarter Two and this report proposes releasing a further £509k to help combat some of the inflationary pressures the service is facing. The remaining forecasts are before any further use of the risk reserves.

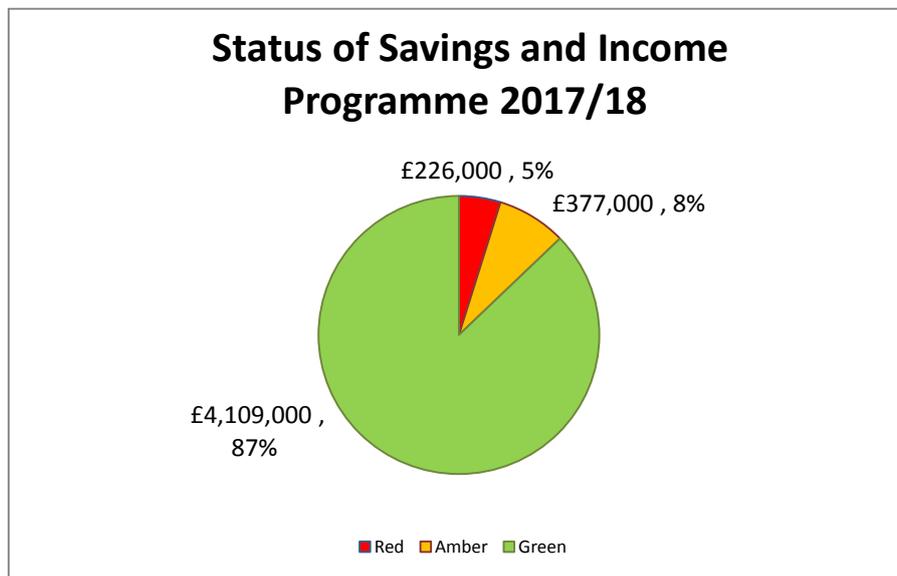
## 2. Changes to the 2017/18 Budget

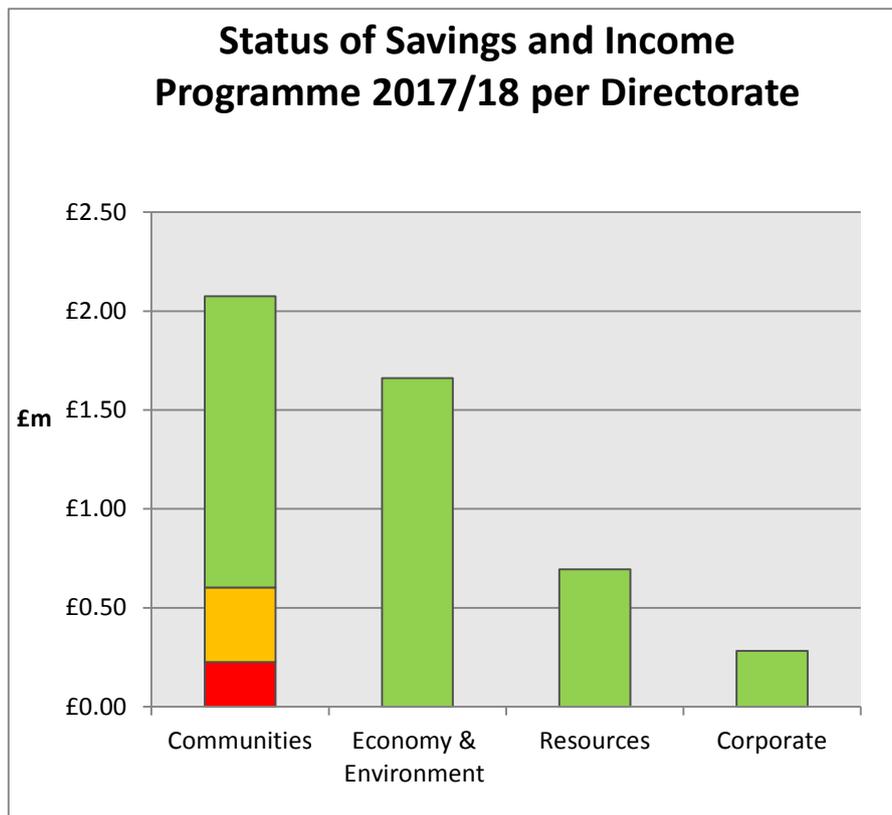
- 2.1 The Council set a revenue budget of £117.4million for 2017/18. During the year budget changes may be approved for a number of reasons and approval limits are set out in the Council's Financial Regulations. Budget increases occur when budgets are brought forward from the previous year as a result 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 that require Executive approval are reported quarterly and are shown in Appendix E. The release of £509k from the Adult Social Care risk reserve requires Executive approval at Quarter Three.

