

## Slough Borough Council

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| <b>REPORT TO:</b>       | <b>Cabinet</b>  |
| <b>DATE:</b>            | <b>16 September 2024</b>  |
| <b>SUBJECT:</b>         | <b>Budget Management Report Quarter 1</b>   |
| <b>CHIEF OFFICER:</b>   | <b>Annabel Scholes, Interim Executive<br/>Director of Finance &amp; Commercial<br/>Services</b>   |
| <b>CONTACT OFFICER:</b> | <b>Neil Haddock, Interim Strategic Financial<br/>Manager, Financial Planning &amp; Reporting</b>  |
| <b>WARD(S):</b>         | <b>ALL</b>  |
| <b>PORTFOLIO:</b>       | <b>Councillor Smith – Leader of the Council<br/>Councillor Chahal – Lead Member<br/>Financial Oversight</b>   |
| <b>KEY DECISION:</b>    | <b>YES</b>  |
| <b>EXEMPT:</b>          | <b>NO, except Appendix 10 which is exempt.</b>  |
| <b>APPENDICES:</b>      | <b>1 Adult's Services<br/>2 Children's Services<br/>3 Regeneration, Housing &amp; Environment<br/>4 Chief Executive's Office<br/>5 Finance &amp; Commercial<br/>6 Law and Governance<br/>7 Public Health &amp; Public Protection<br/>8 Capital<br/>9 Recovery Action Proposals<br/>10 Outline</b> |

### 1. SUMMARY and RECOMMENDATIONS

- 1.1. This report sets out the Council's current and forecast financial performance for the financial year 2024/25 as at the end of Quarter 1, June 30<sup>th</sup>. The report also contains relevant information relating to management controls and activity that support current financial resilience and longer-term financial sustainability.

Recommendations:

*That Cabinet approve the following:*

1. **General Fund (Revenue)** – A projected outturn of £171.568m, being £11.817m overspend (7%) on an approved budget of £160.202m.

2. A virement of £1.000m from the Contingency budget to the Corporate Resources budget in respect of a savings target for Business Rates Income that will not be realised until 2025/26 .
3. Subject to appropriate due diligence, develop the suite of Recovery Actions to deliver mitigations of up to £11.423m as outlined in Appendix 9 .
4. Approve the following actions:

|  | <b>£m</b>    |
|--|--------------|
| Adult Social Care reserve – Defer recruitment for an additional Financial Assessment and Benefits Officer    | 0.150        |
| Better Care Fund reserve – utilise carry forward   | 2.667        |
| Public Health reserve – Uncommitted reserve to meet eligible public health overspend within the General Fund | 0.081        |
| <b>TOTAL</b>   | <b>2.898</b> |

*That Cabinet note the following based on the above approvals:*

|                                | Final<br>Budget | Projected<br>Outturn<br>£m | Variance<br>£m | Recovery<br>Actions<br>£m | Revised<br>Variance |
|--------------------------------|-----------------|----------------------------|----------------|---------------------------|---------------------|
| <b>Total Service Budgets</b>   | 120.152         | 131.704                    | 11.552         | -7.423                    | 4.129               |
| <b>Non Dept Budgets</b>        | 40.050          | 39.921                     | 0.265          | -4.000                    | -3.735              |
|                                | 160.202         | 171.625                    | 11.817         | -11.423                   | 0.394               |
| <b>Less use of Contingency</b> |                 |                            | -0.394         |                           | -0.394              |
| <b>Total Expenditure</b>       | 160.202         | 171.625                    | 11.423         | -11.423                   | 0.000               |

5. **General Fund (GF) (Capital)** – The revised capital budget (approved at July cabinet) is £35.428m with a projected outturn of £33.560m resulting in underspend of £1.868m.
6. **Housing Revenue Account (HRA Revenue)** – A surplus of £3.734m is forecast against a budgeted surplus of £3.477m, a favourable variance of £0.257m.
7. **Housing Revenue Account (HRA Capital)** – The revised capital budget (approved at July cabinet) is £25.003m with a projected outturn of £16.941m resulting in an underspend of £8.062m.

8. **Dedicated Schools Grant (DSG)** – There is an overspend of £0.155m in the Schools Block due to higher than anticipated costs for growth in 2024/25. Further details are set out in para. 7 of this report including the risks
9. **Council Tax and Business Rates collection** – As at 30 June 2024, actual council tax collected was 28.05% (target 29.10%) and actual business rate collected was 29.75% (target 30.5%).
10. **Sundry Debt** – Total outstanding sundry debt including adult social care debt as at 30 June 2024 was £13.848m. Based on the age profile of the debt, £5.342m is the calculated bad debt provision (39%).
11. **Financial Resilience** – The Council remains committed to improving financial resilience, moving towards financial sustainability and improvement in governance and process as laid out in the Directions issued by Government and a capitalisation direction for exceptional finance support in 2024/25.
12. Once the Council has concluded the outstanding financial accounts, a formal financial resilience statement will be prepared.

## 2. Commissioner Review

- 2.1. "Commissioners note the 2024/25 forecast financial outturn as at Quarter 1, work to date in developing mitigations and risks exposure for 2025/26 should recurrent mitigations not be identified. The Council will need to continue to identify proposals, undertake due diligence and assess and refine the forecasts on a regular basis using the latest information available."

## 3. REPORT

- 3.1. The 2024/25 budget and Medium-Term Finance Strategy were approved by Full Council on 7<sup>th</sup> March 2024, based on an estimated financial deficit of £348.045m, analysed as follows:

|               |           |
|---------------|-----------|
| Up to 2023/24 | £298.645m |
| 2024/25       | £ 23.078m |
| Future Years  | £ 26.320m |

- 3.2. The budget was set in the context of a challenging external environment and known risks within the budget and prior year accounts still to be audited. The section 25 statement that accompanied the budget setting for 2024/25 provided a statement on the robustness of estimates and adequacy of reserves including the continued need for exceptional finance support. The current status of the Council's accounts to be audited are as follows:
  - 2018/19 Final Accounts in the process of being signed off by the auditors shortly

- 2019/20 Draft Accounts published and the statutory public inspection period closed on June 20<sup>th</sup> 2024.
  - 2020/21 Draft Accounts published and the statutory public inspection period closed on August 8<sup>th</sup> 2024.
  - 2021/22 Accounts in progress and due to be published in September.
  - 2022/23 Accounts to be completed and now scheduled to be ready for publication by the end of September.
  - 2023/24 Accounts to be completed.
  - 2024/25 Budget Delivery / forecast.
  - 2025/26 - 2028/29 MTFS.
- 3.3. Having multiple financial years actively being worked on is an extremely challenging environment and adds considerable risk and uncertainty to financial planning and refreshing the Medium Term Financial Strategy.

## **4. GENERAL FUND**

### **4.1. Summary**

- 4.1.1. Table 1 below summarises departmental and non-departmental budgets year to date and projected outturn. Based on approval of the recommendations earlier in this report, the Council has a balanced position for 2024/25 with risks still to manage such as delivery of savings, increased demand on services, recruitment challenges (agency and interim staff offset in part by vacancies), non delivery of savings offset by some underspends.

**Table 1: Forecast Outturn**

| Service Budgets                   | 2023/24                      |                         | 2024/25                  |                            |                | Recovery<br>Actions<br>£m | Revised<br>Variance<br>£m |
|-----------------------------------|------------------------------|-------------------------|--------------------------|----------------------------|----------------|---------------------------|---------------------------|
|                                   | Provisional<br>Outturn<br>£m | Current<br>Budget<br>£m | Actuals<br>to Date<br>£m | Projected<br>Outturn<br>£m | Variance<br>£m |                           |                           |
|                                   | Adults Services              | 40.828                  | 35.572                   | 7.528                      | 39.882         |                           |                           |
| Children's Services               | 10.275                       | 10.452                  | -3.011                   | 11.587                     | 1.135          | 0                         | 1.135                     |
| Slough Children First             | 45.826                       | 39.043                  | 4.378                    | 39.043                     | 0.000          | -0.725                    | -0.725                    |
| Public Health & Public Protection | 1.011                        | 1.350                   | -1.133                   | 1.018                      | -0.332         | -0.242                    | -0.574                    |
| Regen, Housing & Environment      | 23.861                       | 14.583                  | -0.880                   | 21.118                     | 6.535          | -2.090                    | 4.445                     |
| Chief Executive's Office          | 3.369                        | 3.418                   | 1.125                    | 2.862                      | -0.556         | -0.085                    | -0.641                    |
| Law and Governance                | 2.154                        | 2.173                   | 0.347                    | 1.956                      | -0.217         | -0.115                    | -0.332                    |
| Corporate Services                | 22.025                       | 13.560                  | 23.597                   | 14.238                     | 0.679          | -0.715                    | -0.036                    |
| <b>Total Service Budgets</b>      | <b>149.348</b>               | <b>120.152</b>          | <b>31.952</b>            | <b>131.704</b>             | <b>11.552</b>  | <b>-7.456</b>             | <b>4.096</b>              |
| <b>Non Departmental Budgets</b>   |                              |                         |                          |                            |                |                           |                           |
| Other Non Dept Budgets            | 1.713                        | 10.419                  | 0.931                    | 10.058                     | -0.361         | -4.000                    | -4.361                    |
| Conts to / from Reserves          | -10.769                      | -1.000                  | 0.000                    | -1.000                     | 0              | 0                         | 0                         |
| Pension Deficit                   | 4.540                        | 5.014                   | 0.000                    | 5.037                      | 0.023          | 0                         | 0.023                     |
| Minimum Rev. Provision            | 16.629                       | 16.114                  | 0.000                    | 16.356                     | 0.242          | 0                         | 0.242                     |
| Capital Financing                 | 6.298                        | 9.503                   | -0.753                   | 9.503                      | 0.000          | 0                         | 0.000                     |
| <b>Total Non Dept Budgets</b>     | <b>18.411</b>                | <b>40.050</b>           | <b>0.178</b>             | <b>39.954</b>              | <b>-0.096</b>  | <b>-4.000</b>             | <b>-4.096</b>             |
| <b>Total Expenditure</b>          | <b>167.759</b>               | <b>160.202</b>          | <b>32.129</b>            | <b>171.658</b>             | <b>11.456</b>  | <b>-11.456</b>            | <b>0.000</b>              |
| <b>Financing</b>                  |                              |                         |                          |                            |                |                           |                           |
| Council Tax                       | -74.605                      | -82.424                 | 0                        | -82.424                    | 0              | 0                         | 0                         |
| Business Rates                    | -30.091                      | -36.306                 | 0                        | -36.306                    | 0              | 0                         | 0                         |
| Revenue Support Grant             | -7.302                       | -7.786                  | 20.394                   | -7.786                     | 0              | 0                         | 0                         |
| Government Grants                 | -8.674                       | -10.608                 | -5.596                   | -10.608                    | 0              | 0                         | 0                         |
| <b>Total Financing</b>            | <b>-120.672</b>              | <b>-137.124</b>         | <b>14.797</b>            | <b>-137.124</b>            | <b>0</b>       | <b>0</b>                  | <b>0</b>                  |
| <b>New Total Expenditure</b>      | <b>47.087</b>                | <b>23.078</b>           | <b>46.926</b>            | <b>34.534</b>              | <b>11.456</b>  | <b>-11.456</b>            | <b>0.000</b>              |
| Reserves Draw Down                | -1.329                       | 0                       | 0                        |                            | 0              | 0                         | 0                         |
| Reserves - Budget Smoothing       | -14.183                      |                         |                          |                            |                |                           |                           |
| Capitalisation Direction          | -31.575                      | -23.078                 | 0                        | -23.078                    | 0              | 0                         | 0                         |
| <b>Total Funds</b>                | <b>-167.759</b>              | <b>-160.203</b>         | <b>14.797</b>            | <b>-160.203</b>            | <b>0</b>       | <b>0</b>                  | <b>0</b>                  |
| GAP                               | -0.000                       | -0.000                  | 46.926                   | 11.456                     | 11.456         | -11.456                   | 0.000                     |
| <b>Total</b>                      |                              | <b>0</b>                | <b>0</b>                 | <b>0</b>                   | <b>0</b>       | <b>0</b>                  | <b>0</b>                  |

4.1.2. Table 2 provides a summary of delivery of savings progress. Of the £12.183m approved savings, £9.669m is included within the forecast. However, only £5.779m (47%) have either been delivered or are on track for delivery which represents a small deterioration since the assessment done at the time of setting the budget which suggested £6.471m was rated as green. Further work is ongoing within departments to deliver savings at risk and increases the risk within the forecast if these savings are not delivered.

