

# MONTHLY FINANCIAL REPORT

Period 6 - End of September 2019

## OVERALL SUMMARY

For further information regarding this report, please contact:

Matt Davis

[Matthew.Davis@Reading.gov.uk](mailto:Matthew.Davis@Reading.gov.uk)

# Contents

Page No:

Headline Budget Monitoring Trends	3
Narrative Commentary	4
Revenue Position and Forecast - General Fund - Period 3	5
Revenue Position and Forecast - Housing Revenue Account - Period 3	5
Capital Programme and Forecast - General Fund and HRA - Period 3	6
Other Details:	
Savings	10
Debt Performance	17
Agency and Overtime Review	18

# GENERAL FUND REVENUE FORECASTS AND WEIGHTED RISKS

## Revenue Forecast - (Period 6 - September 2019)

DACHS	Children's Retained	DEGNS	DOR	BfFC	Corporate	Total
(£m's)	(£m's)	(£m's)	(£m's)	(£m's)	(£m's)	(£m's)

### Forecast Outturn

Period 02	(0.003)	-	1.094	0.200	-	(0.671)	0.620
Period 03	(0.003)	-	1.025	0.294	(0.040)	(3.431)	(2.155)
Period 04	(0.003)	-	0.942	(0.200)	(0.040)	(3.370)	(2.671)
Period 05	(0.003)	-	0.662	(0.011)	1.575	(4.360)	(2.137)
Period 06	(0.003)	-	0.643	(0.079)	1.651	(4.979)	(2.767)
Period 07							-
Period 08							-
Period 09							-
Period 10							-
Period 11							-
Per 6 Change	-	-	(0.019)	(0.068)	0.076	(0.619)	(0.630)

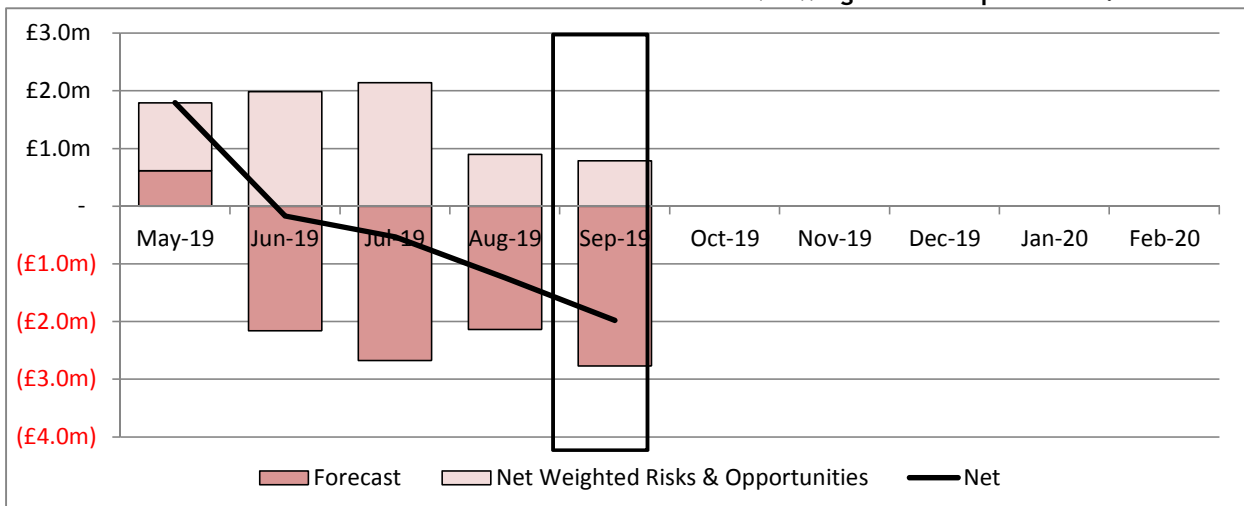
### Weighted Risks and Opportunities

Period 02	0.742	-	0.434	-	-	-	1.176
Period 03	0.069	-	0.281	(0.020)	1.660	-	1.990
Period 04	0.069	-	0.432	(0.020)	1.660	-	2.141
Period 05	0.069	-	0.220	(0.020)	0.630	-	0.899
Period 06	-	-	0.007	(0.016)	0.800	-	0.791
Period 07							-
Period 08							-
Period 09							-
Period 10							-
Period 11							-
Per 6 Change	(0.069)	-	(0.213)	0.004	0.170	-	(0.108)