### 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 using the RAG traffic light system. The status of the programme is shown in the following charts:





3.2 Explanations for red risks and mitigation plans:

**Adult Social Care:**

**£219k red.** There is a £350k target for the Transforming Lives learning disability client review which is currently showing as £219k red, £88k amber and £43k green. The service was unable to achieve the larger savings target in 2016/17 and despite further work this year, the full target won't be achieved. The service recently started a new initiative and it is anticipated that this will deliver savings in the last quarter of the year. Whilst continuing the project, the service is also looking at options to deliver the savings from increased capacity in Shared Lives. These initiatives should ensure that the target can be met on an ongoing basis into 2018/19.

**Prevention and Safeguarding:**

**£7k red.** An income generation target within Quality Assurance and Safeguarding by the Service Manager is not achievable in its entirety due to a long period of sickness and a change of management. However, some training income has now been achieved. The service is forecasting an online position at Quarter Three, as a result of also identifying in year efficiencies against supplies and services budgets.

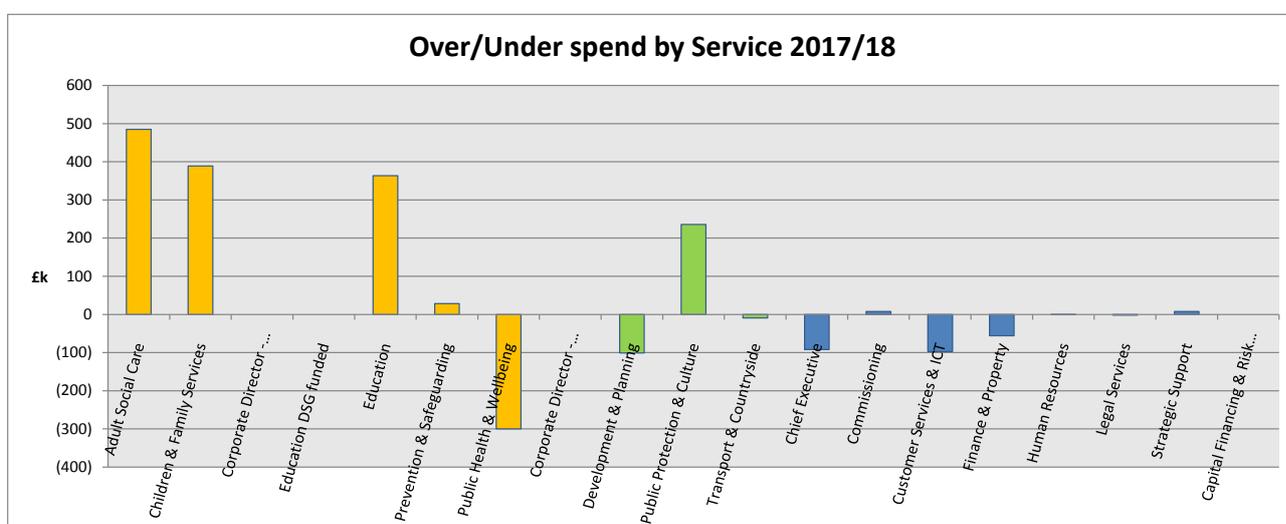
Appendix F provides further detail of the savings and income generations items that are at risk.

