

Slough Borough Council

REPORT TO: Cabinet

DATE: 18 December 2023

SUBJECT: Budget Management Quarter 2

PORTFOLIO: Councillor Smith – Leader of the Council
Councillor Chahal – Lead Member Finance,
Council Assets, Procurement and Revenue
and Benefits

CHIEF OFFICER: Adele Taylor – Executive Director, Finance &
Commercial (Section 151 Officer)

CONTACT OFFICER: Neil Haddock, Interim Strategic Finance
Manager, Financial Planning & Reporting

WARD(S): All

KEY DECISION: NO

EXEMPT: NO

DECISION SUBJECT TO CALL IN: NO

APPENDICES:

- 1 People (Adults)
- 2 People (Childrens)
- 3 Place & Community
- 4 Housing, Planning & Place
- 5 Strategy & Improvement
- 6 Finance & Commercial, & Corporate Budgets
- 7 Capital Projects detail, General Fund & HRA

1 Summary and Recommendations

1.1 This report sets out the forecast position of the Council for the financial year 2023/24 as at the end of the second quarter, September 30 2023.

Recommendations:

Cabinet is recommended to **note** the following.

1. *The Council's forecast overspend at the end of Quarter 2 is £8.2m, up considerably from £5.3m at the end of Quarter 1. The risk is therefore high that without significant reductions in spend over the remainder of the financial year, the Council will be unable to balance its budget within the Capitalisation Direction.*

2. *Service revenue budgets are forecast to overspend by £15.6m in 2023/24. There are Corporate underspends in respect of interest costs and receipts (£5.7m) and the Corporate Contingency budget (£5.4m) totalling £11.1m. However, the Minimum Revenue Provision (MRP) is showing an overspend of £3.7m. Service and Corporate budgets combined are showing an overspend of £8.2m.*
3. *If drastic reductions are not made in the remainder of the financial year, the Council will be unable to balance its budget within the current capitalisation direction.*
4. *Medium Term Financial Strategy Savings (MTFS) of £20.5m are expected to be delivered in 2023/24 against planned savings of £22.4m.*
5. *That the Capital programme is forecast to underspend in 2023/24 by £25.5m. Requests for slippage would require separate authorisation and are assumed here for the sake of clarity. A formal request for approval will form part of the Q3 Budget Management report to Cabinet in February.*

Reasons for Recommendations

The Council's quarter two budget monitoring is indicating a significant worsening of the in-year overspends, with a lack of evidence of effective mitigations to ensure the 2023/24 budget will balance within the capitalisation direction. It remains challenging to present reliable financial information due to the delays in closure of previous years' accounts, poor record keeping and the accounting system not being fully utilised. The figures in the report are the best that can be produced at this point in time, and further work may lead to changes in these figures. Cabinet is responsible for ensuring that the vision and objectives it is setting can be delivered within the Council's budget and policy framework and all lead members have a key responsibility in working with officers to identify options to mitigate budgetary pressures.

Commissioner Review

The external environment is challenging with financial pressures in several Council services. This is further compounded by inherent risks in the corporate funds which hold the Council's assets such as property, reserves and the debts that the Council has carried forward from previous years.

Urgent action is required to identify any remaining issues and the Council should take all reasonable actions and necessary steps to minimise the risk to which it is exposed, implement corrective action to mitigate pressures, deliver agreed savings and efficiencies to address the in-year deficit outlined in this report.

2 Report – Introduction

- 2.1 The 2023/24 budget and Medium-Term Finance Strategy were approved by Full Council on 9th of March 2023 based on an estimated financial deficit in the Capitalisation Directive (CD) of:
- £267.1m up to 2022/23
 - £31.6m for 2023/24
 - £58.4m for post 2023/24
- 2.2 The General Fund revenue budget was approved at £143.4m and included growth of £12.2m and savings by Directorates of £22.4m. The budgets set were and are cash limited budgets and all budget holders need to manage in year pressures within those cash limits.
- 2.3 Virements approved by Cabinet following the Quarter 1 Budget Management report mean that the General Fund revenue budget is now £151.1m, which reflects a change in the accounting treatment of the Social Care Grant. The forecasts in this report are against those cash limited budgets.
- 2.4 The Quarter 2 forecast for 2023/24 will inform the updating of the Capitalisation Direction model and the Medium Term Financial Strategy (MTFS) in the context of the following:
- 2018/19 Accounts awaiting final sign-off from the auditors, Grant Thornton.
 - 2019/20 Accounts prepared but the external audit is now delayed because nationally there is a review of audit backlogs across the country, and Grant Thornton are awaiting the outcome of that before starting any new audits
 - 2020/21 Accounts partially prepared but yet to be fully completed, in light of 2019/20 waiting audit.
 - 2021/22 Accounts to be completed.
 - 2022/23 Accounts to be completed.
 - 2023/24 budget delivery/forecast.
 - 2024/25 - 2028/29 MTFS is actively being worked on, with the draft budget proposals also on today's Cabinet agenda.
- 2.5 Having multiple financial years actively being worked on is an extremely challenging environment and adds considerable risk and uncertainty to financial planning. In this context the Quarter 2 forecast for 2023/24 is indicating that:
- Service budgets are forecast to overspend by £15.6m. This is a worsening (£1.7m) of the position from Quarter 1's forecast, which was £13.9m after adjusting for the virements approved as part of that report.
 - Corporate budgets are forecast to underspend by £7.4m. This is a £1.2m unfavourable movement from the Quarter 1 forecast, which had an underspend of £8.6m. There has been a significant unfavourable movement on Minimum Revenue Provision, from a £1.2m underspend to a £3.7m overspend driven by a

review of the application of capital receipts in 2022/23 and previous years. This has been mitigated by significant favourable movement on net interest costs of £3.8m, being interest earned on investments increasing by £3.4m and interest payments reducing by £0.4m. The interest on investments is interest from Council owned companies not previously accounted for, and a significant proportion is for prior years, meaning much of this is one-off in nature.

- There remains inconsistency between reporting that savings are being delivered and a significant forecast overspend. At this stage of the monitoring forecast is inevitably more robust than earlier in the year so this might suggest that the savings delivery statements are too optimistic, or that the delivery of savings is not feeding through to the forecasts. It could also suggest that existing pressures within the system had not been fully recognised previously.
- Deep dive reviews per directorate at a line by line level have helped in reducing the increase in the forecast overspend.
- The Housing Revenue Account is forecasting a surplus of £0.8m for the year.
- The Dedicated Schools Grant is forecasting a carry forward deficit of £11.0m at the end of year inclusive of Safety Valve funding.
- The Capital Programme (General Fund) is showing an underspend of £25.5m against a budget of £40.3m, of which £22.5m is due to slippage on timescales where the budget will need to be rolled forward into next year, £1.1m is identified as savings, and £1.7m of Department of Transport grant funded activities (covering routine maintenance including draining, traffic signals, streetlighting, and car park maintenance) have been reclassified as revenue, for both the expenditure and the income.
- The Capital Programme (HRA) is showing a minor overspend of £147k against a budget of £11.4m.
- The funding available and the estimated commitments against that funding are being reviewed to ensure prudent and transparent financial management are undertaken in 2023/24, which in turn will inform the development of the MTFs and the budget for 2024/25. Further work is required to ensure that any financial commitments and risks are built upon robust assumptions.

3 GENERAL FUND

- 3.1 There is a forecast overspend at the end of Quarter 2 of £8.2m. The approved budget for 2023/24 was balanced by a Capitalisation Direction of £31.6m. This requires the Council to sell assets and use £31.6m of the proceeds to bridge the gap between the Council's spending plans and its sources of funding. The Capitalisation Direction requirement for 23/24 was submitted to DLUHC in February.