### Total Forecast Outturn and Weighted Risks / Opportunities

Period 02	0.739	-	1.528	0.200	-	(0.671)	1.796
Period 03	0.066	-	1.306	0.274	1.620	(3.431)	(0.165)
Period 04	0.066	-	1.374	(0.220)	1.620	(3.370)	(0.530)
Period 05	0.066	-	0.882	(0.031)	2.205	(4.360)	(1.238)
Period 06	(0.003)	-	0.650	(0.095)	2.451	(4.979)	(1.976)
Period 07							-
Period 08							-
Period 09							-
Period 10							-
Period 11							-
Per 6 Change	(0.069)	-	(0.232)	(0.064)	0.246	(0.619)	(0.738)

Below barchart shows the trend in Estimated Forecasts with Net Weighted Risks per month.





## Narrative Commentary - Period 6

- 1 The forecast revenue outturn for the General Fund on service budgets (excluding the Brighter Futures for Children position - BFfC) is for a net overspend of £561k. This represents a forecast overspend of £643k within the DEGNS directorate offset by modest forecast underspends within DACHS (£3k) and DoR (£79k). This represents an improvement from the previous month forecasts of £87k - previously being £648k.
  - 2 The principal element contributing to the forecast DEGNS (£500k) is an under-achievement of anticipated commercial property income as due diligence on potential purchases has, to date, not identified appropriate assets to acquire.
  - 3 In addition to the service area forecast year-end variance, potential emerging risks or opportunities are also monitored, and weighted according to potential of materialising over and above the forecasts reported in paragraph 1. Net service area risks, again excluding the BFfC position total net weighted opportunities of £9k. Should these materialise in addition to the forecast discussed above, the outturn would move to a £552k overspend.
  - 4 The BFfC forecast for this monitoring statement is based on Period 5 data due to the contractual delay in their reporting timeframes. Their latest forecast is for a £1,651k overspend by year end - a £76k deterioration from that reported in last month's overall monitoring position. In addition to this forecast, weighted net risks are identified, an increase of £170k from previously reported. The forecast BFfC overspend predominantly relates to cost of agency staff and pressures on Looked After Children budgets. Should all risks materialise by year-end, the overall outturn position for BFfC budgets would be £2,451k.
  - 5 The total service area forecast for the year (including BFfC) is for a total £2,212k overspend against budget. This would rise to £3,002k if all weighted risks were to additionally materialise.
- In addition to service area budgets, the Council has a number of corporately held budgets which includes risk and contingency provisions held to mitigate any potential service area overspends or delays in delivering agreed savings. A forecast underspend on these budgets of £4,979k is currently forecast - an improvement of £619k over the previous month. As the year progresses risks diminish (being incorporated into service area forecasts) and anticipated use of contingencies reduces. In addition, upsides against the Council's originally forecast Business Rate Pilot Pooling arrangements have emerged and (as in previous reporting periods) been included in the net Corporate Items forecasts.
- 6
  - 7 Incorporating the Corporate Items forecast with that of the service areas would produce a year end outturn forecast of a £2,767k underspend - this would be rolled into General or Earmarked Reserves at year end and be used to bolster the Council's overall financial resilience or be available to fund future revenue expenditure. Should all weighted risks identified also materialise, the overall projected surplus would reduce to £1,976k
  - 8 The Council's Net Budget Requirement of £132,804k is principally financed from Council Tax and Business Rates. Accounting regulations ensure that the in-year budgeted total is exactly reflected in the outturn position, and as such no in-year variance is forecast for this funding.
  - 9 The Housing Revenue Account (HRA) is forecasting an underspend of £6,890 at the end of Period 6 - an increase of £148k on that reported in Period 5. The overall forecast comprises £2,690k in major works; £400k of additional income; and £3,800k of lower in-year capital financing charges. Any surplus would be transferred to HRA balances to provide funding to support HRA spend in future years.