#### 4. Summary Revenue Forecast

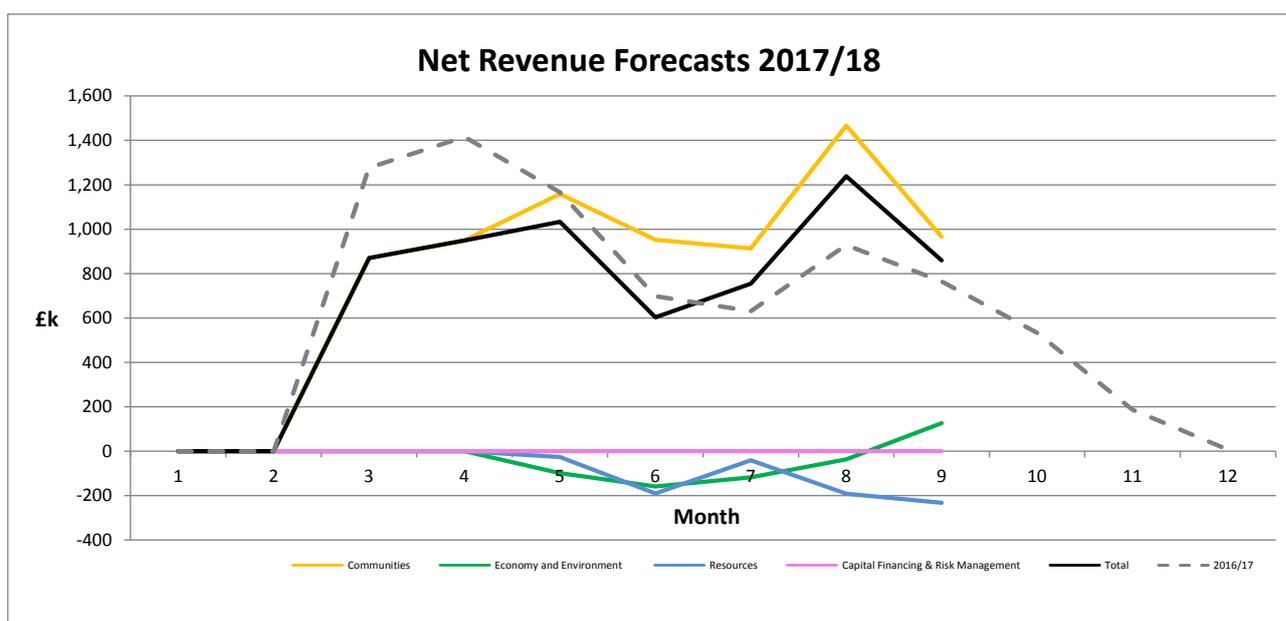
Directorate Summary	Current Net Budget	Forecast (under)/over spend							Change from Last Quarter
		Quarter One	Month Four	Month Five	Quarter Two	Month Seven	Month Eight	Quarter Three	
		£000	£000	£000	£000	£000	£000	£000	
<b>Communities</b>	63,247	870	949	1,158	952	913	1,466	966	14
<b>Economy and Environment</b>	31,963	0	0	-99	-159	-118	-37	126	285
<b>Resources</b>	13,691	0	0	-26	-190	-41	-191	-232	-42
<b>Capital Financing &amp; Risk Management</b>	8,509	0	0	0	0	0	0	0	0
<b>Total</b>	<b>117,410</b>	<b>870</b>	<b>949</b>	<b>1,033</b>	<b>603</b>	<b>754</b>	<b>1,238</b>	<b>860</b>	<b>257</b>

NB. Rounding differences may apply to nearest £k

4.1 At Quarter Three the Council’s revenue forecast is an over spend of £860k against a net revenue budget of £117.4m. The forecasts by Service are shown in the following chart.



4.2 The main service driving the over spend is Adult Social Care with a forecast over spend of £485k. The following chart shows the monthly forecasts through 2017/18, with a 2016/17 comparison.



## 5. Employee Costs

5.1 The following chart shows an analysis of employee costs by Directorate at Quarter Three.

Quarter Three Employee Costs	Last Years' Outturn £	Original Budget for 2017 £	Total Changes to Budget during 2017 £	Current Budget for 2017 £	Month Nine				
					Profiled Current Budget upto 30/Nov/2017 £	Exp/Inc to 30/Nov/2017 £	Outstanding Commitments £	Actual Variance to date £	
<b>Communities</b>									
Salary costs	22,375,349	22,624,430	2,527,050	25,151,480	18,788,156	16,937,118		-1,851,038	
Agency & Temporary Staff	3,852,448	1,685,430	670,420	2,355,850	1,759,820	2,810,972	1,622,463	2,673,615	
Other Costs	1,301,148	893,830	30,480	924,310	690,460	713,335	73,853	96,728	
<b>Total</b>	<b>27,528,945</b>	<b>25,203,690</b>	<b>3,227,950</b>	<b>28,431,640</b>	<b>21,238,436</b>	<b>20,461,425</b>	<b>1,696,316</b>	<b>919,305</b>	
<b>Environment</b>									
Salary costs	12,784,998	13,917,430	177,330	14,094,760	10,528,786	10,338,972		-189,814	
Agency & Temporary Staff	297,755	67,090	-22,290	44,800	33,466	213,961	129,863	310,358	
Other Costs	509,036	568,660	3,280	571,940	427,239	376,943	33,672	-16,624	
<b>Total</b>	<b>13,591,789</b>	<b>14,553,180</b>	<b>158,320</b>	<b>14,711,500</b>	<b>10,989,491</b>	<b>10,929,876</b>	<b>163,535</b>	<b>103,920</b>	
<b>Resources</b>									
Salary costs	12,456,388	12,994,390	142,910	13,137,300	9,813,563	9,126,394	60,000	-627,169	
Agency & Temporary Staff	310,930	117,820	7,500	125,320	93,614	149,525	62,408	118,319	
Other Costs	413,424	11,180	102,730	113,910	85,091	-217,566	98,207	-204,450	
<b>Total</b>	<b>13,180,742</b>	<b>13,123,390</b>	<b>253,140</b>	<b>13,376,530</b>	<b>9,992,268</b>	<b>9,058,353</b>	<b>220,615</b>	<b>-713,300</b>	
<b>Total</b>									
Salary costs	47,616,735	49,536,250	2,847,290	52,383,540	39,130,505	36,402,484	60,000	-2,668,021	
Agency & Temporary Staff	4,461,133	1,870,340	655,630	2,525,970	1,886,900	3,174,458	1,814,734	3,102,292	
Other Costs	2,223,609	1,473,670	136,490	1,610,160	1,202,790	872,712	205,732	-124,346	
<b>Total</b>	<b>54,301,477</b>	<b>52,880,260</b>	<b>3,639,410</b>	<b>56,519,670</b>	<b>42,220,195</b>	<b>40,449,654</b>	<b>2,080,466</b>	<b>309,925</b>	

5.2 The chart shows the profiled budget to 31 December 2017, i.e. nine months' worth of budget. It should be noted that invoices will often be received in the month after the cost is incurred, so not all costs to date will be captured. Outstanding invoices will be accrued for and commitments no longer required will be cancelled as part of our year end closedown so there may be a change in expenditure compared to budget at this point.

