

MEETING	CABINET (Councillors Smith (Chair), Chahal, E. Ahmed, Bedi, Kelly, Manku, Shah, Shaik and Wright)
DATE AND TIME:	MONDAY, 16TH SEPTEMBER, 2024 AT 6.30 PM
VENUE:	COUNCIL CHAMBER - OBSERVATORY HOUSE, 25 WINDSOR ROAD, SL1 2EL
DEMOCRATIC SERVICES OFFICER: (for all enquiries)	NICHOLAS PONTONE 07749 709 868

SUPPLEMENTARY PAPERS

The following Papers have been added to the agenda for the above meeting:-

* Items 5, 6, 10 and 11 were not available for publication with the rest of the agenda.

PART 1

<u>AGENDA ITEM</u>	<u>REPORT TITLE</u>	<u>PAGE</u>	<u>WARD</u>
5.	Budget Management Report Quarter 1	1 - 30	All
6.	Unit 4 Agresso Cloud Migration	31 - 40	All

PART II

10.	Budget Management Report Quarter 1 - Appendix	41 - 46	All
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Slough Borough Council

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

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 30th. 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:

	£m
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
TOTAL	2.898

That Cabinet note the following based on the above approvals:

	Final Budget	Projected Outturn £m	Variance £m	Recovery Actions £m	Revised Variance
Total Service Budgets	120.152	131.704	11.552	-7.423	4.129
Non Dept Budgets	40.050	39.921	0.265	-4.000	-3.735
	160.202	171.625	11.817	-11.423	0.394
Less use of Contingency			-0.394		-0.394
Total Expenditure	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 7th 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 20th 2024.
 - 2020/21 Draft Accounts published and the statutory public inspection period closed on August 8th 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 Actions £m	Revised Variance £m
	Provisional Outturn £m	Current Budget £m	Actuals to Date £m	Projected Outturn £m	Variance £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
Total Service Budgets	149.348	120.152	31.952	131.704	11.552	-7.456	4.096
Non Departmental Budgets							
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
Total Non Dept Budgets	18.411	40.050	0.178	39.954	-0.096	-4.000	-4.096
Total Expenditure	167.759	160.202	32.129	171.658	11.456	-11.456	0.000
Financing							
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
Total Financing	-120.672	-137.124	14.797	-137.124	0	0	0
New Total Expenditure	47.087	23.078	46.926	34.534	11.456	-11.456	0.000
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
Total Funds	-167.759	-160.203	14.797	-160.203	0	0	0
GAP	-0.000	-0.000	46.926	11.456	11.456	-11.456	0.000
Total		0	0	0	0	0	0

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
Service Budgets								
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
	11,183	889	4,890	3,385	2,019	505	9,669	-1,514
Corporate Budgets								
Non Departmental Budgets	1,000	0	0	0	0	0	0	-1,000
Total Corporate Budgets	1,000	0	0	0	0	0	0	-1,000
Total	12,183	889	4,890	3,385	2,019	505	9,669	-2,514

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
General Fund:				0
Adults	1,589	205	1,589	0
Children Services	9,464	237	8,878	-586
Regeneration, Housing & Environment	24,375	583	23,093	-1,282
GF Total	35,428	1,025	33,560	-1,868

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
HRA total	25,003	351	16,941	-8,062

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 / (behind) target
Council Tax			
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	
Business Rates			
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
Increase / (Decrease) in Provision			-764,559

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 10th 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

	Balance at 1/4/2024 £m	Budgeted 2024/25 Transfers (to) /from reserves £m	Recovery actions Transfers from reserves £m	Forecast reserve position as at 31/3/2025 £m
MTFS Reserve				
- Test and trace support grant	-0.385		0.000	-0.385
- Contain Outbreak Management Fund	-0.376		0.000	-0.376
- Client Management SCF	0.059		0.000	0.059
- Transformational Reserve	-2.660		0.000	-2.660
- Directorate Carry forwards	-3.792	3.792	0.000	0.000
MTFS Reserve total	-7.154	3.792	0.000	-3.362
Better Care Fund	-5.302		2.817	-2.485
Public Health Reserve	-2.543		0.081	-2.462
Public Health Contingency Funding	-0.008		0.000	-0.008
Proceeds of Crime POCA	-0.324		0.000	-0.324
Insurance	-0.232		0.000	-0.232
Budget Smoothing reserve	-10.350	2.000	0.000	-8.350
Redundancy/Severance Payments	-5.884		0.000	-5.884
Earmarked reserves total	-31.796	5.792	2.898	-23.106
Unallocated general fund balance	-21.000	-1.000	0.000	-22.000
General fund reserves total	-52.796	4.792	2.898	-45.106