**Table 2 Summary of Savings Forecasts**

| 2024-25 Savings                     | Savings Target | Already Delivered | On Track     | Some risk    | Major Risk   | Mitigating Savings | Savings Forecast | Over / (Under) delivery |
|-------------------------------------|----------------|-------------------|--------------|--------------|--------------|--------------------|------------------|-------------------------|
|                                     | £'000          | £'000             | £'000        | £'000        | £'000        | £'000              | £'000            | £'000                   |
| <b>Service Budgets</b>              |                |                   |              |              |              |                    |                  |                         |
| Adults Services                     | 2,888          | 578               | 411          | 1,899        | 0            | 94                 | 2,982            | 94                      |
| Children's Services                 | 692            | 0                 | 77           | 7            | 608          | 0                  | 84               | -608                    |
| Regeneration, Housing & Environment | 4,436          | 145               | 2,852        | 1,028        | 411          | 411                | 4,436            | 0                       |
| Public Health & Public Protection   | 144            | 0                 | 103          | 41           | 0            | 0                  | 144              | 0                       |
| Chief Execs Office                  | 76             | 40                | 26           | 10           | 0            | 0                  | 76               | 0                       |
| Law and Governance                  | 39             | 39                | 0            | 0            | 0            | 0                  | 39               | 0                       |
| Corporate Services                  | 2,908          | 87                | 1,421        | 400          | 1,000        | 0                  | 1,908            | -1,000                  |
|                                     | <b>11,183</b>  | <b>889</b>        | <b>4,890</b> | <b>3,385</b> | <b>2,019</b> | <b>505</b>         | <b>9,669</b>     | <b>-1,514</b>           |
| <b>Corporate Budgets</b>            |                |                   |              |              |              |                    |                  |                         |
| Non Departmental Budgets            | 1,000          | 0                 | 0            | 0            | 0            | 0                  | 0                | -1,000                  |
| <b>Total Corporate Budgets</b>      | <b>1,000</b>   | <b>0</b>          | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>           | <b>0</b>         | <b>-1,000</b>           |
| <b>Total</b>                        | <b>12,183</b>  | <b>889</b>        | <b>4,890</b> | <b>3,385</b> | <b>2,019</b> | <b>505</b>         | <b>9,669</b>     | <b>-2,514</b>           |

4.1.3 A breakdown of departmental forecasts can be seen in appendices 1- 8. The key variances are set out below and are detailed in the appropriate appendix:

|  | £m    |
|--|-------|
| Support for People with Learning Disabilities  | 2.175 |
| Localities Social Work   | 4.036 |
| Mental Health Services   | 1.975 |
| Rehabilitation, Recovery and Reablement & Long-Term Occupational Therapy                       | 1.144 |
| Inclusion relating to processing of Education Health & Care Plans and Home to School Transport | 1.486 |
| Temporary Accommodation – 844 Cases  | 6.565 |
| Finance  | 1.906 |

## 5. CAPITAL PROGRAMME

5.1. The General Fund capital budget was originally £23.3m in 2024/25. There are carry forwards from 2023/24 of £22.9m totalling £46.2m. There has been a further refresh to the phasing of the capital programme up to 2027/28 to form a more realistic plan of spend over the course of the programme, which was approved at July Cabinet. The total budget for 2024/25 is now £35.4m.

5.2. The capital spend up to the end of June 2024 is £1.0m. The programme has been forecast monthly and shows spend expecting to increase from July 2024. Nevertheless expenditure to date is low relative to the budget.

Programme spend will be profiled over the year and monitored closely such that underspends can be identified and appropriate action taken with regard to project delivery and capital financing.

- 5.3. The forecast for 2024/25 at Quarter 1 is £33.5m. The underspend in Children's (£0.6m) and A4 Cycle Lane project (£0.5m) are due to delays in procurement which have pushed the projects back. The DfT grant forecast has been reduced by £0.5m to reflect revenue use of the funding, this is transferred to revenue to net off costs when they are incurred.

| CAPITAL                             | Revised Budget | Actuals to date | Projected Outturn | Variance      |
|-------------------------------------|----------------|-----------------|-------------------|---------------|
|                                     | £'000          | £'000           | £'000             | £'000         |
| <b>General Fund:</b>                |                |                 |                   | <b>0</b>      |
| Adults                              | <b>1,589</b>   | 205             | 1,589             | <b>0</b>      |
| Children Services                   | <b>9,464</b>   | 237             | 8,878             | <b>-586</b>   |
| Regeneration, Housing & Environment | <b>24,375</b>  | 583             | 23,093            | <b>-1,282</b> |
| <b>GF Total</b>                     | <b>35,428</b>  | <b>1,025</b>    | <b>33,560</b>     | <b>-1,868</b> |

## 6. HOUSING REVENUE ACCOUNT (HRA)

- 6.1. The HRA forecast is an increase in surplus to (£3.735m), a positive movement of (£0.257m). The ongoing pressure on housing management staffing costs is fully offset by underspend in utility costs, repairs and management and additional lease renewal income for two car parks.
- 6.2. The HRA surplus will be transferred to the HRA general reserves at the end of the year to meet future & exceptional housing stock management, maintenance and improvement needs.

## 7. CAPITAL PROGRAMME (HRA)

- 7.1. The Capital HRA budget in 2024/25 is £24.7m. In addition, there have been carry forward requests from 2023/24 of £0.3m, this has been approved by Cabinet in July 2024, total revised budget £25.0m.
- 7.2. The HRA capital spend up to the end of June 2024 is £0.351m.
- 7.3. The forecast for 2024/25 at Quarter 1 is £16.9m. The £8.0m underspend is due to; Decarbonisation works (£4m), based on current plan for 24/25 but work is underway to mitigate this underspend, Empty Property acquisitions (£1.5m) no properties have been identified to purchase at this time and

Foyer House (£3.3m) which is no longer expected to be purchased. This is offset by an over spend relating to Roof, Window and Door replacements (£0.8m).

- 7.4. Expenditure to date is low relative to the budget. Programme spend will be profiled over the year and monitored closely such that underspends can be identified and appropriate action taken with regard to project delivery and capital financing.
- 7.5. The table below summarises the position for capital; a more detailed breakdown, by individual project, is provided in Appendix 8.

| CAPITAL                     | Revised Budget | Actuals to date | Projected Outturn | Variance      |
|-----------------------------|----------------|-----------------|-------------------|---------------|
|                             | £'000          | £'000           | £'000             | £'000         |
| RMI Capital Programme       | 14,573         | 163             | 10,400            | -4,173        |
| Planned Maintenance Capital | 2,880          | 188             | 3,791             | 911           |
| Affordable Homes            | 7,550          | 0               | 2,750             | -4,800        |
| <b>HRA total</b>            | <b>25,003</b>  | <b>351</b>      | <b>16,941</b>     | <b>-8,062</b> |

## 8. DEDICATED SCHOOLS GRANT

- 8.1. DSG balances for the 4 blocks are separately included and are currently forecast net nil, with the exception of a £0.155m overspend in the Schools Block due to higher than anticipated costs for growth in 2024/25. This will be funded by the £0.253m underspend in the 2023/24 Schools Block relating to growth.
- 8.2. At present, the DSG High Needs Block budget is forecast to be on budget but there is an acknowledged, but as yet unquantified, pressure due to the backlog and additional new EHCP plans. In addition there will be a requirement for Out Of Borough placements, which could also increase the forecast significantly. A new resource has been recruited for the High Needs Block to analyse the data and support future forecasts and plans.
- 8.3. Cost allocations into the HNB from other areas require reviewing to ensure compliance with DSG guidance and this could have repercussions for the General Fund forecast, both for 2024/25 and future years.
- 8.4. In addition to the budgeted DSG blocks, there are scheduled DSG Safety Valve payments of £3.24m due in 2024/25 subject to criteria being met. This was not budgeted.



## 9. COUNCIL TAX AND BUSINESS RATES PERFORMANCE

- 9.1. Stats are collated on collection rates for Council Tax and Business Rates and reported on an on-going basis. The collection rate achieved compared to the rate assumed in setting the budget impacts on the following year's budget. The position to date is as laid out in the table below.

|                       | Collection Rate (% of total) |        |                              |
|-----------------------|------------------------------|--------|------------------------------|
|                       | Actual                       | Target | % ahead /<br>(behind) target |
| <b>Council Tax</b>    |                              |        |                              |
| April                 | 10.64                        | 10.90  | -0.26                        |
| May                   | 19.69                        | 20.40  | -0.71                        |
| June                  | 28.05                        | 29.10  | -1.05                        |
| Full year             |                              | 95.00  |                              |
| <b>Business Rates</b> |                              |        |                              |
| April                 | 10.32                        | 10.65  | -0.33                        |
| May                   | 19.03                        | 19.75  | -0.72                        |
| June                  | 29.75                        | 30.50  | -0.75                        |
| Full year             |                              | 99.00  |                              |

- 9.2. In respect of Council Tax, collection is currently 1.05% behind target, which equates to approximately £1m in cash terms. It is also behind the position in June 2023, which was 29.03%. However, in 2024/25 prepayments are down £0.525m compared to 2023/24, and an error on the "Recovery Runs" report meant that the June court date was missed. There will be 2 court dates in July which will allow a catch-up with a consequent impact on collection rates. It is forecast that collection will move closer to target by the end of August.
- 9.3. In respect of Business Rates, collection is currently 0.75% behind target, or approximately £0.9m in cash terms. It is also behind the position in June 2023, which was 30.48%. However, there are 4 accounts which distort the collection position, one where the debtor is disputing a change made by the Valuation Office, and therefore withholding payment, and the other 3 where the debts are normally paid by an agent in monthly instalment but where no payments have been made this year. In the first instance the debtor has been advised to pay the current assessment, and in the latter, the agency have advised they will pay shortly; recovery action will commence shortly if this is not done. If these accounts are brought up to date the Council would be ahead of target and last year's collection rate.

## 10. SUNDRY DEBT AND ADULT SOCIAL CARE DEBT

10.1. The current position as at 30th June 2024 for sundry and adult social care debt is shown in the next table including a current assessment of the bad debt provision requirement.

| At 30 June 2024                           | Total      | Provision Required |                 |
|---|------------|--------------------|-----------------|
|   | £          | %                  | £               |
| Not Due                                   | 3,373,944  | 0%                 | 0               |
| 0 - 29 Days                               | 7,598,808  | 5%                 | 379,940         |
| 30 - 59 Days                              | 431,261    | 15%                | 64,689          |
| 60 - 89 Days                              | 229,577    | 50%                | 114,789         |
| 90 - 119 Days                             | 685,221    | 75%                | 513,916         |
| 120 - 365 Days                            | 951,666    | 100%               | 951,666         |
| Over 366 Days                             | 3,316,925  | 100%               | 3,316,925       |
| Adult Social Care secured debt            | 635,000    | 5%                 | 31,750          |
| Balance outstanding                       | 17,222,402 |                    | 5,341,925       |
| Bad Debt Provision                        |            |                    | 6,106,484       |
| <b>Increase / (Decrease) in Provision</b> |            |                    | <b>-764,559</b> |

10.2. The total level of Adult Social Care debt included above is £4.523m.

10.3. The net bad debt provision for accounts receivable debt and court costs debt were £5.486m higher than needed at year end 2023/24. An independent review of the debt provision has been undertaken as part of the balance sheet review. Based on this review and the Councils assessment, a prudent approach has been taken to release £3.500m of the bad debt provision as part of the recovery actions and continue to review the provision each month to assess any further release later in the financial year. The current budget assumes a £0.500m contribution to the provision which will now not be made and instead contribute towards the recovery action, meaning that in total there is a total of £4.000m one off recovery action following this review.

10.4. As at the 30 June 2024 the balance outstanding for Sundry Debts was £17.222m. Applying the formula used to estimate the level of provision required suggests this requires a provision of £5.342m. The current provision is £6.106m. This implies that a drawdown of £0.765m would be possible. This is not built into the forecast at this time.

## 11. FINANCIAL RESILIENCE AND SUSTAINABILITY

11.1. The Council remains committed to improving financial resilience, moving towards financial sustainability and improvement in governance and process as laid out in the Directions issued by Government and a capitalisation direction for exceptional finance support in 2024/25. Once the Council has concluded the outstanding financial accounts, a formal financial resilience statement will be prepared.

