

SLOUGH BOROUGH COUNCIL

REPORT TO: Cabinet **DATE:** 17th June 2019

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WARD(S): All

PORTFOLIO: Cllr Hussain: Cabinet Member for Governance and Customer Services

PART I **NON-KEY DECISION**

REVENUE FINANCIAL REPORT – 2018-19 (PROVISIONAL OUTTURN)

1 Purpose of Report

This report provides Cabinet with an update on the provisional financial outturn for the Council for the 2018-19 financial year.

2 Recommendation(s)/Proposed Action

The Cabinet is requested to:

- a) Note the provisional outturn financial position of the council for 2018/19,
- b) Approve the budget virements as listed in paragraph 7,
- c) Approve the write offs as requested in paragraph 8, and
- d) Approve the commencement of a procurement process to procure residential leasehold property insurance for a term of three years with an option to extend for another two years, starting 1st April 2020. The detail is in paragraph 9.
- e) Approve the write off of The Age Concern arrears of £154,245.90 (inclusive of VAT) as requested in paragraph 10.

3. The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan

This report indirectly supports all of the strategic priorities and cross cutting themes. The maintenance of excellent governance within the Council helps to ensure that it is efficient, effective and economic in everything it does. It helps to achieve the corporate objectives by detailing how the Council is delivering services to its residents within the financial parameters of the approved budget.

4 Other Implications

(a) Financial

The financial implications are contained within this report.

(b) Risk Management

Risk	Mitigating action	Opportunities
Legal	N/A	N/A
Property	N/A	N/A
Human Rights	N/A	N/A
Health and Safety	N/A	N/A
Employment Issues	N/A	N/A
Equalities Issues	N/A	N/A
Community Support	N/A	N/A
Communications	N/A	N/A
Community Safety	N/A	N/A
Financial	N/A	N/A
Timetable for delivery	N/A	N/A
Project Capacity	N/A	N/A
Other	N/A	N/A

(c) Human Rights Act and Other Legal Implications

None.

(d) Equalities Impact Assessment

There is no identified need for the completion of an EIA.

5 **Key Messages**

5.1 **GENERAL FUND**

5.1.1 **The Outturn Position**

The Council's approved budget for the 2018/19 financial year is a net total of **£105.422m**.

5.1.2 The provisional total net expenditure recorded against this allocation is **£105.473m**. This gives a provisional overspend of **£0.051m (0.05%)** which is **£3.275m** more favourable than the previous forecasted outturn reported last quarter – although members will recall that this position was anticipated in the revenue budget report that went to Full Council in February 2019. Essentially the budget has balanced.

5.1.3 The final outturn is summarised in the table below and full details are shown in Appendix A.

REVENUE GENERAL FUND 2018/19 - SUMMARY PROVISIONAL (YEAR END) POSITION					
Directorate	Revised Full Year Budget	Draft Outturn	Full Year Variance	February 19 Variance	Change
	£'M	£'M	£'M	£'M	£'M
Adult and Communities	39.289	39.651	0.362	0.940	(0.578)
Children, Learning and Skills	29.112	30.395	1.283	1.278	0.005
Regeneration	7.372	8.796	1.424	1.463	(0.039)
Finance and Resources	9.838	11.601	1.763	0.799	0.964
Chief Executive Office	13.782	13.023	(0.759)	(0.154)	(0.605)
Non Service Areas	6.029	2.007	(4.022)	(1.000)	(3.022)
GRAND TOTAL	105.422	105.473	0.051	3.326	(3.275)

% of revenue budget over/(under)	0.05%	3.15%
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5.1.4 Since the last report the financial position has improved by **£3.275m**. A summary of the main reasons for the movement for each Directorate since the last report is given in brief below with further details provided in the main body of the report.

- **Adult & Communities** – has improved by **£0.578m**; mainly due to delayed recruitment and project work in communities & skills service, these will now incur in 2019-20.
- **Children Learning & Skills** – is slightly adverse by **£0.005m**; due to increased costs in PFI and transport services.
- **Regeneration** – has also improved, by **£0.039m**; due to increased levels of revenue achieved on its planned investment activities and an improvement in temporary accommodation numbers.
- **Finance & Resources** – has worsened by **£0.964m**; the main budget pressures are bank and credit card service charges and bad debt write offs.
- **Chief Executive** – has also improved by **£0.605m**; mainly due to additional capital recharges, savings within waste and cleansing and grounds maintenance due to staff vacancies, lower equipment and transport related costs.
- **Non-Departmental** – shows additional income totalling **£0.665m**, due to increased income and lower costs payable through treasury management activities
- **Non-Service Areas** – shows additional income from business rates **£1.557m** and surplus Business Rates income from 2017/18 of **£1m** as a result of being part of the Berkshire wide pilot.

5.2 HOUSING REVENUE ACCOUNT (HRA)

5.2.1 The final position for the HRA is shown in the table below.

HOUSING REVENUE ACCOUNT 2018/19 - SUMMARY PROVISIONAL (YEAR END) POSITION					
Directorate	Revised Full Year Budget	Draft Outturn	Full Year Variance	February 19 Variance	Change
	£'M	£'M	£'M	£'M	£'M
Total Expenditure	37.197	37.031	(0.166)	0.000	(0.166)
Total Income	(36.026)	(35.960)	0.066	0.000	0.066
GRAND TOTAL	1.171	1.071	(0.100)	0.000	(0.100)

% of HRA budget over/(under)	-8.54%	0.00%
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5.2.2 The planned net budget for the HRA is **£1.171m**. This budget deficit is the result of the funding for the new build programme.