## 6. Communities Directorate Quarter Three Review

Communities	Current Net Budget	Forecast (under)/over spend							Change from Last Quarter
		Quarter One	Month Four	Month Five	Quarter Two	Month Seven	Month Eight	Quarter Three	
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Adult Social Care	38,838	891	949	992	603	732	993	485	(118)
Children & Family Services	15,897	0	0	0	109	210	393	389	280
Corporate Director - Communities	211	0	0	0	0	0	0	0	0
Education DSG funded	(523)	0	0	0	0	0	0	0	0
Education	7,547	(21)	0	175	240	264	357	364	124
Prevention & Safeguarding	1,069	0	0	(9)	0	0	23	28	28
Public Health & Wellbeing	209	0	0	0	0	(293)	(300)	(300)	(300)
<b>Communities</b>	<b>63,247</b>	<b>870</b>	<b>949</b>	<b>1,158</b>	<b>952</b>	<b>913</b>	<b>1,466</b>	<b>966</b>	<b>14</b>

6.1 The forecast revenue over spend for the Communities Directorate is £966k against a net budget of £63.2million. This is a £14k increase from the forecast over spend at Quarter Two, but is after the proposed release of £509k from the Adult Social

Care risk reserve. There are additional pressures on demand led budgets across Adult Social Care, children's placements and support for children with disabilities in Education Services. The directorate is considering all measures that can be taken to mitigate the over spend, and has identified and gained approval for the use of Public Health funding to cover the cost of other directorate activity which supports Public Health outcomes and £46k from income generation in Adult Social Care. Other areas are being identified but need further work in order to incorporate them in the forecast.

6.2 The revenue budget for the Communities Directorate 2017/18 was built with a savings programme of £2.1m.

### (1) Adult Social Care

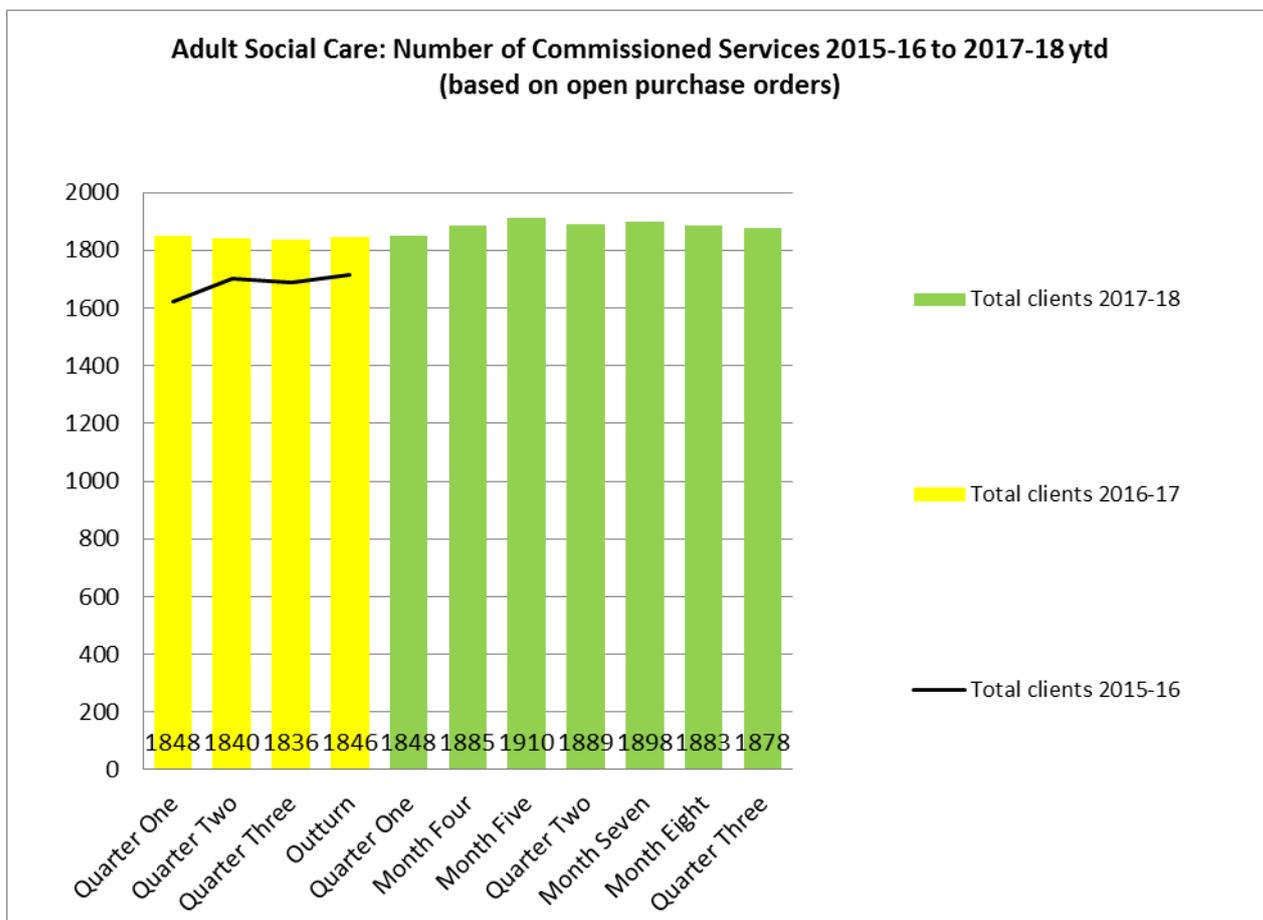
Adult Social Care is forecasting an over spend of £485k as at Quarter Three, after the proposed release of £509k from the risk reserve. The over spend is a result of commissioning rates continuing to increase above the rate of inflation for both homecare and placements in care homes. There has been a small increase in client numbers and an increase in the complexity, with two new clients in the last two months with significant care needs. The market has seen one homecare provider withdraw, meaning 25 clients required alternative care provision and one care home closing with nine residents being moved. The rates we paid for both suppliers were considerably below current market rates. We continue to experience a challenged market and therefore there is a risk that further providers will withdraw from the market.