11.2. In summary:

- a) The Expenditure Control Panel (ECP) remains in place requiring the S151 Officer to approve all spend in alignment with the S114 notice. The process is currently under review as the S151 and HR Director both now attend the panel meetings and can see the challenges and need to change.
- b) The current assumption on the capitalisation direction is £348.045m of exceptional finance support can be repaid primarily through asset sales and capital receipts is under review due to the realisation that the asset assumptions need revising;
- c) Asset sales are expected to contribute towards repayment of the capitalisation debt. A target of £400m capital receipts was set and as at 31 March 2024, £225.3m (gross), £223.3m (net) was achieved. To date in 2024/25 capital receipts has yielded £0.8m (gross), £0.7m (net) from a budget assumption of £40.5m gross. There is one further sale expected to conclude in July 2024 and an assessment being concluded against the MTFs assumptions. As noted above these assumptions are being revised;
- d) An independent assurance review of the balance sheet and ledger was commissioned to provide assurance for exceptional financial support. The report has been shared with MHCLG (then DLUHC) and provides recommendations and next steps which has also been reported to members of the Audit and Corporate Governance Committee on 10<sup>th</sup> July, and incorporated into the Council's Financial Improvement Plan (FIP);
- e) The following table provides an overview of reserve balances during 2024/25. By 31 March 2025, the budget smoothing reserve will be £8.350m although this has not yet been reduced for commitments during 2024/25 which relate to the creation of the Transformation Fund which could total £4m. The general fund reserve will be £22.000m

|                                    | Budgeted 2024/25 | Recovery actions     | Forecast reserve |
|------------------------------------|------------------|----------------------|------------------|
|                                    | Balance at       | Transfers (to) /from | position as at   |
|                                    | 1/4/2024         | reserves             | 31/3/2025        |
|                                    | £m               | £m                   | £m               |
| <b>MTFS Reserve</b>                |                  |                      |                  |
| - Test and trace support grant     | -0.385           |                      | -0.385           |
| - Contain Outbreak Management Fund | -0.376           |                      | -0.376           |
| - Client Management SCF            | 0.059            |                      | 0.059            |
| - Transformational Reserve         | -2.660           |                      | -2.660           |
| - Directorate Carry forwards       | -3.792           | 3.792                | 0.000            |
| <b>MTFS Reserve total</b>          | <b>-7.154</b>    | <b>3.792</b>         | <b>-3.362</b>    |
| Better Care Fund                   | -5.302           |                      | -2.485           |
| Public Health Reserve              | -2.543           |                      | -2.462           |
| Public Health Contingency Funding  | -0.008           |                      | -0.008           |
| Proceeds of Crime POCA             | -0.324           |                      | -0.324           |
| Insurance                          | -0.232           |                      | -0.232           |
| Budget Smoothing reserve           | -10.350          | 2.000                | -8.350           |
| Redundancy/Severance Payments      | -5.884           |                      | -5.884           |
| <b>Earmarked reserves total</b>    | <b>-31.796</b>   | <b>5.792</b>         | <b>-23.106</b>   |
| Unallocated general fund balance   | -21.000          | -1.000               | -22.000          |
| <b>General fund reserves total</b> | <b>-52.796</b>   | <b>4.792</b>         | <b>-45.106</b>   |

11.3. As part of the Council's recovery, we are developing a financial resilience tracker and will be further reported in Q2.

## 11 IMPLICATIONS of the RECOMMENDATIONS

### 11.1 Financial implications

This is a financial report and therefore gives consideration to the financial implications throughout the report.

### 11.2 *Legal implications*

11.2.1 Section 31 of the Local Government Finance Act 1992 requires the Council to set a balanced budget at the start of each financial year. Section 28 of the Local Government Act 2003 requires all local authorities to review actual expenditure against this budget on a regular basis during the year. Where it appears that there has been a deterioration in the financial position, the local authority must take such action as is necessary to deal with the situation.

11.2.2 The Secretary of State for Levelling Up, Housing and Communities made a direction under s.15 of the Local Government Act 1999 on 1 December 2021 (which has subsequently been updated). The Direction required an

action plan to achieve financial sustainability and to close the long-term budget gap. This report contains significant information on the work undertaken to improve financial sustainability and to close the in-year and longer term budget gap, although there are significant risks and the Council will still need a capitalisation direction for some years to come. In addition, the appointed commissioners have reserve powers to exercise the function of proper administration of the Council's financial affairs and all functions associated with the strategic financial management of the Council, including providing advice and challenge of the budget and scrutinising all in-year amendments to annual budgets.

11.2.3 The Council's best value duty requires it to keep under review its services to ensure continuous improvement. This includes having a financial strategy and budgets which are clearly aligned with strategic priorities and a robust process for reviewing and setting the budget. There should be a robust system of financial controls and reporting to ensure clear accountability and a clear strategy to maintain adequate reserves. There should be collective accountability for the budget and MTFs both at officer and political level. Regular financial reporting to Cabinet ensures members are aware of the issues mid-year and the mitigating measures in place, as well as providing for public accountability.

### 11.3 Risk management implications

11.3.1 There are significant risks related to the monitoring of the Council's financial position and implementing mitigation and recovery proposals. In the first instance it is imperative that budget holders have a clear understanding of their budget position and make reasonable assumptions including consideration of spending pressures and compensating mitigation to determine their forecast. Whilst the financial monitoring of complex budgets is difficult, it is important to determine a baseline so that members and senior officers can see the scale of mitigation and recovery actions, and the resultant impact on service delivery necessary to deliver a balanced budget.

11.3.2 Budget holders, supported by Finance, need to ensure that forecasts are accurate and are reviewed in light of changing circumstances throughout the year,

11.3.3 Actions taken by departmental management teams to identify mitigations and recovery actions similarly need to be monitored and included in regular reports.

11.3.3 Steps taken to develop and monitor the effectiveness of regular budgets, mitigations and recovery actions

#### 11.4 Environmental implications

There are no specific environmental implications arising from this report

#### 11.5 Equality implications

There are no specific equality implications arising from this report

## Appendix 1 Adult Social Care : Table 1 – Monitoring Forecast

| Adults Services  | 2023/24             | Original Budget | Virements | Current Budget | Actuals to date | Projected Outturn | Variance     | Risks / Opportunities | Notes |
|--|---------------------|-----------------|-----------|----------------|-----------------|-------------------|--------------|-----------------------|-------|
|  | Provisional Outturn |                 |           |                |                 |                   |              |                       |       |
|  | £'000               | £'000           | £'000     | £'000          | £'000           | £'000             | £'000        | £'000                 |       |
| Commissioning  | -2,522              | -579            | 0         | -579           | -1,784          | -1,276            | -697         | 190                   | 1     |
| Community Team for People with Learning Disabilities                     | 15,322              | 14,206          | 0         | 14,206         | 2,170           | 16,381            | 2,175        | 300                   | 2     |
| Localities Social Work   | 22,466              | 18,587          | 0         | 18,587         | 5,726           | 22,151            | 3,564        | 900                   | 3     |
| Mental Health  | 6,714               | 6,740           | 0         | 6,740          | 1,230           | 8,236             | 1,496        | 400                   | 4     |
| People Adults Management   | -3,185              | -4,138          | 0         | -4,138         | -510            | -7,786            | -3,648       | 50                    | 5     |
| Rehabilitation, Recovery and Reablement & Long Term Occupational Therapy | 1,350               | 223             | 0         | 223            | 549             | 1,401             | 1,178        | 0                     | 6     |
| Safeguarding Partnership Team  | 683                 | 533             | 0         | 533            | 147             | 775               | 242          | 0                     | 7     |
| <b>Grand Total</b>   | <b>40,828</b>       | <b>35,572</b>   | <b>0</b>  | <b>35,572</b>  | <b>7,528</b>    | <b>39,882</b>     | <b>4,310</b> | <b>1,840</b>          |       |

### Notes

Commissioning (£0.697m) - the commissioning restructure agreed at DLT has been paused due to activity taking place with the Target Operating Model. There are a small number of essential posts currently covered by interims funded by agreement with the Integrated Care Board (ICB) resulting in a non-recurrent underspend of (£0.432m); programme of activities deferred resulting in an underspend of (£0.205m). Risk of £0.190m relates to funding agreements currently in negotiation, the current expectation is the negotiation will result in a positive outcome for SBC resulting in the removal of this risk for future reporting (risk not included in the projected outturn).

CTPLD £2.175m - reflects an overspend relating to services to clients of £2.122m (14%); the forecast spend is in line with 2023/24; the reconfiguration of Packages of Care across the Directorate increased costs within this service area by £0.049m; this was a net nil effect across the Directorate. Risk relates to the estimated increased volume of packages of care during 2024/25 £0.300m

Localities Social Work £3.564m - reflects an overspend on employees due to reliance on interims £0.503m (16%); payments to third party organisations who provide accommodation & support of £4.015m (19%) against budget; increased forecast receipts primarily in respect of Deferred Payment Packages (£0.569m) (10%); the forecast spend is in line with 2023/24. Included in the forecast is a contingency for Provider Uplifts at 4.0% compared to the budgeted uplift of 2.9% for 50% of all Providers categories £0.550m. Providers have until the 30th June 2024 to apply for a fee uplift over & above 2.9% subject to a credible business case having been submitted & interrogated – with negotiations taking place as appropriate & subject to approval via DECP & DLT. The reconfiguration of Packages of Care across the Directorate reduced costs within this service area by (£0.480m); this was a net nil effect across the Directorate. Risk relates to the estimated increased volume of packages of care during 2024/25 £0.900m (risk not included in the projected outturn).

Mental Health £1.496m - reflects an overspend mainly relating to payments to providers of £2.199m (44%) partly offset by increased ICB contributions (£0.155m). There are multiple vacancies across the Service projecting an underspend of (£0.367m); the forecast spend is greater than 2023/24 by £1.522m mainly reflecting fee uplifts & an increased number of Service Users (22) that have been approved in quarter 1 of 2024/25 at a cost of £0.533m; the reconfiguration of Packages of Care across the Directorate increased costs within this service area by £0.432m; this was a net nil effect across the Directorate. Risk relates to the estimated increased volume of packages of care during 2024/25 £0.400m (risk not included in the projected outturn).

People Adult Management (£3.648m) - reflects historical savings target delivered in individual Services in the Directorate £1.127m. Out of Hours joint arrangement reflecting the same level of activity as 2023/24 £0.098m. Funding from MSIF grant (£1.207m) offset by pressures. The in-year Mitigation Action Plan totals (£5.753m) reflected within the respective Services, including securing a greater level of funding of (£3.723m) reflected here. Funding increases include: a review of the overall funding from the BCF reflecting the grant annual uplift of 8.4% (£0.606m) ; a retrospective review of the BCF contributions relating to services in 2023/24 (£0.500m); release of the uncommitted element of the Adult Social Care Reserve (£1.480m); receipt of the balance of the Market Sustainability & Improvement Fund grant funding allocation (total allocation £1.907m) into Adult Social Care (£0.610m); Release of Social Care additional Discharge Funding Grant into Adult Social Care (£0.527m). Risk relates to the interim arrangements for the Director of Adult Social.

Rehabilitation, Recovery & Reablement & Long Term Occupational Therapy £1.178m - reflects an overspend relating to increased employee costs of £1.079m (43%) primarily due to an overspend in agency within the Rehabilitation, Recovery & Reablement & Long Term Occupational Therapy Service. The Service is under review; the forecast spend is in line with 2023/24.

The forecast reflects a continued reliance upon interim staff for senior roles in the Service £0.055m. Increased Deprivation of Liberty Safeguards assessment fees to address the backlog of referrals requiring review £0.080m. Historical savings target no longer being delivered due to increased costs across the Service £0.100m; the forecast spend is in line with 2023/24.