10 The General Fund Capital Programme has been sub-divided between general capital spend and those budgets that were specifically set aside for future investment should suitable investment opportunities that were self-funding to become available (and subject to individual business cases and due diligence).

11 Against the general category of capital expenditure, the General Fund is forecasting a net overspend in year of £3,856k. The principal causes of this forecast relate to the provision of loan financing to Reading Transport Ltd to purchase Courtney Coaches (£5,200k) offset by a reprofiling of £1,140k of vehicle replacement spend into future years.

12 Within the investment opportunity category of General Fund capital, a change to the business model of Homes for Reading means they no longer require funding of a net £24,720 this year. Additionally, £114,718k of financing to acquire property as part of the Council's Property Investment Strategy is re-profiled to future years. The market continues to be reviewed for potential suitable acquisitions and should opportunities arise, the forecast would change.

13 The HRA capital programme is forecasting a net underspend against current year budgets of £3,713k, predominantly relating to slippage in the New Build and Acquisitions programme of £5,808k.

14 Delivery of the Council's budget is predicated on achieving savings and efficiencies as agreed as part of the budget setting process in February 2019. Detailed monitoring of agreed savings is tracked on a monthly basis. As at the end of Period 6, £8,449k of the overall £12,720k savings being tracked are categorised as either blue or green (£4,144k blue - already delivered; £4,305k green - on track). A further £731k are R-A-G rated as amber and £3,540k as red. Since Period 5, blue savings have increased (improved) by £1,582k; green savings decreased by £1,162k (a logical consequence of items moving from green to blue); and amber savings decreased by £421k. Savings rated as red have increased by £1k.

15 Details of performance regarding sundry debt collection; purchase to pay compliance; and use of agency staff is set out to the rear of this report.

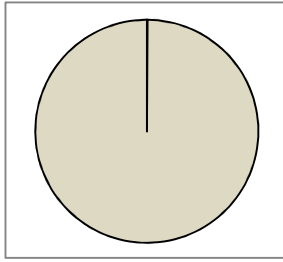
## General Fund Revenue Position and Forecast - Period 6