5.2.2 The total expenditure for the HRA in 2018/19 is **£37.031m** and with income of **£35.960m** this gives a total net expenditure of **£1.071m**. This expenditure includes the release of funding for HRA Capital works.

5.2.3 When compared to the planned net budget for the HRA of **£1.171m** and reported in quarter 3, this gives an under spend of **£0.100m**.

5.2.4 Full details are given in paragraph 6.7.

EXECUTIVE REPORT

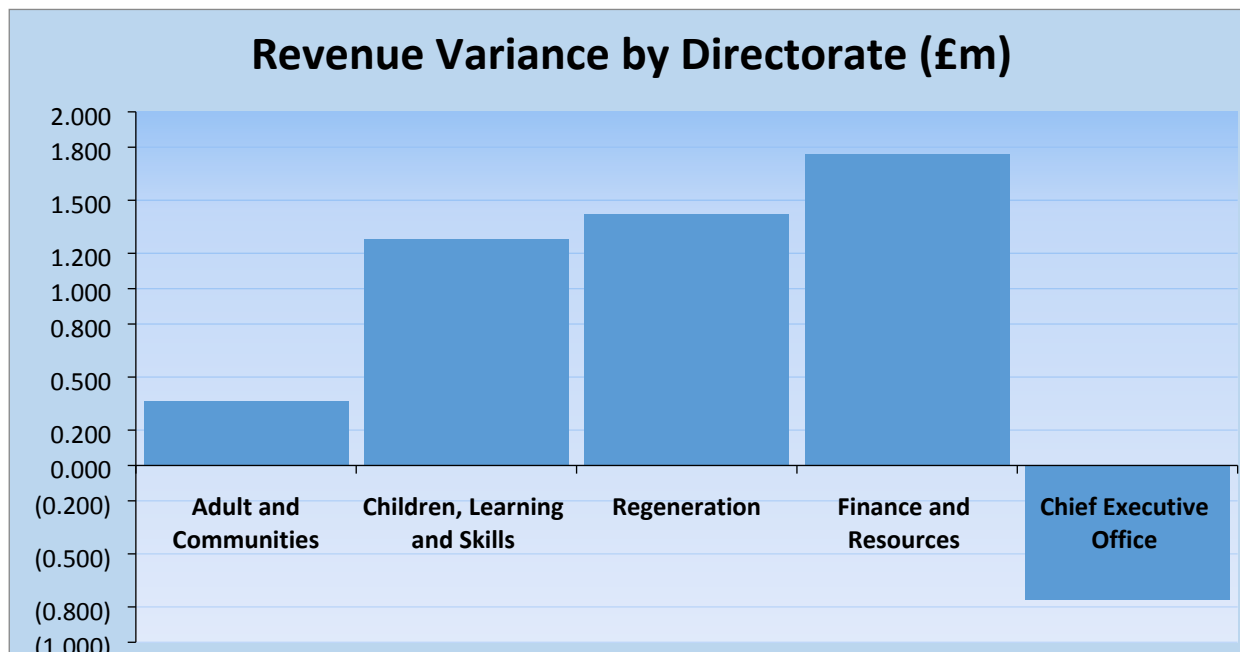
6 Outturn by Directorate

6.1.1 The provisional year-end figures show that there will be a slight overspend of **£0.051m** (0.05%) of the total net General Fund resources. Regeneration and Finance & Resources Directorates have significant variances against budget. Regeneration variances are due to the increases in homelessness pressures. The full list of budget variances by Directorate is shown in the table below.

Directorate	Full Year Variance	%age
	£'M	£'M
Adult and Communities	0.362	0.92%
Children, Learning and Skills	1.283	4.41%
Regeneration	1.424	19.32%
Finance and Resources	1.763	17.92%
Chief Executive Office	(0.759)	-5.51%
Non Service Areas	(4.022)	-66.71%
GRAND TOTAL	0.051	0.05%

6.1.2 This is illustrated in the chart below.

Revenue Variance by Directorate (£m)



6.2 ADULTS & COMMUNITIES

6.2.1 The final outturn for this directorate is an overspend of **£0.362m** (0.92% of its budget). The position is favourable than the **£0.500m** overspend reported to Cabinet in the quarter 3 report.

6.2.2 A summary of the Directorate's budget position is shown in the table below followed by an explanation for the main variances within the Directorate.

Directorate	Revised Full Year Budget	Draft Outturn	Full Year Variance	February 19 Variance	Change
	£'M	£'M	£'M	£'M	£'M
Adult and Communities					
Adult Social Care	33.193	34.554	1.361	1.847	(0.486)
Public Health	(0.612)	(0.608)	0.004	(0.166)	0.170
Communities and Skills	6.290	5.124	(1.166)	(0.785)	(0.381)
Enforcement and Regulation	0.418	0.581	0.163	0.044	0.119
Total	39.289	39.651	0.362	0.940	(0.578)

6.2.3 Adult Social Care

This budget of **£33.2m** has overspent by **£1.361m** (4.1% of its budget). The underlying budget pressures lies within the Adult Social service and is caused by the effect of inflation on care packages. There have also been increases both in the numbers of clients being accepted, partly due to high level of transition from child to adult and for care, as well as the length of time some clients are spending in receipt of care services. This increase has been offset, but not fully covered, by underspends elsewhere within the service.