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
Grand Total	40,828	35,572	0	35,572	7,528	39,882	4,310	1,840	

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
Adults Services										
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 rfd 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
Adults Services Total	2,888	578	411	1,899	0	94	2,982	94		

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	Virements	Current	Actuals to	Projected	Variance	Prv Var	Risks /	Notes
	Provisional Outturn	Budget		Budget	date	Outturn			Opportunities	
	£'000	£'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		
General Fund Total	10,275	10,452	0	10,452	-3,011	11,587	1,135	613	0	

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 £000's	Delivered	On Track	Some risk	Major Risk	Mitigating Savings	Savings Forecast	Over / (Under) delivery	Key Milestones	Notes
Children's Services										
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 ITT 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	
Children's Services Total	692	-	77	7	608	-	84	(608)		

Notes

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Appendix 3 – Regeneration, Housing & Environment

Table 1 – Budget Monitoring Position

Regeneration, Housing & Environment	2023/24 Provisional Outturn £'000	Original Budget £'000	Virements £'000	Current Budget £'000	Actuals to date £'000	Projected Outturn £'000	Variance £'000	Risks / Opportunities £'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
Grand Total	23,861	14,583	0	14,583	-880	21,118	6,535	-300	
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
Regeneration, Housing & Environment										
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
Regeneration, Housing & Environment Total	4,436	145	#####	1,028	411	411	4,436	-		

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 Provisional Outturn	Original Budget	Virements	Current Budget	Actuals to date	Projected Outturn	Variance	Risks / Opportunities	Notes
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Expenditure									
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
Total HRA Expenditure	37,343	41,854	0	41,854	-27	41,652	-202		
Income									
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
Total HRA Income	-41,578	-45,331	0	-45,331	-6,700	-45,387	-55		
HRA (Surplus)/Deficit	-4,237	-3,477	-1	-3,478	-6,727	-3,734	-257		

- 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 Provisional Outturn	Original Budget	Virements	Current Budget	Actuals to date	Projected Outturn	Variance	Risks / 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
Grand Total	3,369	3,418	0	3,418	1,125	2,862	-556	0	

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 £000's	Delivered	On Track	Some risk	Major Risk	Mitigating Savings	Savings Forecast	Over / (Under) delivery	Key Milestones	Notes
Chief Executive's Office										
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
Chief Executive's Office Total	76	40	26	10	-	-	76	-		

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 Provisional Outturn £'000	Original Budget £'000	Virements £'000	Current Budget £'000	Actuals to date £'000	Projected Outturn £'000	Variance £'000	Risks / Opportunities £'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
Grand Total	22,025	12,560	1,000	13,560	23,597	14,238	679	-50	

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
Corporate Services										
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
Corporate Services Total	2,908	87	1,421	400	1,000	-	1,908	(1,000)		
Other Corporate Budgets										
Review of Fees and Charges	250						-	(250)		
Review of Strategic Commissioning	750						-	(750)	None defined	
Other Corporate Budgets Total	1,000	-	-	-	-	-	-	(1,000)		
Corporate Services & Other Corporate Budgets Total	3,908	87	1,421	400	1,000	-	1,908	(2,000)		

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
Grand Total	2,154	2,173	0	2,173	347	1,956	-217		0

- 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
Law and Governance										
Review of Democratic and Electoral Services and deletion of vacant roles	39	39					39	-	None defined	1
Law and Governance Total	39	39	-	-	-	-	39	-		