The over spend is summarised as follows:

Explanation of ASC Forecast Over Spend	£000
Inflationary increases	236
National Living Wage increases from providers	16
Delayed Transfers of Care - higher rates paid for homecare	53
Delayed Transfers of Care - higher rates paid for care placements	159
Local Government Pension Scheme - opting in from November 2017	21
<b>Total</b>	<b>485</b>

Out of the over spend, £464k relates to inflationary increases above those originally identified in the risk reserve and higher rates being paid to providers for specific care after hospital discharge. A further £21k is due to the pressure created by automatic enrolment into the West Berkshire employee pension scheme in November 2017.

Client numbers accessing services are monitored weekly; overall client numbers remained relatively constant during 2016/17 and although fluctuating in 2017/18 are gradually increasing from 1848 clients at the beginning of the year to a current Quarter Three position of 1878 clients.



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 £389k over spend as at Quarter Three which is a £280k change from the forecast of £109k over spend reported in Quarter Two.

The change to the Quarter Two position is the result of additional costs within residential placements amounting to £287k, together with additional staffing and agency costs required to deliver the recruitment and retention programme which has resulted in the forecast over spend for the Child Protection Teams increasing by £159k. The forecast over spend is being partially mitigated through salary savings within the Targeted Intervention Service and lower placement costs of £185k in Independent Fostering as a result of fewer children being placed within this setting.

The Children & Family Services risk reserve is £386k. The majority of the over spend relates to identified risks and therefore the risk reserve could be utilised to offset the over spend, should Members decide to do so. If the reserve were used, the remaining over spend would be £52k.

**(3) Education**

The Education Service is forecasting an over spend of £364k at the end of Quarter Three compared with a £240k over spend forecast at the end of Quarter Two. This increase is mainly due to an additional child being taken into a residential placement at an estimated cost of £35k this financial year, additional staffing and agency costs of £32k to deliver the recruitment and retention programme for social workers supporting children with disabilities and increased demand for packages of home support for children with disabilities which has seen an increase of £51k since the end of Quarter Two. The overall pressures on the budgets for supporting Children with disabilities are now forecast at approximately £555k.

As previously reported, these pressures are offset by £48k additional eligible expenditure which can be charged to the European Social Fund Elevate project; income from charging for Home to School Transport is which is now expected to be about £61k higher than budgeted; a £25k reduction in our forecast liability for the pension costs of former Berkshire County Council employees.

In order to help address the overall overspend position, Education Services have put in place, with effect from 1 December 2017, a freeze on recruitment to council funded posts and on any other non-essential expenditure until the end of the financial year.

**(4) Prevention & Safeguarding**

The Service is forecasting an over spend of £28k in Quarter Three. The change in the position from Quarter Two is due to agency costs to cover a manager's maternity leave together with costs incurred for a Serious Case Review.