6.2.4 Community & Skills

This service area will have an underspend of **£1.166m**. This is due to various budget savings across the service with decrease in spend and increase in income in leisure management (saving £190k), library services delay in IT project

(saving £140k), the curve project work delay (saving £90k), parks and allotments (saving £65k), vacant posts (saving £20k), Adult Communities planned project delays (saving £44k) and the anticipated recovery of contractual income from Essex County council.

6.2.5. Enforcement & Regulation

This service will overspend by **£0.163m**. This budget pressure is due to an income shortfall within the cemetery and crematorium service, there has also been a downturn in the income generated by the Registrars service since its relocation to the Curve.

6.3 CHILDREN, LEARNING & SKILLS (CLS)

6.3.1 The final outturn for this directorate is a £1.283m overspend, (4.41% of its budget). The position is similar to the February variance but £0.350 adverse to the Quarter 3 reported to cabinet. The variance is due to increase costs within PFI and transport services explained in more detail below.

6.3.2 This final position is summarised in the table below and an explanation for the main variances within the Directorate is also provided.

Directorate	Revised Full Year Budget	Draft Outturn	Full Year Variance	February 19 Variance	Change
<u>Children, Learning and Skills</u>					
Directorate Services	0.576	1.781	1.205	1.317	(0.112)
Commissioning Partnerships	0.073	0.082	0.009	0.009	(0.000)
Slough Children's Service Trust	24.117	24.117	0.000	0.000	0.000
Access and Inclusion	2.201	2.663	0.462	0.213	0.249
School Effectiveness	0.887	0.616	(0.271)	(0.200)	(0.071)
Early Years and Development	1.929	1.711	(0.218)	(0.156)	(0.062)
Special Educational Needs & Disabilities	0.362	0.458	0.096	0.095	0.001
<u>Sub-Total</u>	30.145	31.428	1.283	1.278	0.005
Dedicated Schools Grant (DSG)	(0.337)	(0.337)	0.000	0.000	0.000
<u>Sub-Total With DSG</u>	29.808	31.091	1.283	1.278	0.005
CLS Non Controllable	(0.696)	(0.696)	0.000	0.000	0.000
Total	29.112	30.395	1.283	1.278	0.005

6.3.3 Directorate Services

This service area will have an overspend of **£1.205m**. The main variances are due to additional PFI costs (approx. £0.700m) and the underwriting fees payable to Grove Academy.

6.3.4 Access & Inclusion

The Access & Inclusion service will have a final budget variance of **£0.462m** overspend. This is due to additional costs arising within transport service; increases in the number of 1:1 journeys, a rise number of SEN pupils accessing the service and an increase in the number of journeys made outside the borough.

6.3.5 School Effectiveness

The final year end position for this service is an underspend of **£0.271m**; this is mainly due to a variety of staffing related cost savings.

6.3.6 Early Years & Development

The final year end position for this service is an underspend of **£0.218m**; this is mainly due to additional revenue to capital charges identified in respect to the children's centre's garden project.

6.3.7 SEND

This service has final year end outturn of **£0.096m** overspend. This reflects the cost of additional staff needed to cover key core functions.

6.4 REGENERATION

6.4.1 The Regeneration Directorate has a year end position of **£1.424m** overspend (19.32% of its budget). This compares with a forecast overspend of **£1.463m** at Quarter 3 and February monitoring.

6.4.2 The adverse variance in this directorate is mainly due to the temporary accommodation service due to increased numbers being accommodated. There is a marginal improvement from the previous variance **£0.039m** from an improvement in temporary accommodation homeless numbers and an increase in regeneration income.

6.4.3 The final position is shown in the table below.

Directorate	Revised Full Year Budget	Draft Outturn	Full Year Variance	February 19 Variance	Change
Regeneration					
Directorate Management Unit	0.405	0.189	(0.216)	(0.208)	(0.008)
Major Infrastructure	3.982	3.967	(0.015)	(0.048)	0.033
Transport & Parking	2.048	1.815	(0.233)	(0.340)	0.107
Planning	0.349	0.418	0.069	0.037	0.032
Regeneration Development	(4.077)	(4.321)	(0.244)	(0.084)	(0.160)
Regeneration Delivery	(0.929)	(0.898)	0.031	0.073	(0.042)
Building Management	3.233	3.097	(0.136)	(0.190)	0.054
Economic Development	(0.120)	0.181	0.301	0.313	(0.012)
Strategic Housing Services	1.128	3.122	1.994	2.030	(0.036)
Neighbourhood Services	1.353	1.226	(0.127)	(0.120)	(0.007)
Total	7.372	8.796	1.424	1.463	(0.039)

An explanation for the main variances within the Directorate is provided as follows:

6.4.4. Directorate Management Team

This service area will close with a final budget variance of **£0.216m** underspend. The main reason for this is the vacancy of the director post which was budgeted for **£110k** and reduced project resources of **£77k**.