- 3.2 The forecast overspend would increase the Capitalisation Direction requirement from £31.6m to £39.8m and would require DLUHC approval. It also relies on there being sufficient capital receipts to cover the requirement. Neither of these can be assumed. The seriousness of the current financial situation as outlined in this report cannot be overstated.
- 3.3 The predominant theme with both the overspend in absolute terms, and its worsening, is in respect of demand levels in People (Adults) and Homelessness. In both areas there are acknowledged concerns about the quality and timeliness of data held in prime systems. In Adult Social Care some of the worsening position is due to expenditure relating to previous years, which came to light in September. The delay in processing of expenditure has increased the requirement to undertake a full detailed analysis of historical expenditure for the coming monitoring periods (months 7 and 8), with the risk that further material pressures may be released.
- 3.4 Unrealised income targets are also of note in several areas, most notably within Adult Social Care, where Client Contributions are £1.7m below budget, and in Housing in respect of recharges to the HRA, also amounting to £1.7m.

Table 1 – General Fund Forecast

Service Budgets	2022-23	2023-24			Previous Variance Adjusted
	Draft Outturn	Current Budget	Projected Outturn	Variance	
	£'000	£'000	£'000	£'000	
People (Adults)	34,538	27,822	36,866	9,044	7,820
People (Children)	7,972	8,177	7,482	(695)	(1,085)
Slough Children First	34,289	40,514	40,514	0	0
Place & Community	15,868	14,940	15,331	390	1,576
Housing, Property & Planning	7,725	3,547	8,283	4,736	3,986
Strategy & Improvement	14,889	11,745	12,200	455	104
Monitoring Officer	1,945	1,839	1,764	(75)	(186)
Finance & Commercial (S151)	8,112	5,308	7,101	1,793	1,665
Total Service Budgets	125,339	113,893	129,541	15,648	13,880
Corporate Budgets					
Other Corporate Budgets	16,572	12,299	6,851	(5,448)	(5,449)
Pension Deficit	4,914	5,014	5,014	0	0
Minimum Revenue Provision	17,700	13,393	17,127	3,734	(1,246)
Capital Financing	4,156	6,539	842	(5,696)	(1,891)
Total Corporate Budgets	43,341	37,244	29,834	(7,410)	(8,585)
Total Expenditure	168,680	151,137	159,375	8,238	5,294
Financing					
Council Tax	(69,179)	(72,995)	(72,995)	0	0
Business Rates	(40,168)	(30,591)	(30,591)	0	0
Collection Fund Deficit	10,611	0	0	0	0
Revenue Support Grant	(6,451)	(7,302)	(7,302)	0	0
Other Government Grants	(4,291)	(8,674)	(8,674)	0	0
Total Financing	(109,478)	(119,562)	(119,562)	0	0
Capitalisation Direction	(59,202)	(31,575)	(39,813)	(8,238)	(5,294)
Total Funds	(168,680)	(151,137)	(159,375)	(8,238)	(5,294)
Total	0	0	0	0	0

NB - Previous Adjusted Variance is Q1 variance adjusted for Q1 virements

- 3.5 Within the People (Adults) Directorate there are forecast overspends related to the costs of services for all areas of on-going long-term support and care, including Older People, People with Learning Disabilities, and Mental Health. There is also a significant overspend, caused by both staffing and operational pressures, in respect of short-term services, which support Hospital Discharge. These are funded from the Better Care Fund, and Hospital Discharge grant, but the costs exceed the funding available.
- 3.6 There are some mitigations within the overall Adults position arising from additional income arising from grants (£1.3m), including in-year allocations from the Market Sustainability & Improvement Fund, Urgent & Emergency Care Support Fund, Drug and Alcohol Treatment Grant, and Disabled Facilities Grant.
- 3.7 There are underspends in Children's services in Children Management, and School Effectiveness, as well as on the Dedicated Schools Grant (DSG). The underspends are in areas where vacancies have been held pending restructures, conversely the overspends are in areas where vacancies cannot be held open, and it has been necessary to employ interims. There is also an underspend on Home to School Transport with a reduction in the number of transport plans not considered statutory.
- 3.8 The Children's company (SCF) is now forecasting a balanced position following the approval of a virement to cover the increased cost of their business plan (£4.4m).
- 3.9 Within Place and Communities, there has been work on reducing costs as well as some one-off gains from income, for example releasing into the accounts accumulated parking income from car parks from previous years held in the general fund (£0.5m) and additional income in Environmental Services of £0.4m in the last period has helped reduce the previous overspend from £1.6m to £0.4m. The parking income is not part of the Surplus Parking Account which relates to on street parking. Other significant favourable variances include the fees for Leisure. The main pressure in this area arises from unachievable internal recharge income targets.
- 3.10 Within Housing, Planning & Property, most service areas are now forecasting to balance, having previously forecast overspends amounting to c £1m. These changes have been through a mixture of achieving extra income and vacancy management. There is also a one off gain from having over accrued for outstanding energy costs in 22/23.
- 3.11 However, the significant financial pressures in the Temporary Accommodation service have worsened, with a £4.7m overspend now forecast, up from £2.9m forecast in Quarter 1. Extensive work is ongoing in this area, both on challenging costs (primarily the high level of rents paid to landlords) and maximising income, as well as checking that claims from landlords are valid. A full report from the Director of Housing is expected to go to Cabinet in December on this.
- 3.12 The most significant element of the pressure in this area is due to the very high costs of placing homeless clients in B&Bs or hotels and private landlord properties. These costs are far higher than the rent recovered via Housing Benefit at local housing allowance (LHA) rates. A number of measures, covering the immediate

and short to medium term, are being identified and put in place to ensure placements are made to suitable but cheaper accommodation at rates at or below current LHA rates.

- 3.13 The most significant variance in Strategy and Improvement relates to the risk that the savings item in respect of support services will only be partly delivered in year. The main changes since the last report are a decision to extend the additional staff at the contact centre to the end of the financial year (£90k), and a revised estimate of the cost of refreshing laptops (£150k).
- 3.14 Within Finance the most significant pressure is from staff costs due to the number of interim staff across the Finance service. Recruitment for these posts is active, and in fact the two Director posts and service Strategic Finance Manager posts have now all been permanently recruited to. However, a large number of interims still remain, and the experience of Slough having complete turnover of Finance staff twice since the 114 was announced has led to a decision to ensure there are adequate transitional arrangements with handover in place. Options are being considered to reduce this forecast in year.
- 3.15 Corporate Budgets show an underspend of £5.4m on the Contingency budget. Some of the contingency budget does remain to be allocated, for example once the pay award is known, and the balance will offset overspends showing elsewhere.
- 3.16 The Capital Financing budget line comprises budgets for Interest charges on short and long term, market and PWLB loans, and interest earned on investments. The favourable variance of £5.3m is partly explained by a £2.0m underspend on the interest costs of Market Loans, due to having been paid down debts from the proceeds of asset sales. In addition, there is a favourable variance on interest receipts from loans to Council owned companies of £3.4m. Of this, £0.8m is on-going, and the balance is one-off being related to previous financial years.
- 3.17 A review of the application of capital receipts in previous years and asset sales in 2022/23 in particular in respect of whether assets are designated as HRA assets, financing debt or the or the revenue accounts. This led to a requirement to recalculate the Minimum Revenue Provision (MRP) budget which is now showing an overspend of £3.7m. This is an unfavourable movement of £5.0m since the last report when an underspend of £1.2m was reported (minor difference due to rounding).
- 3.18 The summary for savings is shown in the next table

The table shows that some savings have already been delivered, and there is confidence that a significant proportion will be delivered during the year. There are some risks of non-delivery with a small number of savings now considered:

- Within People (Adults) the £250k saving in respect of the Council wide exercise on integration is considered undeliverable within the financial year
- Within Place the full saving from charging for green waste is not considered achievable, with perhaps £275k unlikely to be delivered

- As previously reported, the vacancy factor in Finance and Commercial is considered undeliverable. With finance reliant on interims at present there is in fact an overspend against budget and this saving cannot be achieved this year.
- The largest saving variation is in Corporate Budgets covering Support Services Strategic Commissioning, and Fees and Charges. The savings were held against Contingency which also contained an allowance for non-delivery of savings of £3m. As non delivery of savings is better than allowed for in the budget this reflects a contribution to the Corporate Contingency underspend.