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 £'000	Original Budget £'000	Virements £'000	Current Budget £'000	Actuals to date £'000	Projected Outturn £'000	Variance £'000	Risks / Opportunities £'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
Grand Total	1,011	1,350	0	1,350	-1,133	1,018	-332	286	

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 £000's	Delivered	On Track	Some risk	Major Risk	Mitigating Savings	Savings Forecast	Over / (Under) delivery	Key Milestones	Notes
Public Health & Public Protection										
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
Public Health & Public Protection Total	144	0	103	41	0	0	144	0		

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	
GENERAL FUND					
Disabled Facilities Grant	1,589	205	1,589	0	
Adults TOTAL	1,589	205	1,589	0	
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	
Children's Services TOTAL	9,464	237	8,878	-586	
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	
Regeneration, Housing & Environment TOTAL	24,375	583	23,093	-1,282	
GENERAL FUND TOTAL	35,428	1,025	33,560	-1,868	

Table 2 – HRA

CAPITAL PROJECTS	Rephased Budget £'000	Actuals to date £'000	Projected Outturn £'000	Variance £'000	Notes
HRA					
RMI Capital Programme					
Commissioning of Repairs Manitenance 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	
RMI Capital Programme Total	14,573	163	10,400	-4,173	
Planned Maintenance Capital					
Windows and Door Replacement	328	0	626	298	
Roof Replacement	2,000	-18	2,658	658	
Structural	83	0	37	-46	
Planned Maintenance Capital Total	2,880	188	3,791	911	
Affordable Homes					
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	
Total Affordable Homes	7,550	0	2,750	-4,800	
HRA TOTAL	25,003	351	16,941	-8,062	
CAPITAL PROJECTS TOTAL					
	60,431	1,376	50,501	-9,930	

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	
TOTAL		11.423	

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Slough Borough Council

Report To:	Cabinet
Date:	16 th September 2024
Subject:	Unit 4 Agresso Cloud Migration
Lead Member:	Councillor Shaik – Lead Member for I.T., Customer Services, Revenue & Benefits, Procurement and Performance
Chief Officer:	Annabel Scholes Executive Director, Finance and Commercial
Contact Officer:	Stephen Menzies Interim Director of Digital, Data and Technology
Ward(s):	N/A
Key Decision:	YES
Exempt:	NO, except Appendix 1 which is exempt under paragraph 5, Schedule 12A Local Government Act 1972 due to legal professional privilege.
Decision Subject to Call In:	YES
Appendices:	Appendix 1 – Legal Advice

1. Summary and Recommendations

- 1.1. Agresso is the council's enterprise resource planning (ERP) tool. The functionality available through the application is business critical to the functioning of HR, payroll and finance. Without it, suppliers and staff would not be paid, and the council would be unable to receive income.
- 1.2. In November 2023, Unit4, the application's supplier, changed its business model. To retain access to a system that is secure - one that undergoes regular/scheduled security patches and software updates - Unit4 is requiring all users to contract with them directly and migrate to their cloud platform.
- 1.3. The impact of this change by the supplier is that the council will need to enter a new contract by December 2024 and migrate to the new hosting platform shortly afterwards. As a result, the change of licencing model means the council will incur additional revenue costs to retain the application. With insufficient time available to undertake a competitive procurement a waiver of the council's rules is required and reliance on an exemption under relevant regulations is required.
- 1.4. The council will enter a new contract for a five-year period with the supplier before the December 2024 deadline, migrating to the new platform by June 2025. This approach will incur some dual running costs but avoids disruption to users during the critical financial year end period of February to May.
- 1.5. It is also recognised that the application, in its current configuration, is being underutilised and in parallel to procurement and migration activities it is proposed to deliver an improvement programme which will address long standing issues with incorrect workflows and poor user adoption. This will include completing deployment of modules and a comprehensive training programme for staff. Additional funding is

being sought to cover the projects costs for both the migration and process improvements.