6.4.5. Major Infrastructure (Transport & Highways)

This service shows a final budget variance of **£0.015m** underspend which included an extra **£0.033m** spend made at the end of the year. This was due to last minute traffic signals repairs of 50K, and more expensive Atkins works than expected in February.

6.4.6. Transport & Parking

This service area will close with a final budget favourable variance of **£0.233m** underspend as a result of 2 vacant posts, higher than expected income from parking and an extra £30k DEFRA funding.

6.4.7. Planning

This service area will close with a final budget variance of **£0.069m overspend**. This is mainly due to a £70k saving applied to Service leads restructure which was not realised. This was slightly offset by increased income.

6.4.8. Regeneration Development

This service area will close with a final budget variance of **£0.244m** underspend. This is due to extra income from acquisition and disposals, 1% and 4% respectively.

6.4.9. Regeneration Delivery

This service area will close with a final budget variance of **£0.031m overspend**. This is mainly due to a £70k saving applied to Service leads restructure which was not realised.

6.4.10 Building Management

This service area will close with a final budget variance of **£0.136m** underspend. This was mainly due to increased income from rents and charges. The adverse change from previous forecasts of £0.190m was due to Increase in reactive repair costs

6.4.11 Economic Development

This service area will close with a final budget variance of **£0.301m overspend**. This is entirely due to saving targets not being achieved.

6.4.12 Strategic Housing Services

This service area will close with a final budget variance of **£1.994m** overspend. This is due to higher than expected levels of Homelessness and the need for temporary accommodation. Recent reduction in homelessness numbers and more income from Home Improvements have led to a slight fall in the overspend as compared to previous forecasts.

6.4.13 Neighbourhood Services

This service area will close with a final budget variance of **£0.127m** underspend which is mainly due to vacant posts.

6.5 FINANCE & RESOURCES

6.5.1 This Directorate has a final variance of **£1.763m** overspent, (17.92% of its budget) and **£0.814m** more than was reported at Quarter 3.

6.5.2 The final summary for this Directorate is shown in the table below along with an explanation for the main variances.

Directorate	Revised Full Year Budget	Draft Outturn	Full Year Variance	February 19 Variance	Change
Finance and Resources					
Customer and Communications	0.398	0.273	-0.125	0.076	-0.201
Organisation Development and HR	1.476	1.536	0.060	0.199	-0.139
Governance	1.547	1.934	0.387	0.284	0.103
Digital and Strategic IT	0.972	0.960	-0.012	-0.014	0.002
Corporate Resources	-2.234	-1.327	0.907	0.170	0.737
Transactional Services	7.818	8.339	0.521	-0.194	0.715
Corporate and Departmental	-0.139	-0.114	0.025	0.278	-0.253
Total	9.838	11.601	1.763	0.799	0.964

6.5.3. Customer & Communication

This service area will have a final budget variance of **£0.125m** under spend. Most of this underspend was generated within the printing service as during the financial year there was more efficient use of printing devices.

6.5.4. Organisation Development & HR

The OD&HR service's budget is overspent by **£0.060m**. There were some staffing related cost pressures during the year but these were generally managed.

6.5.5. Governance

The budgets within the Governance service have an overall overspend of **£0.387m**. These are due to unrealised recharge income and corporate savings targets not being met. There is also a pressure in relation to the Library case and unbudgeted additional HB Law charges relating to the case. Staff vacancies in corporate procurement, committee services have assisted to contain the over spend.

6.5.6. Digital & Strategic IT

The final variance for Digital & Strategic Services is an underspend of **£0.012m**.

6.5.7. Corporate Resources

This service will overspend by **£0.907m** for the current financial year. During the financial year there were some costs incurred across the organisation that have been picked up as a council cost. Bank and credit card services have been higher than budgeted as the council tries to encourage more use of online facilities. These costs will be offset by a reduction in cash handling elsewhere in the organisation. One off expenditure items such as bad debt write offs have also been incurred within this service centre. During the financial year these costs were accounted for and reported within the non service area heading which is showing an underspend.

6.5.8. Transactional Services

Transactional Services' (i.e. the arvato contract) year end outturn is an overspend of **£0.521m** as result of in- built contract savings not fully realised, the reduction in grant funding, two years' unfunded contract indexation, reduction in income from schools due to the conversion to academies and bank charges.

6.5.9. Corporate & Departmental Services

This service has a year end outturn of **£0.025m** overspend mainly in the housing benefits area; however this is an improved position due to the analysis of the housing benefits subsidies recoverable from the homelessness team.

6.6 CHIEF EXECUTIVE SERVICE

6.6.1 The Chief Executive's service will underspend its budget allocation by **£0.759m** (-5.51% of its budget). The final summary for this service is shown in the table below.