Table 2 – MTFs Savings Delivery

2023-24 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								
People (Adults)	5,688	2,324	1,409	1,772	250	250	5,754	66
People (Children)	805	480	115	0	0	105	700	-105
Slough Children First	0						0	0
Place & Community	3,700	3,305	325	200	275	0	3,830	130
Housing, Property & Planning	750	50	550	150	0	0	750	0
Strategy & Improvement	1,823	818	1,005	0	0	0	1,823	0
Finance & Commercial (\$151)	7,506	1,073	4,634	1,400	399	0	7,107	-399
	20,272	8,050	8,038	3,522	924	355	19,964	-308
Corporate Budgets								
Other Corporate Budgets	2,150	0	133	368	0	37	537	-1,613
Total Corporate Budgets	2,150	0	133	368	0	37	537	-1,613
Total	22,422	8,050	8,171	3,890	924	392	20,501	-1,921

4 HOUSING REVENUE ACCOUNT (HRA)

- 4.1 The HRA accounts for revenue expenditure and income relating to the Council's housing stock and is ringfenced from the General Fund. It must include all costs and income relating to the Council's housing landlord role (except in respect of households owed a homeless duty, and in respect of accommodation provided other than under Housing Act powers).
- 4.2 A prudent and pragmatic approach has been adopted to reflect the financial realities facing the Council, hence the HRA capital programme for the next five years has been reduced to £52.7m in comparison to £123.4m for the previous 5 year period.
- 4.3 The HRA is currently forecasting an in-year surplus of £1.6m, £0.8m in excess of the budget. The surplus will be transferred to HRA General reserve at the end of the financial year.

Table 3 – HRA Forecast

Description	Budget £'000	Forecast £'000	Variance £'000
Total HRA Expenditure	40,356	38,962	(1,394)
Total HRA Income	(41,155)	(40,597)	558
(Surplus)/Deficit for the year	(800)	(1,635)	(836)

4.4 Key areas of variance include –

- Repairs & Maintenance Services - net underspend of (£0.667m), arising from lower than expected costs for Asbestos Management, contractor costs at Hawker House and Void repairs. The underspend is partially offset by an overspend with Electrical Installations.
- Neighbourhood Services - Net overspend of £0.173m, arising from higher than expected Council Tax charges on void properties and staffing costs. The introduction of the new NEC Housing Management System continues to be challenging and have resulted in delays, albeit improving, to the void turn around processes. These will be fully offset by projected underspend elsewhere.
- Central Support Recharges - Underspend of (£1.483m), arising from partial release of over budget to offset pressures elsewhere. Work to re-align the Recharges budgets is in progress.
- Estate Services - Net overspend of £0.236m, arising from higher than expected expenditure for DSO grounds maintenance and building cleaning. These will be fully offset by projected overspend elsewhere.
- Other Services - Net overspend of £0.348m, arising from unbudgeted NEC project team costs, computer licences £and business rates. These will be fully offset by underspend elsewhere.
- Rents & Service Charges – Overall under-recovery of £0.557m arising from Service charges, Shops, and Garages due to income loss from voids and lower than expected Land rent. These losses will be fully offset by projected underspend elsewhere.

5 DEDICATED SCHOOLS GRANT (DSG)

5.1 Dedicated schools grant (DSG) is paid in support of local authority schools' and education providers and covers four distinct funding blocks:

1. Early Years Block (EYB) – Funding for pre-school aged children
2. Schools Block (SB) – Funding for mainstream schools
3. High Needs Block (HNB) - Funding children with Special Educational Needs and Disabilities

4. Central Schools Services Block (CSSB) – Funding services provided by the Local Authority to support schools and education providers.

5.2 The cumulative provisional DSG deficit at the end of 2022-23 was £14.7m. A surplus of £0.6m is currently forecast for 2023-24. When our second DSG Safety Valve payment is made this will give a forecast cumulative deficit of £10.9m by 31 March 2024.

Table 4 DSG

<i>All in £million</i>	Schools	High Needs	Early Years	Central Services	Total Deficit	Cumulative Deficit
2017-18					4.9	
2018-19	(0.1)	2.7	(0.5)	0.0	2.1	7.0
2019-20	(0.1)	5.9	0.4	0.0	6.2	13.2
2020-21	0.6	6.6	0.1	0.0	7.3	20.5
2021-22	(0.1)	4.8	0.3	0.0	5.0	25.5
DSG Management Plan Deficit					(10.8)	14.7
Write-off 2022-23						
2022-23	0.0	0.4	(0.7)	0.4	0.1	14.8
P6 2023-24 F/C	(0.3)	(0.2)	(0.1)	0.0	(0.6)	14.2
DSG Management Plan Deficit					(3.2)	11.0
Write-off 2023-24						

6 ASSET SALES

6.1 The Council's financial recovery plan is heavily dependent on the delivery of the asset disposal strategy. The Asset Disposal programme yielded capital receipts of £195m in 2022/23 and is forecast currently to yield a further £54.8m in 23/24 (gross; the net figure is £53.4m). Of the £54.8m £5.9m is forecast as attributable to the HRA (£5.7m net). At the time of the Quarter 1 Budget Management report the projection was £116m of asset sales this year. The reasons for the change are outlined below.

6.2 A complication has been identified in relation to the disposals and pipeline of disposables in that some of them are designated as belonging to the HRA. Further work has been undertaken to determine the impact of this situation in respect of both past and future disposals, and HRA disposals have been removed from the forecast until further clarity has been made on appropriation. This has impacted on the calculation of the MRP (para 3.17 above)

6.3 A number of bids have been received for individual assets that are either below financial breakeven given the income those assets earn, or are below what is deemed an acceptable price. The fixed asset register is now being revalued, with priority given to assets due for disposal, as there is a concern that some of the current valuations on the balance sheet may not be correct.

6.3 A total of 16 asset sales have completed to the end of September, equating to £22.2m in capital receipts to date, offset by £0.6m costs relating to the sales. The

auction in September performed well with all lots exceeding the guide prices; the income from these will be fully reflected over the next couple of months following completion.

- 6.4 Work is ongoing to update the Estate Strategy to identify further disposal opportunities and to help clarify the size of the retained portfolio, moving forward. The initial Stakeholder Engagement exercise is complete, and an emerging conceptual hypothesis is being tested.

7 CAPITAL PROGRAMME

- 7.1 The General Fund capital budget in 2023/24 is £40.27m following approval of slippage requests of £3.95m at September Cabinet.
- 7.2 The budget is forecasting an underspend of £25.5m for 2023/24. This compares to £17.23m in period 3. The main change is due to delays in projects that will require funding to be slipped to 24/25.
- 7.3 Of the £25.50m, £22.5m is due to delayed starts on various projects and the budget will need to be slipped to future years, £1.13m is savings, £0.2m is unspent grant returnable to the funder and £1.67m is reclassified revenue expenditure.
- 7.4 For slippage the main items are £9.67m for the A4 Cycle Lane project, with preliminary designs only submitted to Cabinet in July; this project will continue into 2024/25, £2.67m within Childrens Services which will be used in 2024/25 on SEN projects in various schools that are unable to be completed this year due to capacity, and £2.47m related to Destination Farnham Road due to delayed start of the project.
- 7.5 Previously identified savings related to Nova House (£4.6m) may be needed in 24/25 so has also been added to the slippage. GRE5 are currently applying for funding from Homes England, with a decision expected in February 2024. If grant funding is awarded then GRE5 will not need to draw on their loan agreement with the Council, which would then be a saving to the Council. At this stage it is considered prudent to slip the budget rather than offer up as a saving, until the funding decision is made.
- 7.6 There have been savings identified of £1.13m mainly from the Hub Development (£1.0m) which was duplicated in the budget.
- 7.7 The Capital HRA budget in 2023/24 is £11.36m following approval of slippage requests of £1.267m.
- 7.8 The budget is forecasting an overspend of £0.147m which will be funded from capital receipt of the sale of Tower and Ashbourne.
- 7.9 Table 5 summarises the financial position for capital expenditure