Recommendations:

1.6. It is recommended that Cabinet:

- a) Approve the direct award of a contract to Unit 4 for a period of five years at an approximate cost of £2m. The total contract value may vary due to the number of concurrent users as the pricing model is a per user subscription business model;
- b) Delegate authority to negotiate and approve the contract award to the Executive Director of Finance & Commercial, in consultation with the Lead Member for I.T., Customer Services, Revenue & Benefits, Procurement and Performance;
- c) Note the increase 2024/25 budget allocation for the revenue costs of the application of £47,000, which will be funded from the contingency, and the increase costs to Slough Children First and the Housing Revenue Account.
- d) Note that a growth bid of approximately £0.225m will be submitted as part of the MTFs cycle for members' consideration; to be reduced in future years as dual running of platforms ends. This will be partially offset by an increased recharge to the Housing Revenue Account of £0.035m.
- e) Note a delivery of a project intended to develop improvements in the application's customisation that support better use; and, a comprehensive training programme will need to be established to rebuild staff confidence and experience in using the application. Funding in the region of £258,000. It is expected that this project will be funded from the transformation reserve and will form part of the finance improvement plan.

Commissioner Review

"Commissioners raised two issues in connection with this report and received the following responses:

1. This represents a significant increase in revenue cost has S151 factored this into the MTFP or is it an additional pressure

The increase in growth had not been included in the latest public iteration of the MTFs but has been identified as a growth item and will be reflected in the next public iteration. Whilst this is essentially an additional pressure of £75k, all elements of the MTFs proposals will need to be reviewed and validated as we go through the 2025/26 Budget Setting cycle.

2. It says that the Unit 4 advised in November 23 of their change of business model which necessitates this change and that now there is not enough time to test the market. So, it seems that no action was taken to address the issue until now, forcing the Council to recommend a direct award. This doesn't feel like a best value approach. What was the reason for the delay?

The report is a reflection of a number of months challenging the proposal from Unit 4 with a number of neighbouring authorities, compounded by delays in getting the contract figures out from Unit 4. In reality however, even when they served notice in November 23, the specification, procurement and successful implementation of an ERP would probably take a minimum of two years.

Whilst the report acknowledges challenges in using Agresso, experience of the application elsewhere gives us confidence that we can improve our use of the functionality of the application. In short, it's a decent system when implemented properly and the project will be a key contributing factor to the Finance Improvement Programme."

2. Report

- 2.1. This report outlines the steps and funding required to ensure that the council retains access to its ERP system.
- 2.2. The change in business model by the supplier requires SBC to enter a new contract for hosting and licencing. This allows SBC to retain access to an application that has regular scheduled security patches and software updates. Failure to comply with this requirement would mean the council is unable to pay suppliers, staff and collect revenue.
- 2.3. To date, the application has not been successfully adopted within the council and a parallel piece of work is being proposed to customise the application to meet council requirements and undertake comprehensive retraining of all users.
- 2.4. Additional revenue and capital funding is required to:
 - a) fund the increase in licencing costs for the duration of the contract; and,
 - b) establish a project team to undertake the work to migrate to the new platform, deliver the planned improvements and support a comprehensive retraining of staff in the use of the application.

Options considered

- 2.5. The council has considered three options
 - i. **Contract with the supplier and migrate to the cloud hosting platform– recommended**

Directly award a contract to Unit 4 for a five-year period. This would allow the council to retain access to its ERP application and migrate to the new service in May/June 2025 minimising disruption to service and customers.

As part of the migration work, undertake a process improvement programme and a comprehensive staff retraining exercise to maximise the value of the application to the council.

The improvement programme would run from October 2024 until the new service is launched in May/June 2025.
 - ii. **Buy a new application and migrate to the platform by December 2024– not recommended**

There is insufficient time and funding available to the council at this point to undertake a competitive procurement exercise, design and implement a new application and train all users by December 2024.

Typically this type of programme takes 2-3 years and is fraught with risk. The cost of undertaking a programme like this could run at over £1.5m for project resources alone.

A sub-option of entering a consortium with other impacted local authorities was considered, but the cost and timeframes to complete remain as blockers, even with the obvious economies of scales that could be delivered.
 - iii. **Do nothing, continue as we are – not recommended**

This is not a viable option. From the point that the supplier withdraws access to security patches and software upgrades the council is at risk of data breach and not being able to carry out essential financial activities.