Latest Revenue Position and Forecast

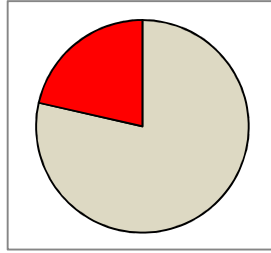
	Budget to Date (£,000's)	Actual to Date (£,000's)	Variance to Date (£,000's)	Approved Budget (£,000's)	Forecast Outturn (£,000's)	Full Year Variance (£,000's)
<b><u>Objective Analysis:</u></b>						
Adults Care and Health Services	17,921	17,919	(2)	35,857	35,854	(3)
Economic Growth & Neighbourhood Services Resources	9,082	8,326	(756)	18,171	18,814	643
Children's Services retained by Children's Services delivered by BFFC	7,460	7,288	(172)	14,925	14,846	(79)
	347	347	-	695	695	-
	20,563	23,949	3,387	47,899	49,550	1,651
<b>TOTAL SERVICE BUDGETS</b>	<b>55,373</b>	<b>57,830</b>	<b>2,457</b>	<b>117,546</b>	<b>119,758</b>	<b>2,212</b>
Corporate Items	11,365	10,347	(1,018)	15,257	10,278	(4,979)
<b>TOTAL INCL CORPORATE</b>	<b>66,738</b>	<b>68,177</b>	<b>1,438</b>	<b>132,804</b>	<b>130,037</b>	<b>(2,767)</b>
<b><u>Funding:</u></b>						
Business Rates (NNDR)	(21,043)	(21,051)	(8)	(41,957)	(41,957)	-
Council Tax	(45,695)	(45,714)	(19)	(91,109)	(91,109)	-
New Homes Bonus	-	(1,870)	(1,870)	(3,739)	(3,739)	-
NNDR Rebate (2018-19)	-	(463)	(463)	(463)	(463)	-
<b>TOTAL FUNDING</b>	<b>(66,738)</b>	<b>(69,098)</b>	<b>(2,360)</b>	<b>(137,268)</b>	<b>(137,268)</b>	<b>-</b>
<b>Movement to Reserves</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,464</b>	<b>7,231</b>	<b>2,767</b>
<b>NET CONTROLLABLE COST</b>	<b>0</b>	<b>(921)</b>	<b>(921)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>
<b><u>Subjective Analysis:</u></b>						
Employee Costs	33,669	34,037	368	67,365	67,109	(256)
Premises Costs	6,742	5,612	(1,130)	13,489	13,089	(400)
Transport-Related Costs	1,189	1,117	(72)	2,380	2,412	32
Supplies and Services	20,417	18,128	(2,289)	40,850	40,593	(257)
Contracted Costs	148,481	148,190	(291)	297,081	305,305	8,224
Transfer Payments	13,519	12,271	(1,248)	27,049	18,109	(8,940)
Traded Service Costs	-	-	-	-	-	-
Capital Financing Costs	-	-	-	-	-	-
Use of Earmarked Reserves	-	-	-	-	-	-
<b>CONTROLLABLE COST</b>	<b>224,017</b>	<b>219,355</b>	<b>(4,662)</b>	<b>448,214</b>	<b>446,617</b>	<b>(1,597)</b>
Fees & Charges	(9,631)	(6,025)	3,606	(19,269)	(17,383)	1,886
Traded Services Income	(27,199)	(29,136)	(1,937)	(54,419)	(54,508)	(89)
Grants & Contributions	(187,188)	(185,115)	2,073	(374,526)	(374,726)	(200)
<b>CONTROLLABLE INCOME</b>	<b>(224,017)</b>	<b>(220,276)</b>	<b>3,741</b>	<b>(448,214)</b>	<b>(446,617)</b>	<b>1,597</b>
<b>NET CONTROLLABLE COST</b>	<b>-</b>	<b>(921)</b>	<b>(921)</b>	<b>-</b>	<b>-</b>	<b>-</b>

# General Fund Revenue Position and Forecast - Period 6

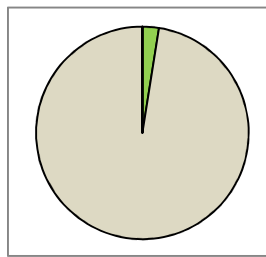
Adults Care and Health Services



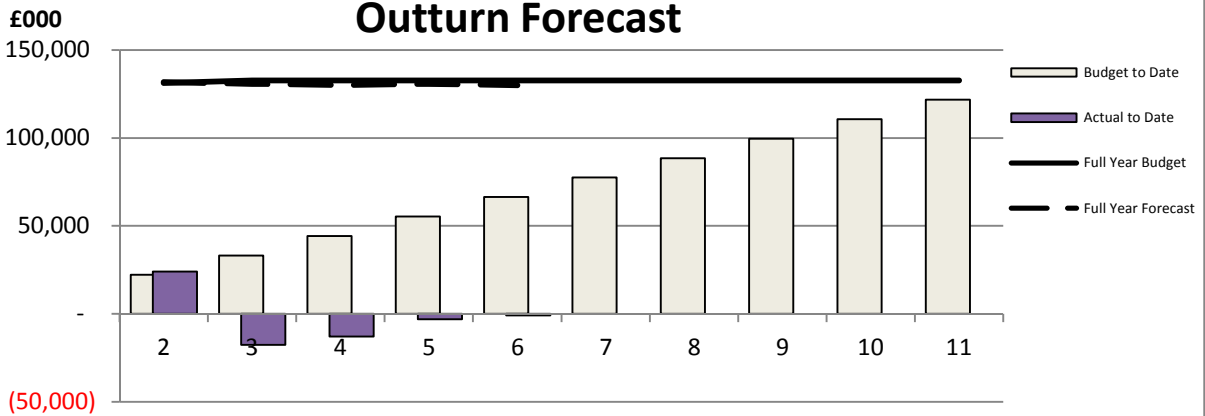
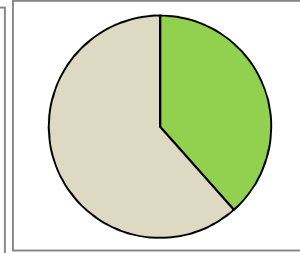
Economic Growth & Neighbourhood Services