Table 5: Capital Programme

CAPITAL	Current Budget	Approved Slippage	Revised Budget	Actuals to date	Projected Outturn	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
General Fund:						0
Adults	1,169	476	1,645	324	1,413	(232)
Children Services	4,323	100	4,423	205	1,756	(2,667)
Housing, Property & Planning	8,479	520	8,999	374	2,198	(6,801)
Place & Communities	22,346	2,859	25,205	1,586	9,252	(15,953)
GF Total	36,317	3,955	40,272	2,489	14,619	(25,653)
Housing Revenue Account:						
RMI Capital Programme	6,154	1,022	7,176	1,844	7,277	101
Planned Maintenance Capital	3,139	245	3,384	560	3,222	(162)
Affordable Homes	800	0	800	188	1,008	208
HRA total	10,093	1,267	11,360	2,592	11,507	147
CAPITAL Total	46,410	5,222	51,632	5,081	26,126	(25,506)

8 FUNDING

- 8.1 The table below shows the Financing side of the budget; the bottom line shows the Capitalisation Direction, which shows an original budget of £31.6m for the year. The forecast overspend is financed from an increase in the Capitalisation Direction, and it therefore shows a forecast £39.8m

Service Budgets	2022-23	2023-24			Previous Variance Adjusted £'000
	Draft Outturn £'000	Current Budget £'000	Projected Outturn £'000	Variance £'000	
Financing					
Council Tax	(69,179)	(72,995)	(72,995)	0	0
Business Rates	(40,168)	(30,591)	(30,591)	0	0
Collection Fund Deficit	10,611	0	0	0	0
Revenue Support Grant	(6,451)	(7,302)	(7,302)	0	0
Other Government Grant	(4,291)	(8,674)	(8,674)	0	0
Total Financing	(109,478)	(119,562)	(119,562)	0	0
Capitalisation Direction	(59,202)	(31,575)	(39,813)	(8,238)	(5,294)

- 8.2 The Capitalisation Direction model has been updated in the light of the projected overspend. The model shows what the implications are if the overspend is both permanent and not managed down. Mitigating actions are necessary to bring the overspend down, and the Capitalisation Direction and these actions must be on a sustainable basis.
- 8.3 It is not within the Council's discretion to increase the Capitalisation Direction and finding mitigations is therefore essential.

9 IMPLICATIONS OF THE REPORT

9.1 Financial Implications

9.1.1 These are fully set out within the report.

9.2 Legal Implications

- 9.2.1 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.
- 9.2.2 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 achieve financial sustainability and to close the long-term budget gap, although 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.
- 9.2.3 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.

9.3 Risk Management Implications

9.3.1 *There is clearly a risk that the revenue savings for 2023/24 will prove difficult to deliver. Realising the forecast outturn depends on:*

- *achieving the predicted level of savings shown in Table 2*
- *absorbing within existing expenditure any emerging cost pressures*
- *Achieving the planned level of asset sales*
- *the Capitalisation Direction being sufficient to cover on a permanent basis any deficits, shortfalls in savings delivery, new pressures, cost of living and economic impacts that may arise*

9.3.2 *To mitigate these risks the Council is*

- *Progressing with the preparation and audit of prior year accounts in order to establish with certainty the historic financial position*
- *Moving forward with the Finance Improvement Plan*
- *Undertaking Deep Dive Reviews of directorate budgets, led by the Executive Director of Finance and the relevant service Executive Director to seek opportunities for both immediate and longer-term savings*

9.4 Environmental implications

9.4.1 There are no specific environmental implications arising from this report.

9.5 Equality implications

9.5.1 There are no specific identified equality implications from this report. Equality impact assessments are undertaken for any savings proposals, or, where relevant, any corrective actions to reduce the overspend.

9.6 Procurement implications

9.6.1 There are no specific procurement implications arising from this report.

9.7 Workforce implications

9.7.1 There are no specific workforce implications arising from this report.

9.8 Property implications

9.8.1 These are set out within the report.

Appendix 1 Adult Social Care

Table 1 – Monitoring Forecast

PEOPLE (Adults)	Current Budget £'000	Actuals to date £'000	Projected Outturn £'000	Variance £'000	Prv Var Adjusted £'000	Previous Variance £'000	Risks £'000	Opps £'000	Notes
Commissioning	(843)	455	(2,316)	(1,474)	(406)	(406)	0	0	1
Community Team for People with Learning Disabilities	12,586	5,825	13,329	743	1,254	1,254	940	0	2
Localities Social Work	15,380	11,637	21,167	5,787	6,048	6,048	200	0	3
Mental Health	4,710	2,459	6,460	1,750	2,063	2,063	50	0	4
People Adults Management	(4,464)	84	(3,581)	883	(3,429)	(4)	0	0	5
Public Health	0	(1,408)	0	(0)	0	0	0	(200)	6
Rehabilitation, Recovery and Reablement & Long Term Occupational Therapy	(52)	405	1,430	1,482	2,378	2,378	0	(200)	7
Safeguarding Partnership Team	505	252	377	(128)	(86)	(86)	0	0	8
Grand Total	27,822	19,709	36,866	9,044	7,820	11,245	1,190	(400)	

Notes

- 1 The projected outturn reflects additional receipts including the Rough Sleeping Drug and Alcohol Treatment grant (£0.475m); Supplementary Misuse Treatment and Recovery grant (£0.296m); Public Health Housing related programme funding (£0.375m) and the Drug Alcohol Action Team grant (£0.122m).
- 2 The projected outturn reflects an overspend relating to services to clients of £0.947m (7%) including Direct Payments which demonstrates the drive to increase independence and choice by giving individuals the control to purchase and manage their own support to meet their needs; the overall projected expenditure is significantly lower than 2022/23 reflecting the planned delivery of the Transformation Savings plans relating to reduced reliance upon Nursing and Residential care.
- 3 The projected outturn reflects an overspend relating to employees costs due to reliance on interims £0.663m (22%); payments to third party organisations who provide accommodation and support of £3.215m (20%) against budget including £0.408m of expenditure relating to 2022/23; underachievement of income of £1.813m (30%) including client contributions of £1.678m; the overall projected expenditure is in line with 2022/23 reflecting increased service cost pressures which offset against the Transformation Savings plans which include increased Health contributions and reduced reliance on Nursing & Residential care
- 4 The projected outturn reflects an overspend relating to payments to third party organisations who provide accommodation and support of £2.034m (64%) against budget; the overall projected expenditure is significantly lower than 2022/23 reflecting the planned delivery of the Transformation Savings plans relating to increased scrutiny and review of care packages.
- 5 The projection reflects release of Integrated Care Board (ICB) Discharge Grant (£0.508m) and Urgent & Emergency Care Support Fund Grant (£0.241m); budgeted transformation savings reported in individual service areas across the Directorate £1.810m.
- 6 Public Health projected outturn should match the budget of £8.092m, however, there may be opportunity to invest some of the Public Health grant in prevention programmes within Adults on a replacement funding basis (£0.200m). This strategy is reflected as an opportunity rather than included within the projected outturn whilst discussions are ongoing.
- 7 The projected outturn reflects an overspend relating to increased employee costs of £1.552m (65%) within the Rehabilitation, Recovery and Reablement & Long Term Occupational Therapy Service.
- 8 No material variances to report.

Table 2 – ASC Saving RAG Rating.