**(5) Public Health & Wellbeing**

Public Health is forecasting an under spend of £300k within the Public Health ring fenced grant, which has arisen largely due to an under spend within the salaries budget together with some unutilised money brought forward in the Public Health Reserve. This under spend will be used against other directorate activity where this contributes to public health outcomes.

**7. Economy and Environment and Directorate Quarter Three Review**

Economy and Environment	Current Net Budget	Forecast (under)/over spend							Change from Last Quarter
		Quarter One	Month Four	Month Five	Quarter Two	Month Seven	Month Eight	Quarter Three	
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Corporate Director - Environment	174	0	0	0	0	0	0	0	0
Development & Planning	2,889	(121)	(95)	(113)	(118)	(116)	(118)	(101)	17
Public Protection & Culture	4,332	121	95	114	128	172	182	236	108
Transport & Countryside	24,568	0	0	(100)	(169)	(174)	(101)	(9)	160
<b>Economy and Environment</b>	<b>31,963</b>	<b>0</b>	<b>0</b>	<b>(99)</b>	<b>(159)</b>	<b>(118)</b>	<b>(37)</b>	<b>126</b>	<b>285</b>

7.1 The Directorate is currently forecasting a £126k over spend against a budget of £31.9m. The revenue budget for the Economy and Environment Directorate was built with a savings programme of £1.66m.

**(1) Development & Planning**

The Service is forecasting an under spend of £101k which is due to an increase in the number of large planning applications together with a general increase in planning activity. There is additional income from CIL which was carried forward from 2016/17 (under the new CIL rules). Pressures due to emergency repairs to our homeless accommodation and cost awards on planning appeals have been managed within the Service.

The 17k change from Quarter Two is due to increased use of agency staff to cover ill health.

**(2) Public Protection & Culture**

The Service is forecasting an over spend of £236k which has increased by £108k since Quarter Two. This is due to the following issues:

- The Activity Team overspend has grown by £58k to £132k due to a fall in income. At Quarter Two the Council was in discussion with Parkwood about them taking over the center as part of the current Leisure contract. By December Parkwood had concluded that they did not wish to proceed. As a consequence discussions are taking place between the Parish Council and Adventure Dolphin Charity to run the center. It is hoped new arrangements will be in place by May 2018.
- The Libraries' Service is forecasting a £33k over spend which is a £23k increase on Quarter Two, which is made up of increased staffing and premises costs and a further £10k being due to an insurance claim.
- Shaw House have increased their forecast over spend by £17k to £38k due to reduced room bookings. Shaw House have plans in place to attract more commercial business. In the current year commercial business has increased by 2% with catering for commercial hire increasing by 15% whilst council use has declined by 31% and catering by 40%.

Salary savings and an early saving of the grant payment to the Watermill Theatre have helped reduce the pressure within the Service.

**(3) Transport & Countryside**

Transport and Countryside is forecasting an under spend of £9k which is £160k less than forecast at Quarter Two.

The Car Parking Service forecast under spend has reduced from £220k to £150k. This is due in part to additional maintenance being required and a reduction in Season Ticket income of £28k as Vodafone have decided not to purchase season tickets in the future and requested a refund for tickets purchased to start in February 2018.

Transport Services are making a number of savings which include the ending of leases for our Handybuses, increased income from public transport operations and savings on short term contracts.

Pressures have arisen as follows:

- Increased highways maintenance costs due to the adverse weather conditions experienced in December, and storm Eleanor in January, has led to a forecast pressure in the Emergencies budget of £45k and hand patching of £10k.
- There have also been a number of unforeseen emergency repairs to bridges which has caused a pressure of £47k.

These pressures have been managed within the Service.

## 8. Resources Directorate Quarter Three Review

Resources	Current Net Budget	Forecast (under)/over spend							Change from Last Quarter
		Quarter One	Month Four	Month Five	Quarter Two	Month Seven	Month Eight	Quarter Three	
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Chief Executive	880	0	0	0	(57)	(57)	(89)	(92)	(35)
Commissioning	849	0	0	0	(12)	0	0	8	20
Customer Services & ICT	3,236	0	0	(5)	(36)	(20)	(75)	(97)	(61)
Finance & Property	3,732	0	0	(21)	(31)	(21)	(39)	(56)	(25)
Human Resources	1,562	0	0	0	12	18	6	(1)	(13)
Legal Services	1,071	0	0	0	(58)	52	12	(2)	56
Strategic Support	2,361	0	0	0	(8)	(13)	(6)	8	16
<b>Resources</b>	<b>13,691</b>	<b>0</b>	<b>0</b>	<b>(26)</b>	<b>(190)</b>	<b>(41)</b>	<b>(191)</b>	<b>(232)</b>	<b>(42)</b>

8.1 The Directorate is forecasting and under spend of £232k on a budget of £13.7m which is an increase of £42k. The 2017/18 budget for Resources was built with a £694k saving.