Resources



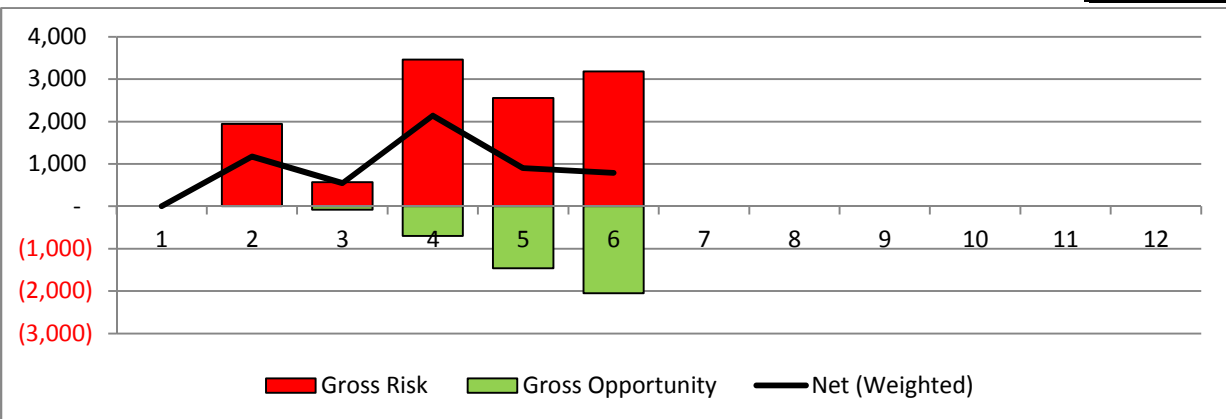
Corporate Items



### Risks and Opportunities (£,000's)

- 1 Directorate of Adults Care and Health Services
- 2 Directorate of Economic Growth & Neighbourhood Services
- 3 Directorate of Resources
- 4 Children's Services delivered by BfFC
- 5 Corporate Items

	Risk	Opportunity	Weighted
1	-	-	-
2	207	(128)	7
3	15	(30)	(16)
4	2,962	(1,895)	800
5	-	-	-
<b>Total:</b>	<b>3,184</b>	<b>(2,053)</b>	<b>791</b>