Savings Description	Total £000's	Already Delivered	On Track to be delivered	Some risk to delivery	Major Risk of Delivery	Mitigating Savings	Savings Forecast	Over / (Under) delivery	Notes
People (Adults)									
Reablement Efficiencies	650	760	25	25	0	0	810	160	7
Accommodation with Support	652	69	40	144	0	0	252	-400	5
Joint Funding	330	199	70	61	0	0	330	0	1
Practice and Process Development including reviews	810	394	210	206	0	0	810	0	1
Better use of Disabled Facilities Grant and equipment	100	44	30	26	0	0	100	0	1
Align and integrate the range of ASC and PH services with the NHS and/or across East Berks Councils/better use of PH Grant	250	0	0	0	250	0	0	-250	2
Mental Health	500	242	130	128	0	0	500	0	3
Transitions	400	0	130	270	0	0	400	0	4
Diverting demand	270	0	90	180	0	0	270	0	5
Focused & Locality Reviews	0	247	50	50	0	0	347	347	6
Review of hospital discharge/6-week review	350	0	120	230	0	0	350	0	5
Financial Assessments	150	100	25	25	0	50	200	50	7
Direct Payment recoupment	200	137	55	33	0	200	425	225	7
Levying the OPG determined charge rate	100	0	30	70	0	0	100	0	8
Further cost reductions, efficiencies and vacancy factor including alternative use of Adult Social Care grant	300	72	114	14	0	0	200	-100	9
Assistive Technology	420	0	140	280	0	0	420	0	5
Reduce Block Beds	206	60	150	30	0	0	240	34	10
People (Adults) Total	5,688	2,324	1,409	1,772	250	250	5,754	66	

Notes

1. Building on from the impact of 2022/23 further encouraging progress has been made and demonstrated in delivering the Transformation/ Savings reflected in the more favourable profiling of the savings being delivered.
2. This Transformation/ saving is part of the wider Corporate exercise on integration and is currently reflected as not being delivered in 2023/24.
3. The Mental Health Service undertook a detailed review of forecast commitments which identified a reduction of c£350k in the forecast expenditure. However, this reduction has been classified as business as usual rather than Transformation/ Savings. Transformation/ Savings are currently profiled to be delivered.
4. Linked with Accommodation with Support/Shared lives, potential for this workstream to be at risk due to procuring additional provision.
5. Delays in progressing the workstream will likely impact delivery.
6. Mitigating savings linked to the undertaking of focused and locality reviews.
7. Validation methodology being agreed to measure financial impact, however, initial analysis demonstrates savings on track to be delivered, likely to overachieve.
8. Savings will be delivered through the Appointee Team, to be transferred to the Finance & Commercial Directorate.
9. Transformation/ Saving will be closely monitored as many opportunities are being captured through other Transformation/ Savings plans and is currently reflected as not being fully delivered in 2023/24.
10. Validation methodology agreed; initial analysis demonstrates savings on track to be delivered, likely to overachieve.

Appendix 2 Children

Table 1 – Budget Monitoring Position

PEOPLE (Childrens)	Current Budget	Actuals to date	Projected Outturn	Variance	Prv Var Adjusted	Previous Variance	Risks	Opps	Notes
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Children's Centres / Family Hubs	524	276	524	0	0	0	0	0	
Early Help Hub	156	(426)	167	11	11	11	0	0	
Inclusion	1,199	872	1,470	271	35	35	0	0	1
People Children Management	2,626	2,042	2,440	(186)	(229)	(124)	0	0	2
Music Service (Traded)	0	122	0	0	0	0	0	0	
School Effectiveness	279	173	423	144	(180)	(180)	0	0	3
School Services	3,730	1,156	3,443	(287)	(250)	3	0	0	4
General Fund Total	8,513	4,215	8,467	(46)	(612)	(255)	0	0	
Central Schools Services DSG	0	127	0	0	0	0	0	0	
Early Years DSG	0	4,673	(100)	(100)	(100)	(100)	0	0	
Schools DSG	(336)	(25,863)	(660)	(324)	(324)	(324)	0	0	5
High Needs DSG	0	10,503	(225)	(225)	(49)	(49)	0	0	
DSG	(336)	(10,560)	(985)	(649)	(473)	(473)	0	0	
General Fund & DSG Total	8,177	(6,345)	7,482	(695)	(1,085)	(728)	0	0	

Notes

- 1 Expecting Inclusion services to overspend in Special Educational Needs and Disabilities due to high staff turnover and additional cost of recruiting interims.
- 2 The £186k underspend in the Children's Management area is due to holding vacancies against a savings relating to the restructure of the Education and Inclusion Directorate which has been delayed.
- 3 Some senior manager posts are currently being filled by interims during the restructure of the Council's Leadership Teams. This has now been concluded and the process to recruit permanent staff to these posts will take place shortly.
- 4 During the summer 2023 a review has been undertaken on all children's transport plans. This has led to a reduction in the number of travel plans which were not considered to be statutory. This has led to one-off savings in 2023-24 which will contribute to the £205k of on-going savings required in 2024-25.
- 5 The underspend on the DSG is due to a savings on the schools growth fund which is used to fund bulge classes. This funding is unlikely to be need in the current academic year. The DSG is ring-fenced so has to remain within the overall DSG reserves.

Table 2 – Savings Position

Savings Description	Total £000's	Already Delivered	On Track to be delivered	Some risk to delivery	Major Risk of Delivery	Mitigating Savings	Savings Forecast	Over / (Under) delivery	Notes
People (Children)									
Home to School Transport - various initiatives to reduce spend	595	480	115	-	-	-	595	-	1
Education & Inclusion Staff Restructure	210	-	-	-	-	105	105	(105)	2
People (Children) Total	805	480	115	-	-	105	700	(105)	

Notes

1. On track - £480k already delivered is the 2022-23 outturn underpend.
2. Staff restructure is delayed. £105k expected to be saved from one-off staff savings in 2023-24. Full on-going savings to be achieved in 2024-25.

Appendix 3 – Place & Community

Table 1 – Budget Monitoring Position

PLACE & COMMUNITIES	Current Budget £'000	Actuals to date £'000	Projected Outturn £'000	Variance £'000	Prv Var Adjusted £'000	Previous Variance £'000	Risks £'000	Opps £'000	Notes
Carbon & sustainability	184	83	199	15	44	44			
Community Safety, Housing Regulation & Enforcement	1,898	(211)	1,928	30	212	212			1
Economic Development	47	32	95	48	(3)	0			
Environmental Services	11,755	4,700	11,204	(552)	250	1,091			2
Learning, Skills & Employment	160	(419)	118	(42)	(12)	(12)			
Localities, Libraries & Leisure	335	(69)	(866)	(1,201)	(939)	(939)			3
Place Management	(1,782)	378	798	2,581	1,770	1,770			4
Public Protection	547	202	509	(38)	(72)	(72)			
Transport & Highways Operations	1,796	(450)	1,346	(450)	327	637			5
Grand Total	14,940	4,246	15,331	390	1,576	2,731	0	0	6&7

Notes

- 1 There are some additional costs from regulatory work including GDPR c. £80k that is causing a pressure, however overall the forecast from Q1 has moderated due to various management actions and additional income expected resulting in a net favourable movement of £162k in the forecast from Q1.
- 2 In summary, in this significant area of service, additional income of some £400k (including one offs of £200) has further helped the position. Additionally the fortnightly delivery has achieved savings in advance of the current savings plan and is mitigating the Green waste saving issue of £275k. Ongoing management actions are also helping to ensure efficiency and cost avoidance e.g. using staff dynamically across street and depot etc.
- 3 Fees for Leisure that Slough charges the provider are £0.786m higher than budgeted, due to a reversion back to original terms & conditions post covid. There is an additional £0.115m grant for Street Games and reduced costs of £0.066m for Library services due to staff vacancies. Also here, is a saving of £0.186k on Community Development as expenditure is less than budget. The rest of the underspend is made of various smaller net favourable movements across many lines.
- 4 This is the main pressure in Place and being mitigated extensively on the other lines. This is due to unachievable budgets for recharges of £2.1m reported previously and an the additional movement from Q1 in the variance is due to a budget realignment from historic issues. The service is working hard to ensure both these issues are resolved this year and permanently. The level of progress can be seen given the overall directorate position is well below the pressure on this line and work continues.
- 5 Car parking receipts have been reviewed in detail and identified some non-recurring income not previously counted in the forecast of £535k including some prior year receipts. A further review of forecasts and allocation of this income is ongoing and results will be selected in the next quarter.