Directorate	Revised Full Year Budget	Draft Outturn	Full Year Variance	February 19 Variance	Change
Chief Executive Office					
Local Welfare Provision	0.275	0.342	0.067	0.000	0.067
Improvement and Development	0.000	0.000	0.000	0.000	0.000
Executive's Office	0.334	0.492	0.158	0.255	(0.097)
Strategy and Performance	0.630	0.668	0.038	0.130	(0.092)
Prevent	0.000	0.051	0.051	0.000	0.051
Environmental Services	12.732	14.046	1.314	1.379	(0.065)
DSO	(0.189)	(2.576)	(2.387)	(1.918)	(0.469)
Total	13.782	13.023	(0.759)	(0.154)	(0.605)

6.6.2 Executive's Office

The service is overspent by **£0.158m** due to staffing pressures of £0.108m relating to consultancy costs, £0.022m of legal fees pressures and £0.028m relating to subscription costs to SBC-affiliated organisations.

6.6.3 Strategy and Performance

This service is overspent by **£0.038m** due to staffing pressures.

6.6.4 Environmental Services

The services' year end position shows an overspend of **£1.314m**. This is mainly due to the increase in the cost of the Waste Treatment contract of £1.406 and reduced by a combination of savings.

6.6.5 DSO

There is a surplus of **£2.387m** due to additional capital works that were applied in year. Although the refuse service has a pressure of £0.942m this is reduced by savings within waste and cleansing and grounds maintenance due to staff vacancies and lower equipment and transport related costs.

6.7 HOUSING REVENUE ACCOUNT (HRA)

6.7.1 The HRA was budgeted to spend **£37.197m** this financial year and with budgeted income of **£36.026m** expected, it was planned that there would be a net budget for the HRA of **£1.171m**.

6.7.2 This planned deficit was to fund the revenue contributions to the new build programme.

6.7.3 The final outturn shows that the HRA will achieve a net spend of **£1.071m** which is **£0.100m** less than budgeted.

Directorate	Revised Full Year Budget	Draft Outturn	Full Year Variance
	£'M	£'M	£'M
HRA Expenditure	37.197	37.031	(0.166)
<i>Breakdown:</i>			
<i>Tenant Services</i>	1.590	1.880	0.290
<i>Neighbourhood Housing Areas</i>	1.659	1.560	(0.099)
<i>Arears & Investigation</i>	0.515	0.452	(0.063)
<i>Tenant Participation</i>	0.246	0.231	(0.015)
<i>Housing Allocations/Lettings</i>	0.276	0.285	0.009
<i>Leaseholder Team</i>	0.220	0.294	0.074
<i>Housing Repairs</i>	8.550	8.492	(0.058)
<i>Management & Services</i>	5.548	4.917	(0.631)
<i>Loans, Bad Debt, Council Tax</i>	6.648	5.954	(0.694)
<i>Depreciation and Funding Of Capital Projects (RCCO)</i>	11.945	12.966	1.021
HRA Income	(36.026)	(35.960)	0.066
<i>Breakdown:</i>			
<i>Dwelling Rents</i>	(31.537)	(32.060)	(0.523)
<i>Garage Rents</i>	(0.491)	(0.440)	0.051
<i>Shop Rent</i>	(0.635)	(0.451)	0.184
<i>Other Rents e.g. Ground, Wayleaves, Land</i>	(0.800)	(0.663)	0.137
<i>Leaseholder Service Charges Income & Chargeable Works</i>	(0.869)	(0.704)	0.165
<i>General Service Charges</i>	(1.679)	(1.570)	0.109
<i>Interest</i>	(0.015)	(0.072)	(0.057)
Total HRA Outturn Position 31.03.19	1.171	1.071	(0.100)

6.7.4 The main expenditure variance was on Management and Services due to reduction in expenditure relating to staffing vacancies and project work delays and Loans and Bad Debt with lower bad debt provision and lower borrowing costs.

6.8 SAVINGS SUMMARY

6.8.1 The Council committed to service area savings of **£6.420m** at the start of the financial year. The final review shows that 91.17% savings were achieved either as originally proposed or by finding alternatives elsewhere within the service during the financial year. 8.83% were not saved and will be achieved now in 2019-20.

6.8.2 This is summarised in the table below.

RAG SAVINGS SUMMARY			
RAG Status	Saved	Not Saved	TOTAL
GREEN	6,420		6,420
RED		622	622
TOTAL	6,420	622	7,042
%age	91.17%	8.83%	100%

6.8.3 When analysed by Directorate, the performance for each Directorate can be seen. This is summarised in the table below.

SAVINGS SUMMARY BY DIRECTORATE					
Directorate	Savings Agreed	Amount Saved	Slippage	%age Saved	Comments
A&C	1,273	1,259	14	99%	Most savings achieved
Regen	2,305	2,005	300	87%	Most savings achieved
F&R	3,260	2,952	308	91%	Most savings achieved
CE	204	204	0	100%	All savings achieved
TOTAL	7,042	6,420	622	91%	

Full details are shown in Appendix B.

6.9 Moving Forward into 2019/20

6.9.1 As part of the overall budget build for 2019/20, subsequently agreed at Full Council in February 2019, growth was provided to address the majority of service pressures faced by Directorates during 2018/19. Paragraph 5.6.3 of the revenue budget report sets out the following table which highlights the amount of new growth put into the 2019/20 to tackle known pressures:

2018/19 Pressures	£'000
Temporary Accommodation	750
Schools PFI	700
Educational Psychologists	100
Waste Contract – Contractual Price Increase	1,550
Home to School Transport	500
	<hr/>
	3,600

6.9.2 Therefore officers are confident the Council moves forward on a sound financial footing whilst keeping the finances under close review.