**Table 2 – ASC Saving RAG Rating**

| Savings Description  | Total £000's | Delivered  | On Track   | Some risk    | Major Risk | Mitigating Savings | Savings Forecast | Over / (Under) delivery | Key Milestones   | Notes |
|--|--------------|------------|------------|--------------|------------|--------------------|------------------|-------------------------|--|-------|
| <b>Adults Services</b>   |              |            |            |              |            |                    |                  |                         |  |       |
| Improved occupancy of Care Home block bed contract   | 34           | 0          | 0          | 34           | 0          | 0                  | 34               | 0                       | None defined   | 1     |
| Undertake a full and robust review of the Adult Social Care Fees and Charges policy                | 507          | 0          | 0          | 507          | 0          | 0                  | 507              | 0                       | Review existing charging policies vs statutory guidance clarifying compliance and estimate opportunity for increasing contributions – autumn 23; Undertake process analysis to ensure systems enable adherence to agreed policy changes – autumn 2023; Establish additional capacity reqd to implement changes and develop a new BAU model – autumn 2023 (then immediate recruitment); Communicate policy and any changes to key stakeholders across SBC and other partners – early 2024; Identify areas of greatest return and prioritise resources – early 2024; | 1     |
| Public Health contribute funding towards healthy life expectancy priorities across the borough     | 411          | 0          | 411        | 0            | 0          | 0                  | 411              | 0                       | It is proposed any unallocated PH allocation is incorporated within a PH Transformation fund to deliver health priorities across SBC. There is a requirement to evidence how the investment improves health and improves measures in the PHOF. Regular monitoring and reporting of the use of PH funds and outcomes will be reflected in routine SBC reports and required returns to support assurance process.  | 2     |
| Remove Transformation Savings Programme consultancy support  | 350          | 350        | 0          | 0            | 0          | 0                  | 350              | 0                       | Confirmation budget is permanent and available to release as saving. Transitional and BAU arrangements agreed within ASC and Finance functions to continue to model, support, validate and report progress on delivering savings to various forums   | 3     |
| Review Direct Payment packages to ensure funded at the appropriate level                           | 313          | 0          | 0          | 313          | 0          | 0                  | 313              | 0                       | Continuation of the current model being delivered within 2023/24   | 1     |
| Develop innovative technological support for residents to be more independent                      | 300          | 47         | 0          | 253          | 0          | 0                  | 300              | 0                       | Diagnostic complete and presented to DLT September 2023; Care Line cohort used as pilot for early implementation to expand the AT offer and opportunities in order to reduce packages. Establish robust financial methodology to record and evidence savings delivered. Dec 2023; Further client reviews and phase 1 roll out Dec 2023 – Mar 2024 Phase 2 roll out April 2024 – March 2025   | 1     |
| Review fees and charges in line with national increases in social security benefits                | 226          | 0          | 0          | 226          | 0          | 0                  | 226              | 0                       | Care Line cohort used as a pilot for early implementation to expand the AT offer and opportunities in order to reduce the care packages. Establish robust financial methodology to record and evidence savings delivered. – Close December 2023  | 1     |
| Review support packages transferring to Adult Social Services from Children's Services             | 214          | 31         | 0          | 183          | 0          | 0                  | 214              | 0                       | Transitional arrangements in discussion with Children's Services in advance of transfer to Adult Social care. Case by case review completed with options for provision identified and agreed in timely manner. The saving of £214k represents a 45% cost reduction compared to the cost on transition from Children's Services   | 1     |
| Develop the Domiciliary Care market to encourage greater competition and reduce unit costs         | 154          | 0          | 0          | 154          | 0          | 0                  | 154              | 0                       | Undertake a detailed assessment of the current market and develop providers to build increased capacity and competition within the market to drive down unit costs prioritising new clients  | 1     |
| Increased recruitment of permanent employees resulting in reduced reliance on higher cost interims | 121          | 50         | 0          | 71           | 0          | 0                  | 121              | 0                       | Develop a strategy to recruit and retain staff especially for those hard to fill posts. Communicate strategy with key stakeholders, setting maximum thresholds for numbers of interims, with a process agreed for reporting performance  | 1     |
| Develop reablement services for residents to be more independent                                   | 100          | 100        | 0          | 0            | 0          | 94                 | 194              | 94                      | Clarify opportunity to include further review capacity into Hospital SW Team – Oct – Dec 2023; Recruit additional SW/OT Capacity to increase review capacity – Feb – Mar 2024 Reduce number of weeks of Reablement and DTA used as improvements in independence clarified earlier throughout 2024/25   | 1     |
| Various Operational Savings a  | 89           | 0          | 0          | 89           | 0          | 0                  | 89               | 0                       | Communicate strategy with Managers to cascade and ensure workforce compliance.   | 1     |
| Various Operational Savings c  | 48           | 0          | 0          | 48           | 0          | 0                  | 48               | 0                       | Communicate strategy with Managers to cascade and ensure workforce compliance. Recruitment to posts currently covered by interims throughout the year.   | 1     |
| Various Operational Savings b  | 21           | 0          | 0          | 21           | 0          | 0                  | 21               | 0                       | Arrange in year journal within ASC Cost Centres reflecting appropriate recharge based on activity  | 1     |
| <b>Adults Services Total</b>   | <b>2,888</b> | <b>578</b> | <b>411</b> | <b>1,899</b> | <b>0</b>   | <b>94</b>          | <b>2,982</b>     | <b>94</b>               |  |       |

**Narrative**

1 Savings some risk of delivery; position reported to Adults Board (02-07-24).

2 Public Health funding of health & wellbeing programme across Adult Social Care; business case to be submitted to Public Health Board (04-07-24).

3 Consultancy contract ceased (31-03-24).



## Appendix 2 Children

**Table 1 – Budget Monitoring Position**

| Childrens' Services              | 2023/24             | Original Budget | Virements | Current Budget | Actuals to date | Projected Outturn | Variance     | Prv Var    | Risks / Opportunities |   |
|----------------------------------|---------------------|-----------------|-----------|----------------|-----------------|-------------------|--------------|------------|-----------------------|---|
|                                  | Provisional Outturn |                 |           |                |                 |                   |              |            | Notes                 |   |
|                                  | £'000               | £'000           | £'000     | £'000          | £'000           | £'000             | £'000        | £'000      | £'000                 |   |
| Early Help Hub                   | 310                 | 197             | 0         | 197            | -440            | 350               | 153          | 141        |                       |   |
| Management                       | 2,553               | 3,119           | 0         | 3,119          | 137             | 2,659             | -460         | -454       |                       |   |
| Other School Grants              | 21                  | 0               | 0         | 0              | -3,227          | 0                 | 0            | 0          |                       |   |
| School Effectiveness             | 343                 | 301             | 0         | 301            | 86              | 296               | -5           | -5         |                       |   |
| School Services                  | 3,578               | 3,487           | 0         | 3,487          | 170             | 3,837             | 350          | 350        |                       |   |
| Children's Centres / Family Hubs | 376                 | 697             | 0         | 697            | 135             | 343               | -354         | -354       |                       |   |
| Music Service                    | 1                   | 3               | 0         | 3              | -202            | 0                 | -3           | -3         |                       |   |
| Inclusion                        | 1,511               | 950             | 0         | 950            | 599             | 2,436             | 1,486        | 971        |                       | 1 |
| Learning, Skills & Employment    | 291                 | 209             | 0         | 209            | -594            | 209               | -0           | 0          |                       |   |
| School Transport                 | 234                 | 305             | 0         | 305            | 139             | 305               | 0            | 0          |                       |   |
| Libraries                        | 784                 | 869             | 0         | 869            | 148             | 836               | -33          | -33        |                       | 3 |
| Place Management Ch              | 274                 | 316             | 0         | 316            | 39              | 316               | 1            | 0          |                       |   |
| <b>General Fund Total</b>        | <b>10,275</b>       | <b>10,452</b>   | <b>0</b>  | <b>10,452</b>  | <b>-3,011</b>   | <b>11,587</b>     | <b>1,135</b> | <b>613</b> | <b>0</b>              |   |

### Notes

1 The current context for SEND and related services is complex and demand is high. The current position as outlined below but is subject to change as time progresses. Note that elements of the High needs funding is lagged.

#### SEND forecast £688,092 deficit

- Were all positions to be filled by permanent workers, this would incur a cost of 1,209,992.00 which is 316,762.40 over budget.
- The staff substantive structure was originally based upon 1,400 plans with 8 officers with a caseload of 175 reviews and c.25 assessment cases.
- The current structure contains 5 Assessment officers with an average case load of 70 assessments and
- The current structure contains 6 Reviews officers with an average case load of 335 reviews
- The current structure includes only 3 BSO's and this is insufficient for workload and needs to increase to 4.
- The current structure is not sufficient to cover business as usual for Assessments and needs to increase to 7 Officers for reviews. This is based upon statistical neighbour benchmarking of average caseloads of 50-60 Assessments (Assessment officers) and 250-300 reviews (review officers).
- It is not possible to continue to deliver the statutory service with a reduction in case officers.
- It has proved difficult with current market conditions to attract permanent staff so SEND is becoming increasingly reliant on contractors
- The service intends to advertise permanent positions for September but is not confident in attracting appropriately experienced Case Officers and will be looking at reevaluating gradings for these roles.

Please note backlog has only been cleared for Educational & Child Psychology advices and not all SEND Education, Health & Care plans.

#### Forecast Inclusion: £1,486,592 Deficit

The plan is to complete at least 34.4 plans per month. It is a statutory requirement for each EHC plan to contain the advice of an Educational and Child Psychologist. Each EP report costs £1,600- £1,900, within the mid to low range of the market payments including oncosts and agency fees.

Educational and child Psychology advice is commissioned from an agency. The costs are yet to be calculated so current costings do not take into account the costs of annual reviews or emergency consultation reports, or other work which is required by law. Cheapest price per psychological advice is £1,200 per assessment + Matrix charges + Agency fees on top. For June 2024 alone, we have initiated 44 statutory Assessments.

3 Libraries anticipate a slight underspend of £0.033m, primarily due to unfilled vacant positions. This reflects ongoing challenges in recruiting suitable candidates to fill essential roles.

**Table 2 – Savings Position**

| Savings Description   | Total<br>£000's | Delivered | On<br>Track | Some<br>risk | Major<br>Risk | Mitigating<br>Savings | Savings<br>Forecast | Over /<br>(Under)<br>delivery | Key Milestones   | Notes |
|---|-----------------|-----------|-------------|--------------|---------------|-----------------------|---------------------|-------------------------------|--|-------|
| <b>Children's Services</b>  |                 |           |             |              |               |                       |                     |                               |  |       |
| Home to School Transport - to reduce spend and ensure fit for purpose | 205             |           |             |              | 205           |                       | -                   | (205)                         | Specifically, the travel provision/support/advice offered will begin to be fully introduced from April 2023 subject to individual service user risk assessment being complete and any change being identified as appropriate and reasonable. The savings in the case will be split and realised over two financial years, 23/24 and 24/25, to account for the impact of the academic year changes and statutory obligations                              |       |
| Review Education & Inclusion Staff structure                          | 53              |           |             |              | 53            |                       | -                   | (53)                          | This plan could be implemented within three months from the start of a staff consultation process. Some regrading of jobs is necessary. Some grading of new jobs is also necessary. Close work is needed with HR. Some project support will be needed to support the AD to implement.  |       |
| Further savings related to Education & Inclusion staff restructure    | 200             |           |             |              | 200           |                       | -                   | (200)                         | None defined   |       |
| School Transport  | 100             |           |             |              | 100           |                       | -                   | (100)                         | None defined   |       |
| Restructure   | 50              |           |             |              | 50            |                       | -                   | (50)                          | None defined   |       |
| Capita Software Solutions – Contract savings                          | 47              |           | 40          | 7            |               |                       | 47                  | -                             | Undertake pre-market engagement (Eol Stage) Complete (Pre April 23) /Direct award contract to existing supplier Backdated to April 23 /Develop specification and commercial model Dec 2023 /Establish project board Sept 2023 /Release IT T to market Jan 2024 /Evaluate ITT returns Oct 2024 /Submission of new contract to the board Dec 2024 /Award contract Feb 2025 /Transition to new service March 2025 to March 2026 New service begins Mar 2026 |       |
| Childrens Centres   | 37              |           | 37          |              |               |                       | 37                  | -                             | None defined; fee review to follow benchmarking exercise   |       |
| <b>Children's Services Total</b>                                      | <b>692</b>      | <b>-</b>  | <b>77</b>   | <b>7</b>     | <b>608</b>    | <b>-</b>              | <b>84</b>           | <b>(608)</b>                  |  |       |

**Notes**

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## Appendix 3 – Regeneration, Housing & Environment