Table 2 – Savings Position

Savings Description	Total £000's	Already Delivered	On Track to be delivered	Some risk to delivery	Major Risk of Delivery	Mitigating Savings	Savings Forecast	Over / (Under) delivery	Notes
Place & Community									
Reduce staff costs in Planning Development	100	100					100	-	1
Adopt fortnightly waste collections	424	794					794	(370)	2
Chalvey HWRC Management Fee	40		40				40	-	3
Borough Wide Controlled Parking Zones	200			200			200	-	4
Dimming of streetlighting and park lighting after midnight	25	25					25	-	5
Stop Bus Subsidy - Service 4, 5 and 6	160	160					160	-	6
Government tapering of concessionary fares	300	300					300	-	7
Library Service model	276	138	138				276	-	
Improve Trade Waste Business	10		10				10	-	8
Increase charges for Parking permits	48	24	24				48	-	9
Streetworks Section 50 licences	35	35	35				70	(35)	10
Streetworks Road Closure fees	65	33	32				65	-	11
Transport and Highways grant swap	1,071	1,071					1,071	-	12
Green waste collection charges	700	425			275		425	275	13
Reduce Highways maintenance works	100	100					100	-	14
All leisure services to be externally funded	20		20				20	-	
Stop SBC funded CCTV Monitoring of public spaces	26		26				26	-	
Delete vacant AD post	100	100					100	-	15
Place & Community Total	3,700	3,305	325	200	275	-	3,830	(130)	

NOTES

- Confirmation required on whether there is a reduction in spend. Saving needs moving to Housing, Property & Planning
- Went live 26th June -The service is already aciving next years saving on this however this is assisting other pressures in the monitoring or alternatively
- Household waste management centre- new charge introduced for tipping waste. 28% of waste RBWM. Management fee charge- possibly higher.
- Consultation starting - implement 6 zones by July / August, further 4 next year. Resident permits to be issued. Enforcement and permit fee income. Based on lowest uptake level. This is fully year effect. Pending update from service it may be that some of this risk is mitigated
- May be challenged by members; a further £100k is planned in 24/25 Pending update from service. This 24/25 saving is not in b/fwd savings in current MT
- Bus operators now receive subsidy from Heathrow - external funding received
- Paying on tapering basis DfE changed rules
- Businesses contribute to trade waste- under consideration for scrapping the scheme
- Existing residence permits - fee increase 300-400%
- Generated by applications - S50 - road closures/licence to do work - Council fee charged- charge doubled in the last year
- Generated by applications - S50 - road closures/licence to do work - Council fee charged
- Highway maintenance block - Grant utilised to resurface the roads- - Eligible Transport highway expenditure chargeable to grant
- Based on 50% of households (14,000 of 28,000) taking up the subscription service. Currently at c 9500
- Residual saving is linked to grant swap (12 above)
- Post has been deleted

Appendix 4 - Housing, Planning and Property

Table 1 Budget Monitoring Position

HOUSING PLANNING & PROPERTY	Current Budget £'000	Actuals to date £'000	Projected Outturn £'000	Variance £'000	Prv Var Adjusted £'000	Previous Variance £'000	Risks £'000	Opps £'000	Notes
Housing (excluding HRA)	882	3,543	5,618	4,736	2,941	2,941			1
Planning	534	5	534	(0)	226	237			2
HP&P Management	706	283	706	(0)	10	10			3
Property	(4,146)	(1,216)	(4,146)	0	531	531			4
Building Management	5,571	852	5,571	(0)	278	278			5
Grand Total	3,547	3,467	8,283	4,736	3,986	3,997	0	0	
Housing Revenue Accounts (HRA)	0	(13,012)	(1,635)	(1,635)	(118)	(118)			

Notes

- The increased variance is driven by ongoing pressures on the Temporary Accommodation service. The operation of this service is currently being actively reviewed by senior management to identify and address the improvement of internal processes including more active challenge on the costs of the service (primarily rents paid to landlords) and maximising relevant benefit claim income. More rigorous checking and validating information on invoices has resulted in a number of inaccuracies being found and challenged. There is up to a 40% differential between the rates landlords are currently charging SBC for accommodation and the Local Housing Allowance. Visiting properties to ascertain eligible occupancy is continuing albeit at a slower pace due to staff resource issues which have now been dealt with; there will be a renewed focus on visiting activity over the next two weeks. A full report from the Director of Housing is expected to go to Cabinet outlining the issues and progress/recommendations made to address them. In the meantime, there is an action plan in place to address controllable issues.
- The latest review of this area has now indicated that the service can be contained within budget, mainly due to additional PPA income (£125k) and staff vacancies.
- The latest review of this area has now indicated that the service can be contained within budget.
- The latest review of this area has now indicated that the service can be contained within budget mainly due to additional income being recognised (£500k).
- The latest review of this area has now indicated that the service can be contained within budget, mainly due to an over accrual for energy from the last financial year (£154k).

Table 2 – Savings Position

Savings Description	Total £000's	Already Delivered	On Track to be delivered	Some risk to delivery	Major Risk of Delivery	Mitigating Savings	Savings Forecast	Over / (Under) delivery	Notes
Housing, Property & Planning									
Reduce spend on repairs and maintenance at Corporate Buildings	300		200	100			300	-	1
Reduce spend on cleaning at Corporate Buildings	200		150	50			200	-	1&2
Corporate Contract efficiencies	50	50					50	-	
Savings from reduction in building management costs	100		100				100	-	2
Savings from additional efficiencies in facilities management	100		100				100	-	3
Reduce spend on repairs and maintenance at Corporate Buildings	-						0	-	1
Housing, Property & Planning Total	750	50	550	150	-	-	750	-	

NOTES

- This is dependent upon the timing of the sale of Corporate Buildings, with prospects are that this will be slower than envisaged
 - Dependent upon a restructure and review of TUPE'd Ts and Cs, delayed until probably to year end, and therefore the full year effect would not come in until 2024/25
 - Efficiencies identified through upskilling of in-house technical team and reduction in third party spend.
- £137K savings was delivered by Building Management through previous directorate Strategy & Improvement under Reference RES-2324-18A & RES-2324-53

Appendix 5 – Strategy & Improvement

Table 1 Budget Monitoring Position

STRATEGY & IMPROVEMENT & MONITORING OFFICER	Current Budget £'000	Actuals to date £'000	Projected Outturn £'000	Variance £'000	Prv Var Adjusted £'000	Previous Variance £'000	Risks £'000	Opps £'000	Notes
Chief Executive	352	108	352	0	0	0			
Communications	235	189	235	1	1	1			
Customer Services	1,964	959	2,184	220	123	123			1
HR Core	2,369	1,108	2,271	(98)	(98)	(98)			2
IT	6,600	4,861	6,680	80	(98)	48	801		3
Strategy	(397)	87	(265)	132	133	133			4
Strategy & Innovation	725	354	846	121	44	44			5
Transformation	(103)	51	(103)	0	0	0			
Grand Total	11,745	7,717	12,200	455	104	249	801	0	
ED Monitoring Officer									
Democratic Services	1,839	1,609	1,764	(75)	(186)	(186)			6
Grand Total MO	1,839	1,609	1,764	(75)	(186)	(186)	0	0	
Grand Total	13,583	9,326	13,964	381	(82)	64	801	0	