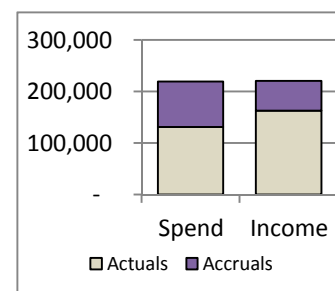


### Budget Virements (£,000's):

- 1
- 2
- 3
- 4
- 5
- 6
- 7

Total: -

### Actuals and Accruals:

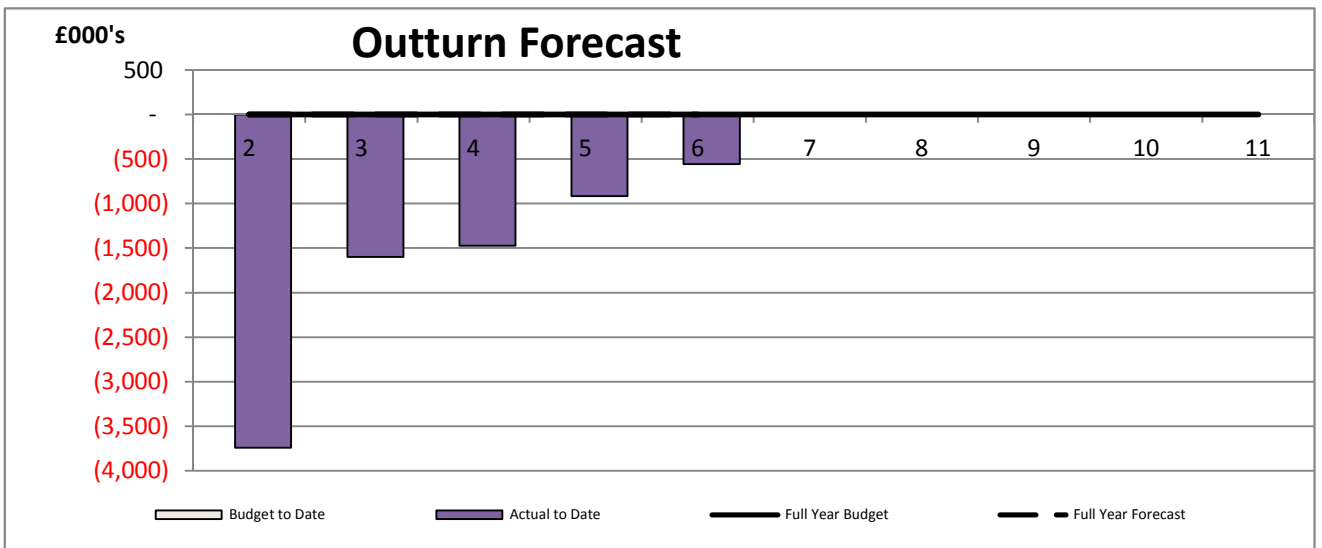




## HRA Revenue Position and Forecast - Period 6

### Latest Revenue Position and Forecast

	Budget to Date (£,000's)	Actual to Date (£,000's)	Variance to Date (£,000's)	Approved Budget (£,000's)	Forecast Outturn (£,000's)	Full Year Variance (£,000's)
<i>Objective Analysis:</i>						
Responsive Repairs	1,147	1,218	71	2,294	2,294	-
Planned Maintenance	1,358	2,026	669	2,715	2,715	-
Major Works	7,839	1,540	(6,299)	15,678	12,988	(2,690)
Managing Tenancies	686	458	(228)	1,371	1,371	-
Management, Policy & Support	2,809	2,780	(29)	5,618	5,618	-
PFI	3,533	3,533	-	7,066	7,066	-
Rent Collection	652	573	(79)	1,304	1,304	-
Building Cleaning, Energy & other	1,442	792	(650)	2,883	2,883	-
Capital Financing	5,135	5,135	1	10,269	6,469	(3,800)
HRA Income	#VALUE!	(18,611)	#VALUE!	(38,732)	(39,132)	(400)
Movement to/(from) Reserve	(5,233)	-	5,233	(10,466)	(3,576)	6,890
<b>NET CONTROLLABLE COST</b>	<b>#VALUE!</b>	<b>(556)</b>	<b>#VALUE!</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Subjective Analysis:</i>						
Employee Costs	1,802	1,678	(124)	3,605	3,605	-
Premises Costs	11,122	4,948	(6,174)	22,254	19,564	(2,690)
Transport-Related Costs	16	6	(10)	32	32	-
Supplies and Services	440	191	(249)	881	881	-
Contracted Costs	3,557	3,534	(23)	7,118	7,118	-
Recharges	7,790	2,760	(5,030)	15,586	11,786	(3,800)
Traded Service Costs	-	-	-	-	-	-
Capital Financing Costs	-	5,135	5,135	-	-	-
<b>CONTROLLABLE COST</b>	<b>24,728</b>	<b>18,253</b>	<b>(6,475)</b>	<b>49,475</b>	<b>42,985</b>	<b>(6,490)</b>
Gross Income	(5,370)	-	5,370	(10,743)	(10,743)	-
Traded Services Income	(17,360)	(17,810)	(450)	(34,735)	(28,245)	6,490
Grants & Contributions	(1,998)	(999)	999	(3,997)	(3,997)	-
<b>CONTROLLABLE INCOME</b>	<b>(24,728)</b>	<b>(18,809)</b>	<b>5,919</b>	<b>(49,475)</b>	<b>(42,985)</b>	<b>6,490</b>
<b>NET CONTROLLABLE COST</b>	<b>-</b>	<b>(556)</b>	<b>(556)</b>	<b>-</b>	<b>-</b>	<b>-</b>