### Table 1 – Budget Monitoring Position

| Regeneration, Housing & Environment | 2023/24<br>Provisional<br>Outturn<br>£'000 | Original<br>Budget<br>£'000 | Virements<br>£'000 | Current<br>Budget<br>£'000 | Actuals<br>to date<br>£'000 | Projected<br>Outturn<br>£'000 | Variance<br>£'000 | Risks /<br>Opportunities<br>£'000 | Notes |
|-------------------------------------|--|-----------------------------|--------------------|----------------------------|-----------------------------|-------------------------------|-------------------|-----------------------------------|-------|
| Housing (excluding HRA)             | 7,972                                      | 2,386                       | 0                  | 2,386                      | -1,121                      | 8,951                         | 6,565             |                                   | 1     |
| Planning                            | 581  | 670                         | 0                  | 670                        | -133                        | 670                           | -0                | -100                              | 2     |
| Property & Estates                  | 1,416                                      | 432                         | 0                  | 432                        | -549                        | 432                           | 0                 |                                   | 3     |
| RHE Management                      | 2,298                                      | 726                         | 0                  | 726                        | -608                        | 1,157                         | 431               |                                   | 4     |
| Environment & Infrastructure        | 11,593                                     | 10,369                      | 0                  | 10,369                     | 1,531                       | 9,908                         | -461              | -200                              | 5     |
| <b>Grand Total</b>                  | <b>23,861</b>                              | <b>14,583</b>               | <b>0</b>           | <b>14,583</b>              | <b>-880</b>                 | <b>21,118</b>                 | <b>6,535</b>      | <b>-300</b>                       |       |
| HRA                                 | -4,237                                     | -3,477                      | -1                 | -3,478                     | -6,727                      | -3,734                        | -257              | 0                                 |       |

#### Notes

- The forecast overspend of £6.566m mainly due to ongoing pressure on costs of Temporary Accommodation. There are currently c. 844 TA cases in 887 accommodation units. The numbers include large families that require multiple emergency accommodations. In addition to the high costs of accommodation, demand has increased. The forecast reflects a current year average monthly cost of c.£2m (£1.6m last year) an increase mainly due to higher demand. The forecast also reflects the MTF5 savings of £3m being delivered by procuring more cost effective TA accommodation and effectively managing Homelessness approaches. Plans are afoot to continue to reduce the use of expensive nightly rate Hotel/B&B and other accommodation to a more suitable and budget friendly alternatives. Several mitigating measures are being put in place to contain and reduce costs in the short and medium term. In addition, while these costs are recoverable from TA clients through Housing Benefits and clients cash contributions only 70% of projected providers costs are currently estimated to be recoverable via rent account income and direct HB payments. Further work is to be undertaken to reduce the existing gap between rent charged and accommodation costs paid to providers.
- The forecast is in line with budget as additional income from demand led chargeable Pre-Planning Advice (PPA) and one-off planning fees from major projects have fully offset staffing expenditure pressures due to delay with permanent recruitments. The service is on track to deliver MTF5 staffing saving which will be achieved through a whole service restructuring.
- The forecast is a nil variance as historic pressure from historical unachievable capital disposal income budget savings has been fully offset by additional income from the delay in disposing some commercial sites.
- The forecast overspend of £0.431m is due the remnant of unrealisable historic savings budget not yet fully addressed. The total historical savings pressure of £0.850m is however partially offset by underspend in the staffing budget due to vacancy management and higher than expected costs recoverable from internal recharges.
- The forecast of a net underspend of (£0.461m) is mainly due to pressure from the waste disposal costs of £0.277m, Refuse & Street cleaning of £220k, and the Civil parking enforcement contract of £0.329m, these are fully offset by additional income from Street works and permits and Transport & Highways grants surplus received in year but deemed to be surplus to requirement. The waste service collects and disposes of about 47,000 tonnage of general, bulky, recycling, green, and other waste per year. The waste disposal overspend of £277k is due to delay in implementing contract extension which will deliver lower average unit costs per waste tonnage. Implementation of the new contract extension is not expected to start from August, hence only 8months of savings achievable. The refuse & street cleaning overspend of £220m is due to green waste subscription pressure of £0.2m as only 62% uptake is achievable. The Civil parking enforcement contract overspend of £0.326m is due to increasing contract costs.

**Table 2 – Savings Position**

| Savings Description   | Total £000's | Delivered  | On Track     | Some risk    | Major Risk | Mitigating Savings | Savings Forecast | Over / (Under) delivery | Key Milestones   | Notes |
|---|--------------|------------|--------------|--------------|------------|--------------------|------------------|-------------------------|--|-------|
| <b>Regeneration, Housing &amp; Environment</b>                        |              |            |              |              |            |                    |                  |                         |  |       |
| Move to fortnightly waste collections                                 | 281          |            | 281          |              |            |                    | 281              | -                       | Full project plan to be developed to mobilise on 26 June 23. Project Mgmt Office support needed. Commitment to have determined collection round structure by February 23   | 1     |
| Review of public area lighting to ensure efficient usage              | 175          |            | 175          |              |            |                    | 175              | -                       | Agree format to dim Dec '22; Decision Paper : Jan 23; Confirm current stock: Jan 23; Select & agree trial areas: Jan 23;consult with key stakeholders : Jan 23; Analyse data & share/consult with stakeholders: Apr/May 23; Review trial areas June to Nov '23 Re-run trials Dec '23 Cabinet Report on new policy : Mar 24   | 2     |
| Waste - Reducing Costs, & Tonnage and Increased efficiencies          | 1,267        |            | 1,067        | 200          |            |                    | 1,267            | -                       | Negotiate with Grundon's (1st meeting 14/11); Benchmarks other LAs; Seek Exemption & Cabinet approval to extend contract subject to price/BV – Jan/Feb '24; Prepare & seal Deed of Variation – Mar/Apr '24   | 3     |
| Transfer station and Waste Sorting Improvements                       | 228          |            |              | 228          |            |                    | 228              | -                       | Obtain quotes from Shorts for disposal/rates for card etc. – (Nov '23) - Seek advice from specialists for replacement Transfer Station unit – On hold pending capital programme review - Cost Transfer Station & prepare an invest to save model - On hold pending Cap Prog review - Undertake assessment on current recycling material in the transfer shed & start using internal staff to sort material – Dec '23 onwards         | 4     |
| Review of On / Off street parking charges                             | 220          |            | 220          |              |            |                    | 220              | -                       | Review all charges & usage figures – On-going Sept '23 – Nov '23 Benchmark tariffs & start preparation of Traffic Orders - Dec '23 to Jan '24 Review & consult as needed on parking charge changes - Dec '23 to Feb '24 Consult on TRO's – Feb '24 to Mar '24 Seek Cabinet approval for new tariffs – Mar/Apr '24 Seal TRO's & implement new Tariffs – Apr '24 Apply new charges for parking for staff – Apr/May '24                 | 5     |
| Review of Planning Services   | 218          |            | 218          |              |            |                    | 218              | -                       | Submit new JDs for every post. JDs reviewed & market assessment of salary to take place. Consultation on new structure if needed. New structure implemented, job adverts/recruitment to take place incl. if suitable contractors can be brought in house. Above likely to go live 24/25 with posts filled in that financial year.  | 6     |
| Additional income by reviewing vacant and rented sites current charge | 215          | 15         |              | 200          |            |                    | 215              | -                       | The proposals will be implemented in advance of 24/25 but the benefits of marketing & renewal negotiations are not generally immediate.  | 7     |
| Environmental Services Restructure                                    | 200          |            |              | 200          |            |                    | 200              | -                       | Review all posts, budgets & JDs: on-going Review all posts, budgets & JDs: on-going Re-draft all relevant JDs & re-evaluate posts : on-going Consult with unions: Mar/Apr '24 Consult with staff : Apr/May Respond to consultation : May/June  | 8     |
| Review of Facilities Management spend and implement efficiencies      | 200          | 130        |              | 70           |            |                    | 200              | -                       | Review of planned preventative maintenance requirements at corporate buildings. Upskill technical team to deliver more in-house. Retender of specialist SMEs to deliver VFM against reduced spec. Triage all R&M jobs to deliver more in-house, reducing work given to external SME to reduce costs. Savings via reductions made in works/specs reqd & Mgmt of reducing number of buildings as part of the asset disposal programme. | 9     |
| Energy efficiencies across all Council buildings                      | 200          |            | 200          |              |            |                    | 200              | -                       | None defined   | 10    |
| Review of The Curve   | 175          |            | 175          |              |            |                    | 175              | -                       | None defined   | 11    |
| Environmental Quality - Refocus on Statutory work                     | 130          |            | 130          |              |            |                    | 130              | -                       | Redesign service – Jan/Feb '24 Cost structure with finance–Feb '24 Consult with HR/Unions – Mar '24 Advise affected staff – Mar '24 Respond to consultation Apr '24 Implement new structure – May '24  | 12    |
| Review office space to ensure efficient and fit for purpose           | 130          |            | 130          |              |            |                    | 130              | -                       | Options 2 & 3 can be implemented Dec 23 ;Option 5 following Cabinet decision Mar 24; Building Mgmt technical team to be trained on BMS & regular recording & auditing to be part of daily routine of staff checks  | 13    |
| Ensure Rating Appeals are completed for vacant sites                  | 125          |            |              |              | 125        | 125                | 125              | -                       | There are a number of companies who will manage this process & one will be procured on the usual basis to act on behalf of the council. Fees are usually payable as a proportion of the savings made.  | 14    |
| Parks & Open Spaces - Community activity to reduce costs              | 100          |            | 100          |              |            |                    | 100              | -                       | Identify all parks & maintenance regime – Dec '23 Identify locations/areas for biodiversity & the relevant cost & subsequent saving Dec '23 Reduce the relevant budget to support general maintenance for biodiversity areas. Jan-Feb '24 Sublet some parks/open spaces to community groups Feb-Mar '24  | 15    |
| Review of charges for grounds maintenance to HRA properties           | 100          |            | 100          |              |            |                    | 100              | -                       | Review with the housing service all housing land & calculate the level of service being provided – On-going Sept – Dec '23 Review charges based on new assessment - On-going Sept – Dec '23 Review charges in line with S20 – Dec '23 Commence new recharges to the HRA – Jan/Feb '24  | 16    |
| Property Services New Operating Model                                 | 94           |            |              |              | 94         | 94                 | 94               | -                       | None defined   | 17    |
| Minimising costs of holding vacant sites                              | 91           |            |              |              | 91         | 91                 | 91               | -                       | None defined   | 18    |
| Street Cleansing Improvements   | 71           |            | 71           |              |            |                    | 71               | -                       | Start engagement, work up proposals - Sept 23 / Review service & identify areas of over-deployment - Jan 24; restructure service & reduce headcount via consultation exercise - May 24   | 19    |
| Staged closure of Hatfield car park                                   | 51           |            |              |              | 51         | 51                 | 51               | -                       | Review usage & operational function of the car park – On-going Sept to Dec '23 Review business rates, energy, maintenance & security - On-going Nov to Dec '23 Notify Parking enforcement contractor - Dec '23 Advertise proposed changes to users – Jan to Feb '24 Implement new operational changes. – Mar '24   | 20    |
| Allotments - Community partnership and pricing                        | 50           |            |              |              | 50         | 50                 | 50               | -                       | Consult with parish councils & community groups/leaders – Dec '23 Consult with legal to mitigate any legislation required - Nov '23 Produce SLAs with various groups - Feb/Mar '24 Cabinet approval for change of Mgmt Mar/Apr '24 Sign/Seal legal agreements with 3rd parties. May-Jun '24  | 21    |
| Chalvey Waste Amenity - operational efficiencies                      | 50           |            | 50           |              |            |                    | 50               | -                       | Review costs for Sunday operations at the HWRC Contact neighbouring LA's for benchmarking on HWRC options & tendering of materials – on-going Seek Cabinet approval for closure of Sunday services – Mar '24 Complete Procurement Business case for saleable materials – Apr '24 Produce tender documents & advertise tender – May/June '24 Evaluate & Appoint contractor – July '24   | 22    |
| Ensure all Insurance Charge Recovery through Service Charges          | 50           |            | 50           |              |            |                    | 50               | -                       | Obtain insurance breakdown from Council's insurers & this is not always readily available under Municipal policies. Once available 24/25 recharges will be issued.   | 23    |
| Slough Town FC Stadium Lease  | 15           |            | 15           |              |            |                    | 15               | -                       | None defined   | 24    |
| <b>Regeneration, Housing &amp; Environment Total</b>                  | <b>4,436</b> | <b>145</b> | <b>#####</b> | <b>1,028</b> | <b>411</b> | <b>411</b>         | <b>4,436</b>     | <b>-</b>                |  |       |