7 Virements

7.1 The following virements have been prepared since the last quarter. Cabinet is requested to approve the transfer of budgets between the services shown in accordance with the financial procedure rules.

Reference	Reason	Below the Line Additions	Adults and Communities	Children, Learning and Skills	Finance and Resources	Regeneration	Chief Executive
PL-588	Transfer of Service Leads restructure savings		(365,200)	(365,200)	1,387,760	(511,280)	(146,080)
PL-670	Yearend transfer of budget relating to PFI Grant	(3,677,500)		3,677,500			
PL-671	Release of 17/18 Carry Forwards	(428,680)	100,000		152,790	175,890	
PL-672	Reserve Transfers: Building Control and POCA	134,450			(36,230)	(98,220)	
PL-673	Transfer of 2018/19 Carry Forwards	385,760	(78,000)	(50,000)	(103,090)	(154,670)	
PL-674	Direct Revenue Financing - Wexham Secondary	527,070		(527,070)			
PL-675	Yearend transfer of budget relating to PFI,Leases	3,961,897		(3,846,284)			(115,613)
PL-676	Yearend transfer of budget relating to Lease charges	974,439	(200,000)		(425,689)	(348,750)	
PL-677	Yearend transfer of budget relating to Lease charges				425,689.00	(425,689)	
GRAND TOTAL		1,877,436	(543,200)	(1,111,054)	1,401,230	(1,362,719)	(261,693)

8 Write Offs

- 8.1 Write offs totalling **£170,214.42** have been agreed over the past 3 months. Cabinet is requested to approve these write offs in accordance with the council's financial procedures rules. These are detailed in the table below.

WRITE-OFF SCHEDULE					
4th Quarter 2018/19					
Reason	NNDR	Council Tax	Sundry Debtors	Housing Benefits	Total
	£	£		£	£
Unable to trace / Absconded	50,555.90	11,813.09	0.00	1,327.58	63,696.57
Vulnerable persons	0.00	15,863.30	0.00	3,578.01	19,441.31
Deceased	0.00	8,694.54	0.00	83,404.02	92,098.56
Statute Barred / Unable to Enforce	26,793.48	18,196.80	0.00	0.00	44,990.28
Bankruptcy	0.00	1,546.75	0.00	641.94	2,188.69
Dissolved / Proposal to Strike / Liquidation / Receivership / Administration	171,963.89	0.00	44,926.24	0.00	216,890.13
Misc. (incl uneconomical to pursue)	23.00	998.97	0.00	605.26	1,627.23
Credit Balances	(262,951.64)	(7,766.71)	0.00	0.00	(270,718.35)
Total	(13,615.37)	49,346.74	44,926.24	89,556.81	170,214.42

9 Residential Leasehold Property insurance

- 9.1 The current long term agreement for insurance that covers the 1,600 or so residential leasehold properties expires on 31st March 2020. This is an All Risks property insurance that is in the names of the Council and the Leaseholders. The terms of the vast majority of the leases is that, in essence, the Council insures the property and recharges the lessee, so in effect this is cost neutral to the Council
- 9.2 Authority is requested to start the procurements process to procure insurance for a term of three years with an option to extend for another two years, starting 1st April 2020. The estimated cost of this insurance is £420k per year.

10 Age Concern

- 10.1 The Council currently leases Unit 24/25 and 2nd/3rd Floors, The Village, High Street, Slough. The Council currently pays in the region of £250,000 per annum to lease these areas. In turn the Council has sublet these areas to Age Concern under two sub leases that mirror the Council's agreements. Only the lease for Unit 24/25 attracts a rent from Age Concern of £50,000 per annum. This arrangement came about because Age Concern previously occupied/leased the Old Library on William Street and needed to be vacated to make way for The Curve.
- 10.2 Age Concern is currently in rent arrears with regards Unit 24/25. The arrears currently stand at circa £154,245.90 (inclusive of VAT). Revenues have undertaken steps to recover the arrears including instructing bailiffs. However the lack of anything of value on site and Age Concern being unable to pay has meant this avenue has been exhausted. HBL have therefore been instructed to pursue this matter.

10.3 Discussions have taken place directly with Age Concern over the past 12-18 months with regards to them clearing the arrears. In turn this prompted discussion with Age Concern with regards them surrender both their leases as a remedy. The following terms were agreed with Age Concern to surrender both leases:

- 1) Age Concern will surrender both leases and provide vacant possession by 31st October 2018.
- 2) In recognition of the surrender the Council will write off all the outstanding arrears.

The above has the following advantages:

- 1) The Council gets a confirmed and agreed vacation date from Age Concern.
 - 2) Any 'fall out' with Age Concern is mitigated by providing Age Concern time to relocate/vacate.
 - 3) Given Age Concern's financial situation it is doubtful that arrears would be successfully recovered through courts.
 - 4) Saving on court costs.
 - 5) In terms of time, none is likely to be lost given the time it would take to get court hearing.
 - 6) Negotiations can begin with the Head Landlord to surrender the leases early.
 - 7) The Council mitigates its business rates liability for the empty units.
- 10.4 Age Concerned surrendered their leases on the 16th November 2018. It is recommended that the arrears of £154,245.90 (inclusive of VAT) are written off.