## PERIOD 6 - CAPITAL PROGRAMME MONITORING

Dept	Scheme Name	2019/20 Approved Budget		2019/20 Forecast		2019/20 Forecast Variance		2019/20 Net Variance
		1 - Spend	2 - Funding	1 - Spend	2 - Funding	1 - Spend	2 - Funding	
<b>GENERAL FUND</b>								
1 - I	Alternative premise for Learning Disability Respite Service & Learning Hub	150,000	-	150,000	-	-	-	-
	Alternative premise for Mental Health Supported Living Service & Wellness Hub	375,000	-	-	-	(375,000)	-	(375,000)
	Care and Support Dynamic Purchase Framework	138,000	(93,000)	-	-	(138,000)	93,000	(45,000)
	Disabled Facilities Grants (Private Sector-Ringfenced Grant)	993,000	(993,000)	1,104,000	(1,104,000)	111,000	(111,000)	-
	<b>1 - DACHS Total</b>	<b>1,656,000</b>	<b>(1,086,000)</b>	<b>1,254,000</b>	<b>(1,104,000)</b>	<b>(402,000)</b>	<b>(18,000)</b>	<b>(420,000)</b>
	Additional School Places - Contingency	-	-	-	-	-	-	-
	Avenue Expansion	194,000	(194,000)	184,000	(184,000)	(10,000)	10,000	-
	Blessed Hugh Faringdon - Asperger Unit 30 place expansion (SEN)	316,000	(316,000)	218,000	(218,000)	(98,000)	98,000	-
	Civitas- Synthetic Sports Pitch	329,000	(329,000)	329,000	(329,000)	-	-	-
	Cranbury College at JMA	894,000	(294,000)	850,000	(850,000)	(44,000)	(556,000)	(600,000)
	Crescent Road Playing Field Improvements	314,000	(314,000)	314,000	(314,000)	-	-	-
	Critical Reactive Contingency: Health and safety (Schools)	524,000	(524,000)	520,000	(520,000)	(4,000)	4,000	-
	Foster Carer Extensions	167,000	-	167,000	-	-	-	-
	Green Park Primary School	2,906,000	(2,906,000)	2,906,000	(2,906,000)	-	-	-
	Heating and Electrical Programme - Manor Pry Power	157,000	(157,000)	157,000	(157,000)	-	-	-
	Heating and Electrical Renewal Programme	821,000	(821,000)	821,000	(821,000)	-	-	-
	Initial Viability work for the Free School at Richfield Avenue	260,000	(260,000)	260,000	(260,000)	-	-	-
	Katesgrove Primary Trooper Potts Building	2,632,000	(2,632,000)	2,632,000	(2,632,000)	-	-	-
	Meadway Early Years Building Renovation	243,000	(243,000)	148,000	(148,000)	(95,000)	95,000	-
	New ESFA funded schools - Phoenix College	4,051,000	(4,051,000)	500,000	(500,000)	(3,551,000)	3,551,000	-
	New ESFA funded schools - St Michaels	2,517,000	(2,517,000)	2,517,000	(2,517,000)	-	-	-
	Primary Schools Expansion Programme - 2013-2017	740,000	(740,000)	400,000	(400,000)	(340,000)	340,000	-
	Schools - Fire Risk Assessed remedial Works	199,000	(199,000)	199,000	(199,000)	-	-	-
	Thameside SEN Expansion	66,000	(66,000)	66,000	(66,000)	-	-	-
	The Heights Permanent Site Mitigation	1,755,000	(1,510,000)	984,000	(758,000)	(771,000)	752,000	(19,000)
	The Heights Temporary School	71,000	(71,000)	71,000	(71,000)	-	-	-
	<b>2 - DCEEHS Total</b>	<b>19,156,000</b>	<b>(18,144,000)</b>	<b>14,243,000</b>	<b>(13,850,000)</b>	<b>(4,913,000)</b>	<b>4,294,000</b>	<b>(619,000)</b>
	Abbey Quarter	524,000	(524,000)	332,000	(332,000)	(192,000)	192,000	-
	Accommodation Review - Henley Road Cemetery	-	-	39,000	-	39,000	-	39,000
	Accommodation Review - Phase 2C (19 Bennet Road)	4,460,000	-	4,387,000	-	(73,000)	-	(73,000)
	Accommodation Review - Town Hall	291,000	-	298,000	-	7,000	-	7,000
	Air Quality Monitoring	97,000	(97,000)	97,000	(97,000)	-	-	-
	Bridges and Carriageways	2,443,000	(1,623,000)	2,443,000	(1,623,000)	-	-	-
	Car Parking - P&D, Red Routes, Equipment	100,000	(100,000)	100,000	(100,000)	-	-	-
	Car Parks Partnership	226,000	(226,000)	242,000	(242,000)	16,000	(16,000)	-
	Cattle Market Car Park	523,000	(523,000)	523,000	(523,000)	-	-	-
	CCTV	50,000	(50,000)	50,000	(50,000)	-	-	-
	Central Pool Regeneration	775,000	(483,000)	675,000	(675,000)	(100,000)	(192,000)	(292,000)
	Chestnut Walk Improvements	25,000	(25,000)	120,000	(38,000)	95,000	(13,000)	82,000
	CIL Local Funds - Community	25,000	(25,000)	2,000	(2,000)	(23,000)	23,000	-
	CIL Local Funds - Heritage and Culture	70,000	(70,000)	70,000	(70,000)	-	-	-
	CIL Local Funds - Leisure and Play	301,000	(301,000)	353,000	(353,000)	52,000	(52,000)	-
	CIL Local Funds - Transport	217,000	(217,000)	165,000	(165,000)	(52,000)	52,000	-
	Community Hubs	589,000	(274,000)	674,000	(454,000)	85,000	(180,000)	(95,000)