**NOTES**

- 1) Fortnightly waste collections being delivered - savings on track.
- 2) Energy is being procured at lower rates and efficiency savings practices are being enabled.
- 3) Grounds waste contract extension to take effect from August 24 so 8 months savings projected.
- 4) Some pressure on staffing crew teams as required to sort and transfer waste in the interim.
- 5) Increase in on and off street parking charges implemented. Ongoing monitoring to track savings delivery.
- 6) Services restructure planned over the next 12 months. Costs analysis of the proposed restructure show that, a smaller but better paid workforce would achieve the required savings.
- 7) Rent reviews in progress, surveyors in the process of evaluating sites.
- 8) Delivery could be delayed due to consultation and HR engagement process
- 9) Savings of £130k made on procurement delivered, further savings through closure or sale of buildings etc. Children Centre reduced from 10 to 5 centres reducing BM spend to upkeep site.
- 10) Energy is being procured at lower rates and efficiency savings practices are being enabled. Linked to savings #2.
- 11) Project Manager onboard and is undertaking a review to identify the way forward.
- 12) Deliverable by holding to 2 vacant posts
- 13) Reducing office space - dependent on target operating model and identifying which are to be retained and make them more efficient and dispose the others.
- 14) Whilst savings were legal it was decided not to pursue due to Budget changes underlining Central Government's dislike of Rates Mitigation schemes.
- 15) Only emergency health & safety work to continue. All other works stopped to deliver savings.
- 16) Increase recharges to HRA for grounds maintenance costs
- 17) Restructure in two phases - first phase Sept 24
- 18) Current position of SMP remains unclear
- 19) Savings in cost centre due to operational efficiencies in staffing
- 20) Savings in relation to business rates. Only complete closure will ensure savings achieved. Currently on the asset disposal list. Mitigating savings to be found elsewhere in the service.
- 21) Savings offset against parks and open spaces vacancy
- 22) Savings to be delivered by holding 1 vacant post
- 23) Rent reviews in progress
- 24) Arbour Park Stadium - long lease to be signed off

**Table 3 – HRA Budget Monitoring position**

| HRA                          | 2023/24<br>Provisional<br>Outturn | Original<br>Budget | Virements | Current<br>Budget | Actuals<br>to date | Projected<br>Outturn | Variance    | Risks /<br>Opportunities | Notes |
|------------------------------|-----------------------------------|--------------------|-----------|-------------------|--------------------|----------------------|-------------|--------------------------|-------|
|                              | £'000                             | £'000              | £'000     | £'000             | £'000              | £'000                | £'000       | £'000                    |       |
| <b>Expenditure</b>           |                                   |                    |           |                   |                    |                      |             |                          |       |
| Repairs & Maintenance        | 11,785                            | 13,586             |           | 13,586            | -211               | 13,483               | -103        |                          | 1     |
| Housing Management           | 4,950                             | 6,571              |           | 6,571             | 448                | 6,601                | 30          |                          | 2     |
| Central Support Recharges    | 2,330                             | 2,781              |           | 2,781             | 2                  | 2,781                | -0          |                          | 3     |
| Estate Services              | 3,240                             | 3,917              |           | 3,917             | -267               | 3,788                | -129        |                          | 4     |
| Capital Charges              | 15,038                            | 14,999             |           | 14,999            | 0                  | 14,999               | 0           |                          | 5     |
| <b>Total HRA Expenditure</b> | <b>37,343</b>                     | <b>41,854</b>      | <b>0</b>  | <b>41,854</b>     | <b>-27</b>         | <b>41,652</b>        | <b>-202</b> |                          |       |
| <b>Income</b>                |                                   |                    |           |                   |                    |                      |             |                          |       |
| Rents - Dwellings            | -36,867                           | -40,783            |           | -40,783           | -6,100             | -40,783              | 0           |                          | 6     |
| Service Charges Income       | -2,063                            | -2,964             |           | -2,964            | -259               | -2,964               | 0           |                          | 7     |
| Non-Dwellings & Other Income | -2,648                            | -1,584             |           | -1,584            | -341               | -1,640               | -56         |                          | 8     |
| <b>Total HRA Income</b>      | <b>-41,578</b>                    | <b>-45,331</b>     | <b>0</b>  | <b>-45,331</b>    | <b>-6,700</b>      | <b>-45,387</b>       | <b>-55</b>  |                          |       |
| <b>HRA (Surplus)/Deficit</b> | <b>-4,237</b>                     | <b>-3,477</b>      | <b>-1</b> | <b>-3,478</b>     | <b>-6,727</b>      | <b>-3,734</b>        | <b>-257</b> |                          |       |

- 1 **Repairs & Maintenance** - Net underspend of (£0.103m), arising from savings in Staff Cost due to vacancy management.
- 2 **Housing Management** - Net overspend of £0.029m, arising from pressure on staffing costs within Neighbourhood services due requirement for additional resource. This is fully offset by underspend elsewhere.
- 3 **Central Support Recharges** - Nil variance
- 4 **Estate Services** - Net underspend of (£129k), arising from lower than expected expenditure on Utilities due to lower tariffs which have fully offset pressures on Insurance premiums for both Tenants and Leaseholders.
- 5 **Capital charges** - Nil variance
- 6 **Rents - Dwellings** - Nil variance
- 7 **Service Charges Income** - Nil variance
- 8 **Non-Dwellings & Other Income** - An over-recovery of (£55k) arising from one off income of lease extension payment from commercial properties.

## Appendix 4 – Chief Executive’s Office

**Table 1 Budget Monitoring Position**

|                       | 2023/24<br>Provisional<br>Outturn | Original<br>Budget | Virements | Current<br>Budget | Actuals to<br>date | Projected<br>Outturn | Variance    | Risks /<br>Opportunities | Notes |
|-----------------------|-----------------------------------|--------------------|-----------|-------------------|--------------------|----------------------|-------------|--------------------------|-------|
|                       | £'000                             | £'000              | £'000     | £'000             | £'000              | £'000                | £'000       | £'000                    |       |
| Chief Executive       | 370                               | 356                | 0         | 356               | 60                 | 385                  | 29          |                          | 1     |
| Communications        | 202                               | 167                | 0         | 167               | 153                | 177                  | 10          |                          | 2     |
| Customer Services     | 1,974                             | 1,515              | 0         | 1,515             | 444                | 1,130                | -385        |                          | 3     |
| Strategy              | 10                                | -387               | 0         | -387              | 0                  | -387                 | 0           |                          |       |
| Strategy & Innovation | 906                               | 1,271              | 0         | 1,271             | 271                | 1,084                | -187        |                          | 4     |
| Transformation        | -94                               | 497                | 0         | 497               | 197                | 473                  | -24         |                          | 5     |
| <b>Grand Total</b>    | <b>3,369</b>                      | <b>3,418</b>       | <b>0</b>  | <b>3,418</b>      | <b>1,125</b>       | <b>2,862</b>         | <b>-556</b> | <b>0</b>                 |       |

**Notes**

- The Chief Executive Office forecasted an overspend of £0.029m. The overspend is due to vacant positions being temporarily filled by interim staff who began their roles in May 2024. Therefore, the overspend is a result of the difference between the budget allocation for permanent staff and the actual expenditure on interim staff.
- The Communication Department forecasted an overspend of £0.010m. This change is due to an increase in income from planned activities for the year. However, the overspend primarily results from appointing staff at the top of the pay scale, while the budget was set based on mid-point salary levels. This discrepancy between the budgeted salary allocations and the actual higher salaries of the appointed staff has led to the projected overspend.
- The Customer Service department is projecting a £0.864 million underspend, mainly due to unfilled vacant positions-£0.165m. Currently, there are 2.59 full-time equivalent (FTE) vacancies in the department. Additionally, some budgets are still under Customer Service but will soon be reallocated. These include the Executive Assistant budget of £0.478 million, which will move to the Strategy department, and the FOI budget of £0.221 million, which will move to Communications. These factors together are contributing to the underspend.
- Strategy and Innovation is forecasting an overspend of £0.291m, up £0.377m from last month, excluding the pending transfer of the £0.478m Executive Assistant budget. While this transfer might add £0.229m to the budget pressure, a recent restructure is expected to save £0.130m, with £0.085m earmarked in the recovery plan. The rest of the savings come from positions that will be filled later this year.
- Transformation anticipates an underspend of £0.024m primarily due to unfilled positions. With oversight now provided by a newly arrived CEO, decisions regarding staffing are undergoing careful consideration. This interim phase of assessment and adjustment is contributing to the projected underspend. The initial underspend has been partially reduced with recent appointments made within the team. However, the corporate recruitment efforts resulted in hiring at lower-than-budgeted costs, thereby contributing to the £0.024m underspend. This situation underscores the transitional nature of organisational adjustments under new leadership, emphasising both the strategic planning involved in staffing decisions and the financial implications of recruitment outcomes.

**Table 2 Savings**

| Savings Description                                 | Total<br>£000's | Delivered | On<br>Track | Some<br>risk | Major<br>Risk | Mitigating<br>Savings | Savings<br>Forecast | Over /<br>(Under)<br>delivery | Key Milestones  | Notes |
|---|-----------------|-----------|-------------|--------------|---------------|-----------------------|---------------------|-------------------------------|---|-------|
| <b>Chief Executive's Office</b>                     |                 |           |             |              |               |                       |                     |                               |   |       |
| Removal of Senior Web Editor post in communications | 40              | 40        |             |              |               |                       | 40                  | -                             | Removing the role will require a redundancy process, involving HR resource. It is understood that SCF wish to formally transfer the role, which will mitigate the impact on the individual involved.  | 8     |
| Review of Internal Printing Service                 | 36              |           | 26          | 10           |               |                       | 36                  | -                             | Consultation and advice from procurement - complete; Consult with IT re embedded software and impact on procurement; Paper to CLT for approval on numbers and position of proposed new devices and specs; Tender through f/wk or direct award if appropriate; Results of tender and aware of contract; Removal of current devices and replacement with new spec devices | 1     |
| <b>Chief Executive's Office Total</b>               | <b>76</b>       | <b>40</b> | <b>26</b>   | <b>10</b>    | <b>-</b>      | <b>-</b>              | <b>76</b>           | <b>-</b>                      |   |       |

**Notes**

1- Procurement of a new contract with fewer and less costly devices. Delayed (limited capacity within comms team) on new contract start date as procurement and ECP paperwork taking time to complete and approve.

## Appendix 5 – Finance

**Table 1 Budget Monitoring Position**

| FINANCE OUTTURN 2023-24 | 2023/24<br>Provisional<br>Outturn<br>£'000 | Original<br>Budget<br>£'000 | Virements<br>£'000 | Current<br>Budget<br>£'000 | Actuals to<br>date<br>£'000 | Projected<br>Outturn<br>£'000 | Variance<br>£'000 | Risks /<br>Opportunities<br>£'000 | Notes |
|-------------------------|--|-----------------------------|--------------------|----------------------------|-----------------------------|-------------------------------|-------------------|-----------------------------------|-------|
| Commercial              | 956  | 767                         | 0                  | 767                        | 171                         | 767                           | 0                 |                                   |       |
| Finance                 | 1,319                                      | 299                         | 0                  | 299                        | 1,789                       | 2,358                         | 2,059             |                                   | 1     |
| Financial Governance    | 1,223                                      | 945                         | 1,000              | 1,945                      | 2,036                       | 1,143                         | -802              | -50                               | 2     |
| Revenues, Benefits &    | 6,013                                      | 993                         | 0                  | 993                        | 17,088                      | 510                           | -483              |                                   | 3     |
| Strategic Finance       | 936  | 427                         | 0                  | 427                        | -1,054                      | 345                           | -82               |                                   | 4     |
| Human Resources         | 2,252                                      | 1,937                       | 0                  | 1,937                      | 471                         | 1,856                         | -81               |                                   | 6     |
| IT                      | 8,720                                      | 6,344                       | 0                  | 6,344                      | 2,876                       | 6,288                         | -56               |                                   | 7     |
| Transactional Services  | 607  | 848                         | 0                  | 848                        | 222                         | 971                           | 123               |                                   | 5     |
| <b>Grand Total</b>      | <b>22,025</b>                              | <b>12,560</b>               | <b>1,000</b>       | <b>13,560</b>              | <b>23,597</b>               | <b>14,238</b>                 | <b>679</b>        | <b>-50</b>                        |       |