11 Conclusion

11.1 The 2018/19 General Fund revenue outturn for the Council is a slight overspend of only **£0.051m** (0.05% of the overall net revenue budget). **The Council has agreed significant growth, for 2019/20, to address the majority of funding pressures that arose during 2018/19.**

11.2 The forecast for the Council's Housing Revenue Account (HRA) is an overspend of **£1.071m** which will be met from HRA reserves.

12 Appendices Attached

- 'A' - General Fund Revenue Summary
- 'B' - Savings Summary

13 Background Papers

- '1' - Supporting working papers held in finance
- '2' - The revenue budget 2019/20 report to Full Council on 21 February 2019

SLOUGH BOROUGH COUNCIL
APPENDIX A - Provisional Outturn – 2018/19

Directorate	Revised Budget	Revised Draft Outturn	Full Year Variance	February 19 Variance	Change
	£'M	£'M	£'M	£'M	£'M
<u>Adult and Communities</u>					
Adult Social Care	33.193	34.554	1.361	1.847	(0.486)
Public Health	(0.612)	(0.608)	0.004	(0.166)	0.170
Communities and Skills	6.290	5.124	(1.166)	(0.785)	(0.381)
Enforcement and Regulation	0.418	0.581	0.163	0.044	0.119
Total	39.289	39.651	0.362	0.940	(0.578)
<u>Children, Learning and Skills</u>					
Directorate Services	0.576	1.781	1.205	1.317	(0.112)
Commissioning Partnerships	0.073	0.082	0.009	0.009	(0.000)
Slough Childrens' Service Trust	24.117	24.117	0.000	0.000	0.000
Access and Inclusion	2.201	2.663	0.462	0.213	0.249
School Effectiveness	0.887	0.616	(0.271)	(0.200)	(0.071)
Early Years and Development	1.929	1.711	(0.218)	(0.156)	(0.062)
Special Educational Needs & Disabilities	0.362	0.458	0.096	0.095	0.001
Sub-Total	30.145	31.428	1.283	1.278	0.005
Dedicated Schools Grant (DSG)	(0.337)	(0.337)	0.000	0.000	0.000
Sub-Total With DSG	29.808	31.091	1.283	1.278	0.005
<i>CLS Non Controllable</i>	<i>(0.696)</i>	<i>(0.696)</i>	<i>0.000</i>	<i>0.000</i>	<i>0.000</i>
Total	29.112	30.395	1.283	1.278	0.005
<u>Regeneration</u>					
Directorate Management Unit	0.405	0.189	(0.216)	(0.208)	(0.008)
Major Infrastructure	3.982	3.967	(0.015)	(0.048)	0.033
Transport & Parking	2.048	1.815	(0.233)	(0.340)	0.107
Planning	0.349	0.418	0.069	0.037	0.032
Regeneration Development	(4.077)	(4.321)	(0.244)	(0.084)	(0.160)
Regeneration Delivery	(0.929)	(0.898)	0.031	0.073	(0.042)
Building Management	3.233	3.097	(0.136)	(0.190)	0.054
Economic Development	(0.120)	0.181	0.301	0.313	(0.012)
Strategic Housing Services	1.128	3.122	1.994	2.030	(0.036)
Neighbourhood Services	1.353	1.226	(0.127)	(0.120)	(0.007)
Total	7.372	8.796	1.424	1.463	(0.039)
<u>Finance and Resources</u>					
Customer and Communications	0.398	0.273	(0.125)	0.076	(0.201)
Organisation Development and HR	1.476	1.536	0.060	0.199	(0.139)
Governance	1.547	1.934	0.387	0.284	0.103
Digital and Strategic IT	0.972	0.960	(0.012)	(0.014)	0.002
Corporate Resources	(2.234)	(1.327)	0.907	0.170	0.737
Transactional Services	7.818	8.339	0.521	(0.194)	0.715
Corporate and Departmental	(0.139)	(0.114)	0.025	0.278	(0.253)
Total	9.838	11.601	1.763	0.799	0.964
<u>Chief Executive Office</u>					
Local Welfare Provision	0.275	0.342	0.067	0.000	0.067
Improvement and Development	0.000	0.000	0.000	0.000	0.000
Executive's Office	0.334	0.492	0.158	0.255	(0.097)
Strategy and Performance	0.630	0.668	0.038	0.130	(0.092)
Prevent	0.000	0.051	0.051	0.000	0.051
Environmental Services	12.732	14.046	1.314	1.379	(0.065)
DSO	(0.189)	(2.576)	(2.387)	(1.918)	(0.469)
Total	13.782	13.023	(0.759)	(0.154)	(0.605)
GRAND TOTAL	99.393	103.466	4.073	4.326	(0.253)

% of revenue budget over/(under)	4.10%
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<u>Non Service Areas</u>					
<i>Treasury Management</i>	2.835	1.938	(0.897)	0.000	(0.897)
<i>Other Non-Service Items</i>	2.971	1.402	(1.569)	0.000	(1.569)
<i>Parish Precepts</i>	0.223	0.224	0.001	0.000	0.001
Total	6.029	3.564	(2.465)	0.000	(2.465)