### (1) Chief Executive

The Chief Executive has an increased under spend in Quarter Three of £35k bringing the total under spend to £92k. Savings have arisen due to reduced expenditure on training together with salary savings within the Corporate Management budget and due to a secondment.

### (2) Commissioning

Commissioning is forecasting an £8k over spend which is an increase of £20k since Quarter Two. The previously reported under spend of £12k from salary savings now looks unlikely due to back log of work requiring temporary assistance and training requirements identified for new staff. Commissioning are currently investigating the overpayment of an invoice which if founded, could bring the forecast back into underspend

### (3) Customer Services and ICT

The Service is reporting a £97k under spend. Quarter Three has brought further salary savings from vacant posts with savings from a reduction in the use of postage of £20k, internal printing and photocopying where increased income coupled with savings on paper and consumables has led to a £17k under spend and a circuit change from voice to data has given £10k saving.

**(4) Finance and Property**

The Finance and Property Service is forecasting an overall under spend of £56k, which is a 25k increase on the under spend forecast at Quarter Two. Energy savings in corporate buildings have a further £15k under spend, whilst recovery of overpayments has increase savings by £8k.

Emerging pressures from rental income, card charges and the loss of income due to no longer being able to charge for credit card use are currently being mitigated by salary savings throughout the Service.

**(5) Human Resources**

At Quarter Three Human Resources is forecasting an under spend of £1k which is a £13k reduction from the Quarter Two forecast over spend position. The over spend that had arisen in Quarter Two was from reduced lease car admin payments which has now been recalculated and the pressure is lower as a result. Savings have arisen in the Childcare National Insurance payments which has brought the Service to a forecast under spend position.

**(6) Legal Services**

Legal Services is reporting an under spend of £2k which is a reduction of £56k from the Quarter Two forecast. The London Road Industrial Estate planning appeal costs together with two planning inquiries have increased the forecast for disbursements to £70k over spend, whilst salary savings have been achieved through vacant posts and a lower use of locums than anticipated.

**(7) Strategic Support**

Strategic Support Quarter Three forecast is an over spend of £8k which is no change since Quarter Two. There are pressures against the land charges income target and Election postage together with minor pressures arising against a number of supplies and services budgets. Offsetting this there is a one off saving of £40k from the Corporate Programme and a small number of salary savings due to vacant posts and reduced hours.

**9. Risks**

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.

The current level of service specific risk reserves and the risks that have arisen in 2017/18 are shown in the table below.

	Reserve Balance 1.4.2017	Change to level of Reserve 2017/18	Current Reserve Balance	Risks arising 2017/18	Potential Reserve Balance 31.3.2018
<b>Service</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Adult Social Care	2,090	-1,046	1,044	0	1,044
Children & Family Services	500	-114	386	-337	49
Legal Services	50	0	50	0	50
<b>Total</b>	<b>2,640</b>	<b>-1,160</b>	<b>1,480</b>	<b>-337</b>	<b>1,143</b>

The current forecasts are before any further use of the reserves.

## 10. Transition Funding and Transformation Reserve

10.1 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>		

10.2 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. Funds have so far been allocated to:

Directorate	Service	Project Description	Transformation Funding Awarded
			<b>£000</b>
		<b>Opening Balance</b>	<b>1,000</b>
Resources	Commissioning	Invest to save posts in commissioning	-225
Resources	HR	Post - Apprenticeship Coordinator	-74
Communities	P&S	Emotional Health Academy	-5
Resources	Legal	Shared service advice	-12
Communities	Education	Family Hub transformation	-28
		<b>Total awarded</b>	<b>-344</b>
		<b>Closing Balance</b>	<b>656</b>

## 11. Capital Financing and Risk Management Quarter Three Review

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

## 12. Capital – Quarter Three Review

Capital Position as at Quarter Three:

Directorate	Original Budget £000	Revised Budget £000	Amount spent/ committed to 31/12/17 £000	Forecast spend in year £000	Forecast under/over spend in year £000
Communities	8,998	10,741	4,313	5,929	(4,812)
Environment	20,825	25,188	13,737	20,006	(5,182)
Resources	5,671	32,238	7,531	29,107	(3,131)
<b>Total all services</b>	<b>35,494</b>	<b>68,167</b>	<b>25,581</b>	<b>55,042.00</b>	<b>(13,125)</b>

12.1 Forecast capital spend in the year is now £55million against a revised budget of £68.2 million. 38% of the 2017/18 capital programme is committed as at the end of Quarter Three. A breakdown of capital spend and commitments to date is shown in Appendix D. The appendix explains the changes from the original capital programme which was approved by the Council in March 2017. The changes include budgets which were unspent at the end of 2016/17 which have been brought forward to 2017/18 to enable the continuation/completion of schemes already underway, additional S106 contributions allocated to the programme and the additional £25 million budget approved for property investment in the current year.