### Notes

- Finance is forecasting an overspend of £2.06m. A significant portion, £1.32m, is due to staffing costs, largely from the use of agency workers, assumed to be in place until end of December 2024. If the positions are filled sooner, the overspend could reduce. There is a £0.375m payment made to EY Consulting, which isn't budgeted for but is not expected to recur in 2025/26. Savings of £0.235m have not been allocated and are unlikely to be met. Furthermore, a £0.077m shortfall in recharge income will occur as it can't be charged. IT is also overspending by £0.074m, mainly due to under-budgeting for Agresso and Agresso
- Financial Governance is forecasting an underspend of £0.802m, primarily due to a £1.0m drawdown from the corporate contingency fund. This situation is temporary, and the underspend will be reassessed and considered for delivery in the
- Revenue & Benefits is forecasting an underspend of £0.483m, due to the DHP subsidy from 2022/23 in the balance sheet now being recognised in 2024/25. This stems from policy changes in accounting for DHP subsidy (from the balance sheet), HB overpayment income. The current forecast outturn for this area is £5m lower than the 2023/24 outturn, due to the following factors:
  - An extra subsidy of £2.8m in 2024/25 resulting from changes Housing implemented in 2023/24 to TA rents.
  - An improvement in the error rate, expected to yield a net change of £1.2m in 2024/25.
  - Salary savings of £1.1m due to reduced overtime, agency workers being replaced by permanent staff, and posts remaining
- Strategic Finance is reporting an underspend of £0.085m, reflecting an expected reduction in audit fees. The external auditors are unlikely to conduct full audits of our 2019/20 to 2022/23 accounts, and so we are anticipating a discount
- Transactional Services is forecasting an overspend of £0.123m primarily due to increased employee costs. This overspend is largely driven by the reliance on interim staff to cover vacant positions leading to higher overall spend. Persistent difficulties in recruiting permanent staff have necessitated these interim solutions, which contribute to the projected
- HR is forecasting an underspend of £0.081m, due to the exclusion of interim staff—non-HR personnel—from the current forecast for period 3. The underspend is primarily attributed to unfilled vacant positions. The challenge in filling these roles has led to lower staffing costs than budgeted. To address this issue, HR is planning a recruitment drive aimed at attracting suitable candidates to fill these vacancies. This proactive approach is expected to mitigate the current underspend by ensuring that essential roles are adequately staffed, thereby aligning the department's expenditures more
- The IT service is forecasting an underspend of £0.056m. This reflects the cost of extending interim contracts until the end of the fiscal year. The underspend is attributed to challenges in attracting and recruiting the right calibre of IT staff. Despite efforts to fill these positions, the competitive job market and the specific skill sets required have made it difficult to secure suitable candidates. As a result, vacancies have persisted, leading to lower staffing costs than originally budgeted. The team continues to face ongoing difficulties in meeting the demand for highly skilled IT professionals within the current

**Table 2 Savings**

| Savings Description   | Total £000's | Delivered | On Track     | Some risk  | Major Risk   | Mitigating Savings | Savings Forecast | Over / (Under) delivery | Key Milestones   | Notes |
|---|--------------|-----------|--------------|------------|--------------|--------------------|------------------|-------------------------|--|-------|
| <b>Corporate Services</b>   |              |           |              |            |              |                    |                  |                         |  |       |
| Improve identification of missing Business Rates Rateable Value   | 1,000        |           | -            |            | 1,000        |                    | -                | (1,000)                 | Prepare business case – December 2023; Seek Cabinet Approval to Procure – January 2024; Procure company – March 2024; Commence review – April 2024   | 1     |
| New procurement of IT contracts                                   | 701          |           | 701          |            |              |                    | 701              | -                       | The implementation is managed by the modernisation program approved at Cabinet March 2022  | 7     |
| Improved Housing Benefit processes reducing overpayments          | 600          |           | 400          | 200        |              |                    | 600              | -                       | Confirm to DWP we wish to proceed with their offer of supporting a review of HBOP – Oct 2023; Agree dates for the review – Oct 2023; DWP carry out review – Dec 2023/ Jan 2024; Analyse results and deliver changes- Feb 2024; Monitor improvements    | 2     |
| Improved Housing Benefit processes reducing lost subsidy          | 320          |           | 320          |            |              |                    | 320              | -                       | Implement automation of benefits – Dec 2023 Implement recommendations made by DWP – Nov 23 to Mar 24 Review existing rents paid to landlords, reduce to LHA levels – Nov to Mar 2024 Seek to procure new accommodation at LHA rates – Nov to Mar 2024. | 3     |
| Review of Finance Structure                                       | 150          |           |              | 150        |              |                    | 150              | -                       | Following approval steps to delete this post from the establishment can commence immediately.  | 4     |
| Increased court fees charges to reflect true costs to the council | 50           |           |              | 50         |              |                    | 50               | -                       | CLT agree increase in costs – October 2023 Cabinet considers increase in costs – December 2023 Council considers increase in costs – January 2024  | 5     |
| Implementation of the new Applicant Tracking System               | 40           | 40        |              |            |              |                    | 40               | -                       | Build Sign off – Sept 23; UAT – Oct 2023; Training for Managers – 24th Nov 23 Go-Live – Nov 23   | 9     |
| Proposed changes to the profile of resources in ICT&D             | 27           | 27        |              |            |              |                    | 27               | -                       | The implementation of this plan will be managed in partnership with HR to support recruitment. Roles will be prioritised based on impact.  | 10    |
| Review of Commercial Posts and deletion of vacant roles           | 20           | 20        |              |            |              |                    | 20               | -                       | Following approval steps to delete this post from the establishment can commence immediately.  | 6     |
| <b>Corporate Services Total</b>                                   | <b>2,908</b> | <b>87</b> | <b>1,421</b> | <b>400</b> | <b>1,000</b> | <b>-</b>           | <b>1,908</b>     | <b>(1,000)</b>          |  |       |
| <b>Other Corporate Budgets</b>                                    |              |           |              |            |              |                    |                  |                         |  |       |
| Review of Fees and Charges  | 250          |           |              |            |              |                    | -                | (250)                   |  |       |
| Review of Strategic Commissioning                                 | 750          |           |              |            |              |                    | -                | (750)                   | None defined   |       |
| <b>Other Corporate Budgets Total</b>                              | <b>1,000</b> | <b>-</b>  | <b>-</b>     | <b>-</b>   | <b>-</b>     | <b>-</b>           | <b>-</b>         | <b>(1,000)</b>          |  |       |
| <b>Corporate Services &amp; Other Corporate Budgets Total</b>     | <b>3,908</b> | <b>87</b> | <b>1,421</b> | <b>400</b> | <b>1,000</b> | <b>-</b>           | <b>1,908</b>     | <b>(2,000)</b>          |  |       |

**Notes**

- 1 Work is being done this year, but savings will materialise in 25/26 (£0.5m) & 26/27 (£0.5m).
- 2 The savings, assumed to be derived from an improved Housing Benefit process, will reduce overpayments.
- 3 Savings from improved Housing Benefit processes reducing lost subsidy
- 4 savings to be derived from the review of Finance Structure - this is a salary saving. Shown as "some risk" at present, awaiting steps to review the structure to obtain staffing savings.
- 5 Increased court fees charges to reflect true costs to the council -this savings is at risk as less cases now end up in court
- 6 savings from and deletion of vacant roles in Commercial- one post has been deleted, and the saving reached. (It was 50% funded by HRA, so the saving is approx half the cost of an employee.
- 7 Already accounted in budget. Saving awarded for 701k netted off against additional work growth 628k leaving balance of 73k which is on track to achieve through contract saving
- 8 saving taken at source and post deleted from establishment
- 9 Interim Recruitment lead has left and Talos system used in placed. Team now use system for efficiently which lead to less use of interim staff
- 10 Procurement of a new contract with fewer and less costly devices. Delayed (limited capacity within comms team) on new contract start date as procurement and ECP paperwork taking time to complete and approve.



## Appendix 6 – Law & Governance

### Table 1 – Law and Governance Monitoring

| Law and Governance      | 2023/24             | Original Budget | Virements | Current Budget | Actuals to date | Projected Outturn | Variance    | Risks / Opportunities | Notes    |
|-------------------------|---------------------|-----------------|-----------|----------------|-----------------|-------------------|-------------|-----------------------|----------|
|                         | Provisional Outturn |                 |           |                |                 |                   |             |                       |          |
|                         | £'000               | £'000           | £'000     | £'000          | £'000           | £'000             | £'000       | £'000                 |          |
| Democratic Services     | 1,893               | 1,928           | 0         | 1,928          | 276             | 1,735             | -193        |                       | 1        |
| Registrars and Coroners | 260                 | 245             | 0         | 245            | 70              | 221               | -24         |                       | 2        |
| <b>Grand Total</b>      | <b>2,154</b>        | <b>2,173</b>    | <b>0</b>  | <b>2,173</b>   | <b>347</b>      | <b>1,956</b>      | <b>-217</b> |                       | <b>0</b> |

- 1 The Democratic Service forecasted an underspend of £0.193 million, driven by several factors. Firstly, there are savings of £0.073 million from unfilled vacant positions. The challenges in recruiting suitable candidates have led to prolonged vacancies, reducing staffing costs below budgeted levels. Secondly, since there is no local election in 2024/25, the election budget of £0.187 million will not be utilised. Additionally, Wexham Parish will contribute £0.024 million towards prior year election costs. However, these underspends are offset by pressures within Legal Services. The salary for the Monitoring Officer post exceeded budget by £0.052 million. Moreover, Electoral Registration faces a pressure of £0.037 million due to increased postage and computing costs. In summary, while there are significant savings from unfilled positions and unused election budgets, these are balanced by higher-than-expected costs in legal staffing and electoral registration
- 2 The service forecasted underspend of £0.024m suggests that the service anticipates generating sufficient income from weekday weddings and ceremonies. This additional revenue is expected to offset some of the service's operational costs, resulting in overall savings. The increase in weekday bookings may be due to a growing trend of couples opting for less traditional wedding days, possibly to benefit from lower venue costs or greater availability. Consequently, this shift in customer behaviour has positively impacted the service's financial outlook, leading to the projected underspend. The movement of £0.002m from period 2 is due to the increased forecast on equipment in line with expectation of spend.

### Table 2 – Law and Governance Savings

| Savings Description  | Total £000's | Delivered | On Track | Some risk | Major Risk | Mitigating Savings | Savings Forecast | Over / (Under) delivery | Key Milestones | Notes |
|--|--------------|-----------|----------|-----------|------------|--------------------|------------------|-------------------------|----------------|-------|
| <b>Law and Governance</b>  |              |           |          |           |            |                    |                  |                         |                |       |
| Review of Democratic and Electoral Services and deletion of vacant roles | 39           | 39        |          |           |            |                    | 39               | -                       | None defined   | 1     |
| <b>Law and Governance Total</b>  | <b>39</b>    | <b>39</b> | -        | -         | -          | -                  | <b>39</b>        | -                       |                |       |

#### Notes

Budget removed at source and post deleted from establishment

## Appendix 7 – Public Health and Public Protection

### Table 1 – Public Health and Public Protection Monitoring

| Public Health & Public Protection                  | 2023/24 Provisional Outturn<br>£'000 | Original Budget<br>£'000 | Virements<br>£'000 | Current Budget<br>£'000 | Actuals to date<br>£'000 | Projected Outturn<br>£'000 | Variance<br>£'000 | Risks / Opportunities<br>£'000 | Notes |
|--|--------------------------------------|--------------------------|--------------------|-------------------------|--------------------------|----------------------------|-------------------|--------------------------------|-------|
| Public Health                                      | 0                                    | 0                        | 0                  | 0                       | -638                     | 0                          | 0                 | 0                              | 1     |
| Community Safety, Housing Regulation & Enforcement | 2,125                                | 1,866                    | 0                  | 1,866                   | -663                     | 1,954                      | 88                | 286                            | 2     |
| Leisure  | -1,681                               | -1,266                   | 0                  | -1,266                  | 17                       | -1,654                     | -388              | 0                              | 3     |
| Public Protection                                  | 427                                  | 582                      | 0                  | 582                     | 110                      | 554                        | -27               | 0                              | 4     |
| Emergency Planning                                 | 140                                  | 168                      | 0                  | 168                     | 40                       | 163                        | -5                | 0                              | 5     |
| <b>Grand Total</b>                                 | <b>1,011</b>                         | <b>1,350</b>             | <b>0</b>           | <b>1,350</b>            | <b>-1,133</b>            | <b>1,018</b>               | <b>-332</b>       | <b>286</b>                     |       |

#### Notes

Public Health ringfenced grant allocation for 2024/25 is £8.214m. The projected forecast is that this allocation will be fully expended in 2024/25. Any balance would be transferred to the Public Health Reserves.