Notes

- The overspend is due to approval for 18 additional interim staff to support the contact centre from April to June, cost £0.158m. A further extension was granted for 12 of these staff from July to October at a cost of £0.089m. Approval is now sought to retain the 12 FTE from November through to March 2024 on a phased reduction down to 6 FTE. The costs of this are factored into the forecast at an estimated £0.099m. In addition to the above, there is a shortfall on Registrar Services income target of £0.035m. However, underspends within the overall service from vacancies held has helped to offset the overspend by a total of £0.166m.
- The forecast underspend of £0.098m arises from the reduced spend on the training programme £0.067m which is directly attributable to posts filled by interim staff when recruitment of permanent staff was unsuccessful and £0.031m from part year vacancies across the service.
- The service is projecting to overspend by £0.08m. The forecast includes the business requirement to commit £0.15m additional spend on IT hardware equipment refresh for staff for ageing equipment without a budget. The initial outlay for laptops was capitalised, and they should be refreshed on a 4-year cycle (300 pa) which equates to c£0.25m pa. There are underspends of £0.070m due to the challenges arising from attracting and recruiting the right calibre of IT staff. There are several risks that will need to be addressed –
 - The replacement of the back-office servers and networking infrastructure is estimated to cost c£500k. This has not been factored into the forecast but is highlighted for the present time as the service progresses on further work to produce a timeframe and precise estimates as more information comes to light.
- The Service estimates that there are risks in the delivery of the full £0.265m Support Services saving thus it projects a 50% achievement of the saving consequently creating a pressure of £0.132m
- The service has taken on 2 interims for 6 months to meet the capacity required to establish and implement improvements within the council and Slough Children First at a cost of £0.090m. There is also a budget pressure of £0.036m due to the post that transferred from the Children's directorate without a corresponding budget to fund the costs.
- The £0.075m underspend is mainly due to posts unfilled for part of the year due to challenges in recruiting the right calibre of staff. There is also an additional contribution of grant £0.080m received from the government and the parishes to cover part of costs of the elections in May. The forecast assumes that all vacant posts (4fte) will be filled within the year.

Table 2 Savings

Savings Description	Total £000's	Already Delivered	On Track to be delivered	Some risk to delivery	Major Risk of Delivery	Mitigating Savings	Savings Forecast	Over / (Under) delivery	Notes
Strategy & Improvement									
Events and Slough Citizen	150	150					150	-	1
IT contract savings	505		505				505	-	2
Vacancy factor	500		500				500	-	3
Reduction in services and efficiencies	668	668					668	-	4
Strategy & Improvement Total	1,823	818	1,005	-	-	-	1,823	-	

Notes
<ol style="list-style-type: none"> 1. Budget has been removed, and activities have ceased 2. Some savings have been delivered, other elements are on track, but at this stage not yet delivered. Should be able to split of this for p4 3. Vacancy factor is mostly on track; some of this saving is wrt the removal of AD posts which is now subject to a separate Corporate exercise; this will constrain the possible savings for that Corporate exercise, need to avoid double counting 4. Budget removed, posts deleted and therefore delivered

Appendix 6 – Finance

Table 1 Budget Monitoring Position

FINANCE OUTTURN 2023-24	Current Budget £'000	Actuals to date £'000	Projected Outturn £'000	Variance £'000	Prv Var Adjusted £'000	Previous Variance £'000	Risks £'000	Opps £'000	Notes
Commercial	751	405	717	(34)	57	57			1
Finance	504	5,016	1,867	1,363	751	774			2
Financial Governance	1,547	2,232	1,613	66	25	875			3
Revenues, Benefits & Charges	1,794	24,034	2,083	289	622	753			4
Strategic Finance	46	1,620	217	171	169	174			5
Transactional Services	665	233	604	(61)	42	42			6
Grand Total	5,308	33,540	7,101	1,793	1,665	2,674	0	0	

Notes

- The service is expecting to underspend due to a vacant post held. However, pressures remain from the staff TUPE from the outsourced RSM procurement now transferred inhouse. The two staff are paid on a day rate basis. Efforts to recruit permanently has failed on two rounds of recruitment and the service is now progressing on a third recruitment campaign. The forecast assumes that one of the TUPE staff will be in post till year end.
- The projected overspend is comprised of staff costs for finance (£4.9m) being a total of £1.022m above budget. The adverse variance is driven by the large number of interims retained to provide the resilience and continuity to the finance function during a challenging period for the council. The forecast assumes that the permanent staff recruitment will not be completed before the end of the financial year for below the SFM and FM levels. Therefore, it is envisaged that some interim staff will be retained across the financial year. The total includes an additional 2 fte posts over establishment working on the asset disposal and the costs of a finance recruitment specialist.
The total is further impacted by £0.235m which relates to the finance share of the Support Services saving currently showed as unachievable along with £0.115m shortfall from DFE grant on overheads costs for Slough Children First Company.
The remaining balance relates to the costs for £0.128m to bridge the DFE grant gap in relation to additional overhead costs for running SCF, £0.050m for finance recruitment support and £0.030m for CIPFA training. A contribution is expected to be made from corporate budgets of £0.231m to cover these costs.
- The service is projecting a budget pressure of £0.050m arises from legacy pre covid income budget issues from court proceeds in the Investigations that is not achievable. There is an underspend on a vacant post in the Risk and Insurance team that is netted off against minor variances that total £0.016m.
- The forecast projection for Housing Benefit have been updated to include the subsidy expected to be recovered from the DWP. The subsidy recovered remains less than that which is actually paid to residents leaving a budget pressure of £0.204m. This is due to a combination of local authority error payments and claimant overpayments being made. Claimant overpayments can be recovered from them, and this is actively progressed. Any payments recovered go to offset the loss in subsidy from the DWP. The budget assumes we recover a total of £0.410m more than actually paid. Currently the council is only collecting 71.5% of debt invoiced in-year which is well below other councils. A project will commence soon that once complete will increase this to 96.5% initially, and then eventually to over 100%, which the budget assumes. The remaining budget pressure of £0.085m is on staffing, where agency and overtime are being used to manage the service needs.
- The main variations remain at £0.028m surplus variance that stems from a one-off credit arising from closure of unused SBC bank accounts. There is also a £0.200m overspend forecast due to needing to bridge the savings gap against the External audit fees budget for 23/24.
- There is an anticipated underspend on staff costs over budget, the expectation is that this will be used to cover the 2 interim staff in the team of 15fte.

Table 2 Savings

Savings Description	Total £000's	Already Delivered	On Track to be delivered	Some risk to delivery	Major Risk of Delivery	Mitigating Savings	Savings Forecast	Over / (Under) delivery	Notes
Finance & Commercial									
Staffing reduction - Fraud dept	12	12					12	-	1
Vacancy factor	399					399	-	(399)	2
Increased taxbase and collection rate	917		917				917	-	3
Reduced audit fee, reduced duplicate payments and income	400			400			400	-	4
Single Person Discount monitoring and other initiatives	600	600					600	-	5
Budgeted overheads cleanse	788		788				788	-	
Efficient working practices in Revenues and Benefits	440	300	140				440	-	6
Revenues and Benefits agency savings	450	161	289				450	-	
MRP reduction as a consequence of asset disposal decisions	3,500		2,500	1,000			3,500	-	7
Finance & Commercial Total	7,506	1,073	4,634	1,400	399	-	7,107	(399)	
Other Corporate Budgets									
Fees & Charges increases	900					37	37	(863)	8
Review of Strategic Commissioning	750						-	(750)	
Support Services	500		133	368			500	-	9
Other Corporate Budgets Total	2,150	-	133	368	-	37	537	(1,613)	
Finance & Commercial & Other Corporate Budgets Total	9,656	1,073	4,767	1,768	399	37	7,644	(2,012)	