## 12.2 Communities Directorate Capital Review

Service	Original Budget £000	Revised Budget £000	Amount spent/ committed to 31/12/17 £000	Forecast spend in year £000	Forecast under/over spend in year £000
Adult Social Care	1,185	1,648	438	1,243	- 405
Children and Family Services	20	526	482	526	-
Education Services	7,793	8,567	3,393	4,160	- 4,407
<b>Total</b>	<b>8,998</b>	<b>10,741</b>	<b>4,313</b>	<b>5,929</b>	<b>(4,812)</b>

40.2% of the Communities programme is committed as at the 31<sup>st</sup> December 2017.

The forecast under spend for the Education Programme is mainly due to the decision to retender the contract for the new Highwood Copse primary school and to delay the opening of the school until September 2019 in order to achieve better value for money, together with £580k less spend on the Francis Baily PSBP2 project and £343k less spend across the New Housing Newbury and Fir Tree Bulge projects.

Of the revised budget for Children and Family Services, £482k has been used to purchase Merchant House and £12k is committed for building works to foster carers' homes and the remainder is now planned to be used for adaptations to West Point to accommodate staff moves.

In Adult Social Care there has been some pressure on the cost of equipment and maintenance for care homes, but it is still expected that this can be met from the

existing budget. £405k grant funds for Assistive Technology and implementation of the Care Act is now planned to be re-profiled to 2018/19.

### 12.3 Environment Directorate Capital Review

Service	Original Budget	Revised Budget	Amount spent/ committed to 31/12/17	Forecast spend in year	Forecast under/over spend in year
	£000	£000	£000	£000	£000
Development and Planning	4,748	6,559	2,607	3,421	- 3,138
Public Protection & Culture	804	1,692	839	1,109	- 583
Transport & Countryside	15,273	16,835	10,291	15,585	- 1,250
<b>Total</b>	<b>20,825</b>	<b>25,086</b>	<b>13,737</b>	<b>20,115</b>	<b>- 4,971</b>

54.8% of the Economy and Environment programme is either spent or committed as at the 31st December 2017.

In Development and Planning the cost of the redevelopment of the Four Houses Corner gypsy and travellers site is now estimated to have increased by £208k from the existing budget because of continuing problems with relocating some of the residents. These issues continue to cause delays to the project which will result in the majority of the budget for this project being re-profiled to 2018/19. The over spend is now planned to be funded from the forecast under spend against the Council funded element of the Disabled Facilities Grant budget for 2017/18.

In Transport and Countryside, a further £2.5m is now expected to be re-profiled in respect of the A339/ Bear Lane improvements and the new Challenge Fund grant to support surface dressing across the district. However £480,000 is planned to be added to the budget current year budget from the DfT's National Productivity Investment Fund, aimed at improving Highway condition, transport infrastructure and public transport improvements

The Public Protection and Culture programme is progressing well but a review of the programme for maintenance and improvements to the service's buildings has resulted in the re-profiling of £583k funds for the maintenance of Shaw House, Leisure Centres and other buildings.

### 12.4 Resources Directorate Capital Review

Service	Original Budget	Revised Budget	Amount spent/ committed to 31/12/17	Forecast spend in year	Forecast under/over spend in year
	£000	£000	£000	£000	£000
Customer Services and ICT	4,083	5,112	1,908	2,012	- 3,100
Chief Executive	15	66	7	66	-
Finance and Property	1,409	26,704	5,502	26,704	-
Human Resources	48	91	22	60	- 31
Strategic Support	116	265	92	265	-
<b>Total</b>	<b>5,671</b>	<b>32,238</b>	<b>7,531</b>	<b>29,107</b>	<b>- 3,131</b>

23.4% of the Resources programme is committed as at the 31<sup>st</sup> December 2017.

The corporate ICT replacement and maintenance programme is progressing well, but the contract for roll out of superfast broadband to the remaining rural areas of West Berkshire is currently behind schedule, which is now expected to result in an underspend of £3.1m in the current financial year.

Changes to the specification for the HR/Payroll system are also expected to result in £31k of the budget for this project being re-profiled to 2018/19.

### 13. Dedicated Schools Grant – Quarter Three Review

13.1 There is a budgeted over spend of £804k. A budgeted over spend of £844k was approved by the Schools Forum in March 2017, after consideration of the three year position, as it was forecast that the over spend could be paid back over two years. The month nine forecast position against the revised budget of £804k, is a £7k over spend.

### 14. Options for Consideration

14.1 Not applicable – factual report for information

### 15. Proposals

15.1 To note the forecast position and to review the budget movements processed in year detailed in Appendix E.

### 16. Conclusion

16.1 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 £860k 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.

### 17. Consultation and Engagement

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

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#### Subject to Call-In:

Yes:  No:

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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**Officer details:**

Name: Andy Walker  
Job Title: Head of Finance  
Tel No: 01635 519433  
E-mail Address: [andy.walker@westberks.gov.uk](mailto:andy.walker@westberks.gov.uk)

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