Community Safety, Housing Regulation and Enforcement forecast overspend of £0.088m reflects the changes in the CCTV and Careline contracts which have been transferred to Thames Valley Police and Adults Social Care respectively at a net cost reduction of (£0.168m) partly offset by CCTV cabling licence costs of £0.039m; other understated accruals relating to 2023/24 of £0.059m. Enforcement Officer post £0.041m costs previously not forecasted; Head of Public Protection £0.120m (reflecting interim arrangement moving to permanent September 2024) unbudgeted. Risk relates to the new CCTV partnership with Thames Valley Police which is currently in dispute in respect of SBCs financial commitment to the operation; the indicative contribution in 2024/25 is £0.286m (risk not included in the projected outturn).

Leisure Services is reporting a forecast underspend of (£0.388m) mainly relating to employee vacancies of (£0.366m). Included in the forecast is an estimate of the repairs and maintenance required for the Leisure facilities £0.050m, currently there is a scoping project underway to obtain a more accurate estimate of costs.

Income inflated as part of MTFs 2024/25, however, income levels unachievable net £0.019m. Food Safety and Trading Standards employee vacancies (£0.046m).

Operational expenditure reflective of 2023/24 (£0.05m).

### Table 2 – Public Protection Savings

| Savings Description  | Total<br>£000's | Delivered | On Track   | Some risk | Major Risk | Mitigating<br>Savings | Savings<br>Forecast | Over /<br>(Under)<br>delivery | Key Milestones  | Notes |
|--|-----------------|-----------|------------|-----------|------------|-----------------------|---------------------|-------------------------------|---|-------|
| <b>Public Health &amp; Public Protection</b>   |                 |           |            |           |            |                       |                     |                               |   |       |
| Review the Domestic Abuse Grant recharge to ensure it reflects actual cost and Review Enforcement for efficiencies | 124             | 0         | 83         | 41        | 0          | 0                     | 124                 | 0                             | Recharging DA post for 24/25 – work with finance to ensure grant guidance adhered to, simple recharge of funds; Deletion of Asst Housing Enforcement Officer Post – mini consultation exercise with staff and unions. Can be completed this (23/24) financial year so post would be deleted prior to new financial year. Deletion of Community Warden Post would require consultation. To be designed and take place commencing Jan 2024 and completed by end of Feb with a view of post being deleted prior to new financial year and the Member of staff supported to secure alternative employment or made redundant. Redundancy costs to be met corporately in line with standard practice. | 1     |
| Income Projects  | 20              | 0         | 20         | 0         | 0          | 0                     | 20                  | 0                             | In year budget reduction so budget managers clear from the outset what resources are available.   | 2     |
| <b>Public Health &amp; Public Protection Total</b>   | <b>144</b>      | <b>0</b>  | <b>103</b> | <b>41</b> | <b>0</b>   | <b>0</b>              | <b>144</b>          | <b>0</b>                      |   |       |

#### NOTES

1 Savings forecast to be delivered, however, some risk at this stage relating to the Enforcement Officer post saving; alternative savings identified.

2 Savings on track to be delivered within existing budget.

## Appendix 8 – Capital Monitoring

### Table 1 – General Fund

| CAPITAL PROJECTS                                      | Rephased Budget | Actuals to date | Projected Outturn | Variance      | Notes |
|---|-----------------|-----------------|-------------------|---------------|-------|
|   | £'000           | £'000           | £'000             | £'000         |       |
| <b>GENERAL FUND</b>                                   |                 |                 |                   |               |       |
| Disabled Facilities Grant                             | 1,589           | 205             | 1,589             | 0             |       |
| <b>Adults TOTAL</b>                                   | <b>1,589</b>    | <b>205</b>      | <b>1,589</b>      | <b>0</b>      |       |
| Primary Expansions                                    | 167             | 0               | 167               | 0             |       |
| Schools Modernisation Programme                       | 1608            | 0               | 1,400             | -208          |       |
| SEN Resources Expansion                               | 1527            | 0               | 1,527             | 0             |       |
| Special School Expansion-Primary,Secondary & Post 16  | 5818            | 197             | 5,400             | -418          |       |
| Secondary Expansion Programme                         | 5               | 40              | 45                | 40            |       |
| Schools Devolved Capital                              | 119             | 0               | 119               | 0             |       |
| Childcare expansion                                   | 220             | 0               | 220               | 0             |       |
| <b>Children's Services TOTAL</b>                      | <b>9,464</b>    | <b>237</b>      | <b>8,878</b>      | <b>-586</b>   |       |
| Capital Works following Stock Condition Survey        | 400             | 1               | 401               | 1             |       |
| B4899 Localities Strategy North (Britwell)            | 150             | 0               | 130               | -20           |       |
| Asset Disposal  | 908             | 126             | 1,002             | 94            |       |
| Cornwall House-Fire Strategy                          | 900             | 0               | 900               | 0             |       |
| Estate Strategy                                       | 2,000           | 0               | 2,000             | 0             |       |
| Flood Defence (Sponge City)                           | 1,671           | 14              | 1,513             | -158          |       |
| Zone 1 - Sutton Lane Gyratory (MRT)                   | 210             | 18              | 210               | 0             |       |
| Zone 4 - Stoke Road (Stoke Rd TVU junction)           | 2,118           | 118             | 2,119             | 1             |       |
| Langley High Street Improvements LEP                  | 186             | 57              | 186               | 0             |       |
| A4 Safer Roads  | 890             | 13              | 814               | -76           |       |
| A4 Cycle Lane   | 5,285           | 84              | 4,840             | -445          |       |
| Electric Vehicle Network                              | 1,274           | 0               | 1,274             | 0             |       |
| Car Club  | 100             | 0               | 100               | 0             |       |
| Carbon Management - Public Sector Decarb. Scheme      | 22              | 0               | 22                | 0             |       |
| Reading Archives - Extension (SBC Contribution)       | 243             | 0               | 243               | 0             |       |
| Cemetery Extension                                    | 100             | 0               | 100               | 0             |       |
| Upton Court pathway                                   | 75              | 0               | 75                | 0             |       |
| Cippenham Bridges                                     | 150             | 0               | 150               | 0             |       |
| Swimming Pool Support Fund                            | 295             | 0               | 295               | 0             |       |
| Additional Transport & Highways Grant funded projects | 2,489           | 117             | 1,984             | -505          |       |
| Patching, surfacing and highway replacement works     | 261             | 0               | 261               | 0             |       |
| LTP Implementation Plan                               | 288             | 0               | 259               | -29           |       |
| DSO Replacement Fleet                                 | 1,200           | 0               | 1,080             | -120          |       |
| DSO Food/Fibre vehicles and Caddies                   | 400             | 0               | 400               | 0             |       |
| Destination Farnham Road                              | 2,360           | 35              | 2,335             | -25           |       |
| Burnham Station                                       | 400             | 0               | 400               | 0             |       |
| <b>Regeneration, Housing &amp; Environment TOTAL</b>  | <b>24,375</b>   | <b>583</b>      | <b>23,093</b>     | <b>-1,282</b> |       |
| <b>GENERAL FUND TOTAL</b>                             | <b>35,428</b>   | <b>1,025</b>    | <b>33,560</b>     | <b>-1,868</b> |       |

**Table 2 – HRA**

| CAPITAL PROJECTS  | Rephased Budget<br>£'000 | Actuals to date<br>£'000 | Projected Outturn<br>£'000 | Variance<br>£'000 | Notes |
|---|--------------------------|--------------------------|----------------------------|-------------------|-------|
| <b>HRA</b>  |                          |                          |                            |                   |       |
| <b>RMI Capital Programme</b>                                  |                          |                          |                            |                   |       |
| Commissioning of Repairs Manintenance and Investment Cont     | 250                      | 0                        | 250                        | 0                 |       |
| Boiler Replacement and heating                                | 618                      | 0                        | 618                        | 0                 |       |
| Kitchen & Bathroom Replacement                                | 1,000                    | 0                        | 1,000                      | 0                 |       |
| Electrical Systems  | 328                      | -1                       | 328                        | 0                 |       |
| External rendering, repairs and redecoration of housing block | 1295                     | -11                      | 1,295                      | 0                 |       |
| Garage & Environmental Improvements                           | 500                      | 0                        | 500                        | 0                 |       |
| Capitalised Repairs   | 103                      | 0                        | 102                        | -1                |       |
| FRA & Asbestos Removal Works                                  | 2,000                    | 1                        | 2,000                      | 0                 |       |
| Major Aids & Adaptations                                      | 308                      | -1                       | 307                        | -1                |       |
| De-carbonisation Works  | 8,171                    | 175                      | 4,000                      | -4,171            |       |
| <b>RMI Capital Programme Total</b>                            | <b>14,573</b>            | <b>163</b>               | <b>10,400</b>              | <b>-4,173</b>     |       |
| <b>Planned Maintenance Capital</b>                            |                          |                          |                            |                   |       |
| Windows and Door Replacement                                  | 328                      | 0                        | 626                        | 298               |       |
| Roof Replacement  | 2,000                    | -18                      | 2,658                      | 658               |       |
| Structural  | 83                       | 0                        | 37                         | -46               |       |
| <b>Planned Maintenance Capital Total</b>                      | <b>2,880</b>             | <b>188</b>               | <b>3,791</b>               | <b>911</b>        |       |
| <b>Affordable Homes</b>                                       |                          |                          |                            |                   |       |
| Tower and Ashbourne   |                          |                          |                            | 0                 |       |
| Affordable Homes  |                          |                          |                            | 0                 |       |
| Garrick House   | 1,000                    | 0                        | 1,000                      | 0                 |       |
| Empty Property Acquisitions                                   | 1,500                    | 0                        | 0                          | -1,500            |       |
| The Fover, Beacon House                                       | 3,300                    | 0                        | 0                          | -3,300            |       |
| Rigby Lodge   | 1,750                    | 0                        | 1,750                      | 0                 |       |
| <b>Total Affordable Homes</b>                                 | <b>7,550</b>             | <b>0</b>                 | <b>2,750</b>               | <b>-4,800</b>     |       |
| <b>HRA TOTAL</b>  | <b>25,003</b>            | <b>351</b>               | <b>16,941</b>              | <b>-8,062</b>     |       |
| <b>CAPITAL PROJECTS TOTAL</b>                                 |                          |                          |                            |                   |       |
|   | <b>60,431</b>            | <b>1,376</b>             | <b>50,501</b>              | <b>-9,930</b>     |       |

## Q1 Budget Management Report

### Appendix 9 - Table 1 – Summary of Indicative Recovery Action Proposals

| Directorate                       | Title of Proposal   | £m            | Cabinet Approval ? |
|-----------------------------------|---|---------------|--------------------|
| Adults Services                   | Review of Adult Social Care Reserve (one-off)                                       | 0.150         | Yes                |
| Adults Services                   | Review of Better Care Fund Reserve (one-off)  | 2.667         | Yes                |
| Public Health & Public Protection | Review of Public Health Reserve (one-off)   | 0.081         | Yes                |
| Chief Executive's Office          | Executive Assistant Restructure   | 0.085         |                    |
| Corporate Services                | Review Bad Debt provision   | 4.000         |                    |
| Law and Governance                | Four-yearly election funding  | 0.100         |                    |
| Law and Governance                | Reduce Member Development budget  | 0.015         |                    |
| Regen, Housing & Environment      | Review of available s278 balances   | 0.100         |                    |
| Regen, Housing & Environment      | Dispose of Property in-year.  | 0.065         |                    |
| Regen, Housing & Environment      | Review of resources – use of agency   | 0.100         |                    |
| Regen, Housing & Environment      | Explore use of Observatory House  | 0.025         |                    |
| Regen, Housing & Environment      | Review of available s106 balances   | 0.800         |                    |
| Adults Services                   | Target Operating Model Themes   | 0.634         |                    |
| Corporate Services                | Review of Recharges from Finance to the HRA   | 0.400         |                    |
| Slough Children First             | Reduction on contract price with SCF based on a number of different savings options | 0.725         |                    |
| Corporate Services                | Savings arising from delays in procurements   | 0.315         |                    |
| Regen, Housing & Environment      | Review of Temporary Accommodation arrangements                                      | 1.000         |                    |
| Public Health & Public Protection | Various one-off initiatives   | 0.161         |                    |
| <b>TOTAL</b>                      |   | <b>11.423</b> |                    |