3. Background

- 3.1. An ERP system is a comprehensive IT platform that automates and manages various business processes. Within Slough, we are using an ERP platform called Agresso, developed by Unit 4 for HR, payroll, and finance business processes.
 - 3.2. The application has a chequered history within Slough with many complaints around ease of use and incomplete business workflows, processes and purchased modules not deployed.
 - 3.3. The council's access, use and development of the application is through:
 - A perpetual licence, valid for 25 years if the application is maintained and supported by Unit 4;
 - Quick Think Cloud's (QTC) cloud hosting environment – this includes testing and deployment of Unit 4 updates;
 - A support and maintenance contract with Unit 4 - bug fixes, security patches, and general updates; and,
 - A development contract with Agylix, for ongoing customisation of the product to meet the council's needs.
 - 3.4. In November 2023 Unit 4 advised all users that from December 2024 it would only provide security and software patching to applications hosted on their cloud platform. To continue to receive software patches users would need to commit to a five-year contract by December 2024, that moved the council's application to the Unit 4 platform and changed the licencing arrangement from a 25-year perpetual licence to an annual per user subscription.
 - 3.5. If the application is not upgraded then any changes in taxation, end of year tax returns and statutory reporting for DWP and HMRC would be incorrect.
 - 3.6. Once in contract the council would continue to receive the software patching allowing it to maintain the QTC hosted solution until the council migrates to the Unit 4 platform, most likely late June 2025.
- Transformation initiatives
- 3.7. The current configuration and customisation of Agresso has not been widely adopted. Across all three services (HR, payroll and finance) there are ongoing issues with incomplete workflows, lack of ease of use and incomplete deployment of integral modules for example in finance – treasury management.
 - 3.8. Staff feel unsupported in developing their experience in using the application and as a council we are not using the product to anywhere near its full functionality/potential. Addressing these issues would support the council's transformation journey by ensuring better HR information is available, suppliers and staff would be paid on time and the council would have much better control on budget monitoring leading to better financial oversight.
 - 3.9. Initial work has been undertaken to start bringing together a backlog of improvements across all three business areas to address these issues. Progress has been slow due to lack of resource.
 - 3.10. It is recommended that in parallel to the work to migrate to the new service that the council undertake a programme of work to plan and develop improvements in the application's customisation that support better use; and, that a comprehensive

training programme be established to rebuild staff confidence and experience in using the application.

- 3.11. This work will need to be funded for an eight-month period (October to June) – a project manager and business analyst should be brought in to develop and deliver the backlog of improvements, a business change/adoption lead will also be required to develop appropriate training materials and deliver training to staff. At the end of the business change period a library of training resources should be available, and a community of practice established within the council to support ongoing staff development and training.

Implications of the Recommendation

Financial implications

- 3.12. The table below outlines the likely cost of service, based on data provided by the supplier on SBC's current staff usage. The new contract is consumption based and the pricing will vary dependent on the final requirements from the council, based on number of users, number of users accessing the application on their desktop (against web-based access), any additional services required and length of time dual running costs are required.

Activity	Yr 1 (£)	Yr 2 (£)	Yr 3 (£)	Yr 4 (£)	Yr 5 (£)	Total (£)
Application licencing (1700 users)	216,000	283,500	297,675	312,559	328,187	1,437,920
R/O database	17,300	18,165	19,073	20,027	21,028	95,593
VPN connection for R/O database	2,157	2,265	2,378	2,497	2,622	11,919
Extra document storage each year		566	594	624	655	2,439
Extra desktop users (85@£648 p.a.)	55,080	57,834	60,726	63,762	66,950	304,352
Dual running costs (Jan to June 2025 – Annual costs/12*6)	145,300					145,300
Total	435,837	362,330	380,446	399,469	419,442	1,997,524

- 3.13. The table below shows the current cost, extended to five years to allow comparison with the new contract proposed by Unit 4.