GRAND TOTAL	105.422	107.030	1.608	4.326	(2.718)
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<u>Sources of Finance</u>					
<i>Business Rates and other sources</i>	0.000	(1.557)	(1.557)	(1.000)	(0.557)
	0.000	(1.557)	(1.557)	(1.000)	(0.557)

Overall Position	105.422	105.473	0.051	3.326	(3.275)
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% of budget over/(under)	0.05%
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APPENDIX B

SAVING MONITOR 2018/19

Directorate	Service	Savings Agreed	Amount Saved	Not Saved	Savings Item	RAG	Comments
A&C	Adult Social Care	32	32	0	Redesign of supported employment service	GREEN	
A&C	Adult Social Care	200	249	49	Continuing Health Care (transfer of funding responsibility from NHS)	GREEN	More savings have been made in these 2 areas to compensate for the cancellation of the saving in relation to the Curve below
A&C	Adult Social Care	150	307	157	Re-assessments to reduce Personal Budget levels	GREEN	
A&C	Adult Social Care	150	250	100	Direct Payment recoupment	GREEN	
A&C	Adult Social Care	100	171	71	Increase in income (for those not currently paying)	GREEN	
A&C	Adult Social Care	200	0	-200	Vacant posts (one off)	AMBER	Keep vacant for 18/19 where possible. Achieved through other savings above
A&C	Communities and Leisure	323	250	-73	Leisure Services - leisure contract management savings	AMBER	Savings only going to be £250K on Leisure Contract
A&C	Communities and Leisure	88	0	-88	Make the Curve self funding	AMBER	Achieved by overachieving on savings 2 & 3 above
A&C	Regulatory Services	30	0	-30	Review of management structure to delivery the SAFE services or other alternative delivery	AMBER	On going, not yet finished
TOTAL		1,273	1,259	-14			

Directorate	Service	Savings Agreed	Amount Saved	Not Saved	Savings Item	RAG	Comments
Regen	Regeneration Delivery	583	583	0	Asset Management - Rental Income- Increase rent for Crown Court 65k, Strategic acquisitions 115k and commercial properties rents	GREEN	
Regen	Regeneration Delivery	350	350	0	Recharging of Staff Time to Capital Projects - to generate more income through recharging more staff time to Capital.	GREEN	
Regen	Planning	8	8	0	At least a 35% reduction in subsidy through additional income from discretionary work, expected increase in application numbers off the back of local plan review/growth agenda and review of fees and charges.	GREEN	
Regen	Planning	11	11	0	Reduction in subsidy - from income from pre-application and increased planning application numbers	GREEN	
Regen	Neighbourhood Services	82	82	0	Review of management structure to delivery the SAFE services or other alternative delivery	GREEN	
Regen	Planning	4	4	0	Reducing specialist consultancy support by training existing staff to undertake both petroleum licensing and environmental permitting.	GREEN	

Directorate	Service	Savings Agreed	Amount Saved	Not Saved	Savings Item	RAG	Comments
Regen	Building Management	10	10	0	Additional income - Maximise Use of Office Space - Embed flexible and mobile working to get better use of office space. Develop commercial approach to floor space at SMP through external lettings.	GREEN	
Regen	Building Management	5	5	0	FM Contracts Review - Review all FM Contracts to establish if savings can be made.	GREEN	
Regen	Planning	2	2	0	Re-negotiate landfill monitoring contract	GREEN	
Regen	Regeneration Delivery	700	700	0	Strategic Acquisition board	GREEN	Full year effect of 2017/18 investments
Regen	Transport Planning	150	150	0	Charging Staff time to capital	GREEN	
Regen	All Regeneration	200	0	-200	Income Generation	RED	
Regen	Planning	50	50	0	LED Lighting - HRA Contribution	GREEN	
Regen	All Regeneration	100	0	-100	Sponsorship of Town Centre assets	RED	
Regen	Neighbourhood Services	50	50	0	Income generation through delivery of a licencing service for private landlords, housing associations etc.	GREEN	
TOTAL		2,305	2,005	-300			

Directorate	Service	Savings Agreed	Amount Saved	Not Saved	Savings Item	RAG	Comments
F&R	Governance	25	25	0	Delete vacant level 5 post & Savings related to AD for procurement	GREEN	
F&R	Governance	122	122	0	Legal Service - delete Vacant posts	GREEN	
F&R	Finance	60	60	0	Audit fee reductions	GREEN	
F&R	Finance	225	225	0	Increased Treasury Management returns	GREEN	
F&R	Council Wide	640	640	0	2017/18 Senior Management Restructure	GREEN	
F&R	Council Wide	450	450	0	Reduction in Agency Staff	GREEN	
F&R	Council Wide	1,376	1376	0	Service Lead Reviews	GREEN	
F&R	Strategy & Performance	54	54	0	Deletion of Policy Support for Children Services	GREEN	
F&R	All F&R	308	0	-308	Restructure of Finance and Resources	RED	To be achieved in 19/20
TOTAL		3,260	2,952	-308			
Chief Executive	Environmental Services	204	204	0	Environmental Services Review	GREEN	
TOTAL		204	204	0			

GRAND TOTAL	7,042	6,420	-622			
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RAG LEGEND	
GREEN	Delivered or on track to be delivered in full
AMBER	Partial delivery or likely to not be delivered in full
RED	Will not be implemented or likely to be not be implemented