Notes

1. Relevant post holder has started working 4 days a week in January 23
2. Given recruitment problems in finance, and the use of interims, it is unlikely this can be met this year
3. Assumes increase in no of properties + Collection rate. Confident will be delivered but need to check assumptions and monitor
4. Savings taken out of Audit budget. There is accrued provision of £1.7m to cover prior years. £100k overpayment is one off.
5. Confident will be delivered but need to check assumptions and monitor
6. If delivery is delayed then the balance will be delivered in 24/25. Service is projecting a pressure of £289k in P6 budget monitoring
7. Dependent on Asset sales
8. £0.037m of this saving relates to the Registrars in S&I which is currently flagged as unachievable however some posts are being held unfilled for part of the year to cover this
9. Savings split £0.265m to S&I of which 50% is currently tagged as unachievable and £0.235m to Finance, currently flagged as unachievable

Appendix 7 – Capital Monitoring

Table 1 – General Fund

CAPITAL PROJECTS	Current Budget	Slippage - approved	Movement of budget between projects	Revised Budget	Actuals to date	Projected Outturn	Variance	Previous Variance	Notes
	£'000	£'000		£'000	£'000	£'000	£'000	£'000	
GENERAL FUND									
Learning Disability Change Programme	29	0		29	1	1	(28)	(29)	
HOLD (Hold Ownership for people with Long-term Disabilities)		204		204	0	0	(204)	0	1
Disabled Facilities Grant	1,140	272		1,412	323	1,412	0	0	
Adults TOTAL	1,169	476		1,645	324	1,413	(232)	(29)	
Primary Expansions	167	0		167	0	80	(87)	(87)	
Schools Modernisation Programme	810	90		900	18	950	50	(128)	2
SEN Resources Expansion	1,250	0		1,250	27	470	(780)	(784)	
Special School Expansion-Primary,Secondary & Post 16	1,675	10		1,685	17	136	(1,549)	(1,154)	
Secondary Expansion Programme	315	0		315	0	40	(275)	(315)	
Schools Devolved Capital	80	0		80	143	80	0	0	
323 High St/Haybrook	26	0		26	0	0	(26)	(26)	
Children's Services TOTAL	4,323	100		4,423	205	1,756	(2,667)	(2,494)	3
Loan to GRES-for Nova House remedial work	5,000	0		5,000	400	400	(4,600)	(4,600)	4
Capital Works following Stock Condition Survey	400	247		647	18	300	(347)	0	
Hub Development	1,047	273		1,320	0	0	(1,320)	(1,047)	5
B4899 Localities Strategy North (Britwell)					46	325	325	0	
B4902 Localities Strategy Central (SMP)					(670)	0	0	0	
Thames Valley University Site	0			0	0	0	0	100	
Leisure Centre Farnham Road	100			100	22	22	(78)	(100)	
Asset Disposal				0	550	0	0	0	6
Urban Tree Challenge Fund	82			82	0	0	(82)	(82)	
Compulsory Purchase Order Reserve	0			0	1	1	1	0	
Cornwall House-Fire Strategy	950			950	0	250	(700)	0	
Office Accommodation Strategy	900			900	0	900	0	0	
Housing, Property & Planning TOTAL	8,479	520		8,999	374	2,198	(6,801)	(5,729)	
Refuse fleet & Grounds Plant equipment		114		114	85	114	0	0	
Local Sustainable Transport Fund	222	0		222	0	0	(222)	0	
Flood Defence (Sponge City)	1,482	766		2,248	194	1,000	(1,248)	(1,027)	
Zone 1 - Sutton Lane Gyrotory (MRT)		868		868	266	868	0	0	
Zone 4 - Stoke Road (Stoke Rd TVU junction)	2,500	397		2,897	207	2,897	0	0	
Langley High Street Improvements LEP		511		511	63	511	0	0	
A4 Safer Roads	1,511	137		1,648	2	500	(1,148)	(648)	
A4 Cycle Lane	10,168	0		10,168	269	500	(9,668)	(6,600)	7
Electric Vehicle Network	157	0		157	0	0	(157)	0	
Car Club	100	0		100	0	0	(100)	0	
Carbon Management - Public Sector Decarb. Scheme	22	0		22	0	22	0	0	
Reading Archives - Extension (SBC Contribution)	188	0		188	0	188	0	0	
Traffic Signals Maintenance Grant		66		66	56	66	0	0	
Cemetery Extension	100	0		100	0	100	0	0	
Additional Transport & Highways Grant funded projects	2,489		(545)	1,944	406	357	(1,587)	(1)	
Patching, surfacing and highway replacement works			261	261	0	261	0	0	
LTP Implementation Plan	139		284	423	4	284	(139)	(139)	
Eden School				0	34	34	34	0	
DSO Replacement Fleet	500			500	0	500	0	(500)	
Destination Farnham Road	2,768			2,768	0	300	(2,468)	0	
Parlaunt Road	0			0	0	750	750	0	8
Place & Communities TOTAL	22,346	2,859	0	25,205	1,586	9,252	(15,953)	(8,915)	
GENERAL FUND TOTAL	36,317	3,955	0	40,272	2,489	14,619	(25,653)	(17,167)	

Table 2 - HRA

CAPITAL PROJECTS	Current Budget	Slippage - to be approved	Movement of budget between projects	Revised Budget	Actuals to date	Projected Outturn	Variance	Previous Variance	Notes
	£'000	£'000		£'000	£'000	£'000	£'000	£'000	
HRA									
RMI Capital Programme									
Commissioning of Repairs Maintenance and Investment Contract	250			250	0	50	(200)	(200)	
Boiler Replacement and heating	317			317	159	317	0	0	
Kitchen & Bathroom Replacement	415	31		446	155	446	0	0	
Electrical Systems	138	0		138	11	138	0	0	
External rendering, repairs and redecoration of housing block	2,134	0		2,134	0	2,519	385	385	
Garage & Environmental Improvements		527		527	506	527	0	0	
Capitalised Repairs	100	210		310	89	300	(10)	(10)	
FRA & Asbestos Removal Works	2,000	173		2,173	688	2,180	7	7	
Major Aids & Adaptations	300	0		300	236	300	0	0	
Decarbonisation Works	500	81		581	0	500	(81)	(81)	
RMI Capital Programme Total	6,154	1,022	0	7,176	1,844	7,277	101	101	
Planned Maintenance Capital									
Windows and Door Replacement	842			842	39	842	0	0	
Roof Replacement	1,726	136		1,862	434	1,800	(62)	(62)	
Structural	211	109		320	53	240	(80)	(80)	
Security & Controlled Entry Modernisation	300			300	32	300	0	0	
Capitalised voids	60			60	2	40	(20)	(20)	
Planned Maintenance Capital Total	3,139	245	0	3,384	560	3,222	(162)	(162)	
Affordable Homes									
Tower and Ashbourne	0			0	80	900	900	0	9
Affordable Homes	800			800	108	108	(692)	0	
Total Affordable Homes	800	0	0	800	188	1,008	208	0	
HRA TOTAL	10,093	1,267	0	11,360	2,592	11,507	147	(61)	
CAPITAL PROJECTS TOTAL	46,410	5,222	0	51,632	5,081	26,126	(25,506)	(17,228)	

Notes

- 1 Project has completed. Funds to be returned if CCG have no further uses for monies (awaiting clarification on this from CCG)
- 2 Extra spend at Pippins School to address RAAC issue - additional income already received but not reflected in the programme budget.
- 3 SEN projects in various schools that are unable to be completed this year due to capacity - to be slipped to 24/25.
- 4 Nova House loan, previously identified as savings but department has now confirmed that this may be needed in 24/25 (Homes England and Leaseholder payments)
- 5 HUB Development budget duplication - saving.
- 6 Asset disposal costs funded by capital receipts (year to date receipts total £22.2m)
- 7 Preliminary designs submitted to Cabinet in July; this project will continue into 2024/25.
- 8 New project to provide new traffic signals - LEP funding must be spent in 23/24.
- 9 Asset is due for disposal - overspend will be funded from capital receipts.