	Yr 1 (£)	Yr 2 (£)	Yr 3 (£)	Yr 4 (£)	Yr 5 (£)	Total (£)
Likely new cost	435,837	362,330	380,446	399,469	419,442	1,997,524
Existing Budget	273,000	286,650	300,983	316,032	331,833	1,508,497
Annual increase	162,837	75,680	79,464	83,437	87,609	489,027

- 3.14. Agresso is a corporate application, and costs are allocated to Slough Children First and the Housing Revenue Account. The following table sets out how the additional costs in 2024/25 and 2025/26 onwards are to be allocated across the General Fund, HRA, and SCF.

		% Share	24/25 Increase	MTFS
SCF		22.10%	£16,575	£49,725
SBC	General Fund	62.32%	£46,740	£140,220
	HRA	15.58%	£11,685	£35,055
Totals			£75,000	£225,000

- 3.15. Noted below is the likely resource requirements for the project management of the migration to the new service, process improvements and user adoption and business change:

Resource	Duration	Cost
Project manager (Internal ICT resource)	6 months	Nil
Test manager (Internal ICT resource)	6 months	Nil
Project manager (business improvements and training)	6 months	66,000
Change and adoption lead	6 months	66,000
Business analyst	6 months	54,000
Agresso application developer	6 months	72,000
Total cost		£258,000

Legal implications

- 3.16. External auditors have raised concerns about implementation of ERP systems in other councils, the most publicised one being s.24 recommendations to Birmingham City Council in relation to the procurement and implementation of its Oracle system. These recommendations include the need to consider the capacity of senior staff to deal with the necessary phases of implementation of an IT project alongside other competing pressures, the need for additional resources to ensure critical projects are completed both from within internal teams and use of external resources.
- 3.17. The Council has also received reports from Grant Thornton, its external auditors, which have been presented to its Audit and Corporate Governance Committee. This includes a report on learning from the issues arising from auditing the 2018/19 accounts, which was presented in November 2023. In relation to accounting processes and systems, the report stated that the extensive reporting facilities within the Agresso system appear not to have been well understood by officers preparing the accounts, leading to widespread use of spreadsheets and pivot tables for reporting, introducing more scope for error. There were also issues with the way hierarchies were built, and codes were mapped with Agresso was set up leading to increased need for manual adjustments between the ledger and the accounts and was a contributory factor in the difficulties with the "Big Red Button" software. Overcomplexity in the way debtors and creditors and bank/cash were set up on Agresso led to significant extra work and the need for very complex and time-consuming reconciliations to be produced throughout the year. Company transactions, with the exception of the Children's Trust, sat within the Council's main ledger, requiring additional work. Upon transfer to Agresso, a large number of balances from the old system were transferred without any understanding of their validity. There was also a decision not to implement the Agresso asset management module, with the existing system then not being properly maintained. On implementation of the "Big Red Button" software, the report stated the Council did not have the necessary resources to do the up front work of mapping of codes and data cleansing. This led to the system adding to the difficulties around audit trails. The one individual who implemented the system was an interim and left without a proper handover or knowledge transfer with the finance team not having the knowledge or ownership of the system.

- 3.18. The above shows the importance of having adequate resources to properly implement a system and to invest in training and development of staff to ensure the system is used to its optimum.
- 3.19. The council has an urgent requirement to enter a new contract with Unit 4 for the provision of Agresso. To meet this requirement, the council needs to procure a contract in accordance with its internal rules and procurement law.
- 3.20. Legal advice was sought which outlines the urgency of the requirement, placed on the council by the supplier, with no opportunity for the council to delay the contracting process, and the nature of the service provided – business critical activities.
- 3.21. Two options were considered: a) direct award using an existing framework agreement; and, b) a waiver of the council's contract regulations and reliance on an exemption with the procurement legislation.
- 3.22. Typically, in cases where the council is unable to run a competitive procurement due to urgency an existing framework agreement which allows direct award, and which names the supplier as a participant in the framework may be used to make the award.
- 3.23. The only framework agreement that Unit 4 are named on is Crown Commercial Service's RM1557.13 (G-cloud 13) framework agreement. However, no direct award is available through this framework due to the pricing negotiation undertaken with the supplier to reduce the cost to the council. Negotiation on price is specifically excluded from the framework terms and conditions, therefore this option would increase the costs even though the Council is already in a contract with the provider.
- 3.24. The remaining option available to the council is a waiver of the council's internal procurement regulations and an appropriate exemption, allowable within law. Within CPR, PCR2015 (current legislation) and the Procurement Act 2023 (legislation in force from October 2024) provision is made for a direct award where there are demonstrable factors which preclude a competitive procurement process:

Contract Procedure Rules

CPR – rule 14.10 (c) - Emergency: There is a clear need to provide a service or a product immediately in the instance of a sudden unforeseen crisis; the immediate risk is to health, life, property or environment (for example, Natural Disaster; Civil Unrest; Provider going into administration);

CPR – rule 14.10 (d) Service Imperative: Demonstrable circumstance that is exceptional:

Public Contracts Regulations 2015

Regulation 32

(2) General grounds

The negotiated procedure without prior publication may be used for public works contracts, public supply contracts and public service contracts in any of the following cases:-

- (c) insofar as is strictly necessary where, for reasons of extreme urgency brought about by events unforeseeable by the contracting authority, the time limits for the open or restricted procedures or competitive procedures with negotiation cannot be complied with.
- (4) For the purposes of paragraph (2)(c), the circumstances invoked to justify extreme urgency must not in any event be attributable to the contracting authority.”

Procurement Act 2023

Schedule 5 Direct Award Justifications

- (6) The following conditions are met in relation to the public contract—
- (a) due to an absence of competition for technical reasons, only a particular supplier can supply the goods, services or works required, and
 - (b) there are no reasonable alternatives to those goods, services or works.
- (13) Where—
- (a) the goods, services or works to be supplied under the public contract are strictly necessary for reasons of extreme and unavoidable urgency, and
 - (b) as a result the public contract cannot be awarded on the basis of a competitive tendering procedure.

3.25. Based on the legal advice provided, which is appended at Appendix 1, there are grounds on which the council can demonstrate that the position the Council finds itself in is not foreseeable and it is strictly necessary for urgency and/or technical reasons to make a direct award. Alternatives have been considered and none of these are deemed reasonable.

3.26. This approach does pose a potential risk in that the supplier would wish to use its standard contract with the council. Officers will take steps to negotiate a contract based on the supplier's standard contract and terms and conditions which does not place either the supplier or the council in an adverse position and which allows the council to meet its other statutory obligations, for example obligations contained within the GDPR or Freedom of Information Act.

Risk management implications

3.27. The table below details risks:

Status	Description	Mitigation
Amber	Contract T&Cs The council will need to negotiate with the supplier an appropriate contract.	Legal engagement in the wording of the contract T&Cs
Amber	Dual running during migration and testing There will be a period of time when the application is available, but unusable by the council until it is fully configured. During this time the council would need to keep using the existing application, incurring dual running costs.	Minimise likelihood of an overreach through effective planning
Red	Adequate testing plan and test group Without an adequate test plan there is a risk that the migration may fail, and staff will be unable to use the application effectively.	An appropriate test strategy is developed and managed by an experience ICT resource. Test group identified by HR, finance and payroll
Red	Adequate adoption and training support	An experienced business change resource is recruited

	Successful delivery of the project is dependent on an appropriate adoption and training plan being in place.	Clear communication approach adopted Clear delivery plans and collateral delivered
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Environmental implications

3.28. None

Equality implications

3.29. None

Procurement implications

3.30. The Council's CPR contain a clause (14.10) on exemptions from competitive tendering. This provides several grounds for exemption with the caveat that the requirements of the PCR2015 are not breached. Rule 14.10 (b) permits an exemption where "it can be demonstrated that it is in the Council's best interest and this is clearly demonstrated." This procurement can proceed on this basis. The next steps from a procurement perspective would be:

- i. to develop an outcome-based specification which the supplier agrees to;
- ii. review the commercial offering and agree any provision to increase pricing during the lifetime of the contract;
- iii. review and provide advice on the contract proposed by the supplier; and,
- iv. have the contract sealed as per the council's CPRs for contracts valued over £100,000.

3.31. These activities can be delivered within the timeframes outlined in this report.

Workforce implications

3.32. None

Property implications

3.33. None

4. Background Papers

None

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