## PERIOD 6 - CAPITAL PROGRAMME MONITORING

Dept	Scheme Name	2019/20 Approved Budget		2019/20 Forecast		2019/20 Forecast Variance		2019/20 Net
		1 - Spend	2 - Funding	1 - Spend	2 - Funding	1 - Spend	2 - Funding	Variance
	Community Resilience	58,000	-	30,000	-	(28,000)	-	(28,000)
	Culture & Leisure facilities	133,000	-	133,000	-	-	-	-
	Defra Air Quality Grant - Bus Retrofit	1,191,000	(1,191,000)	1,191,000	(1,191,000)	-	-	-
	Defra Air Quality Grant - Go Electric Reading	5,000	(5,000)	5,000	(5,000)	-	-	-
	Development of facilities at Prospect Park/Play	401,000	(200,000)	496,000	(475,000)	95,000	(275,000)	(180,000)
	Eastern Area Access Works	340,000	(340,000)	100,000	(100,000)	(240,000)	240,000	-
	Green Park Station	14,699,000	(14,699,000)	8,500,000	(8,500,000)	(6,199,000)	6,199,000	-
	Grounds Maintenance Workshop Equipment	50,000	-	20,000	-	(30,000)	-	(30,000)
	Invest in Corporate buildings/Health & safety works	2,268,000	-	2,268,000	-	-	-	-
	Invest to save energy savings - Street lighting	54,000	-	204,000	-	150,000	-	150,000
	Invest to Save Salix (match funding for Energy Efficiency Schemes)	411,000	-	411,000	(10,000)	-	(10,000)	(10,000)
	Leisure Procurement	542,000	-	30,000	-	(512,000)	-	(512,000)
	Local Traffic Management and Road Safety Schemes	292,000	(292,000)	292,000	(292,000)	-	-	-
	LTP Development	715,000	(715,000)	200,000	(200,000)	(515,000)	515,000	-
	NCN Route 422	423,000	(423,000)	423,000	(423,000)	-	-	-
	Oxford Rd Community Centre	-	-	40,000	-	40,000	-	40,000
	Oxford Road Corridor Works	322,000	(322,000)	200,000	(200,000)	(122,000)	122,000	-
	Playground equipment and Refreshment: Boroughwide	270,000	(44,000)	200,000	-	(70,000)	44,000	(26,000)
	Private Sector Renewals	406,000	-	406,000	-	-	-	-
	Pumping Station Upgrade Scheme (new)	250,000	-	250,000	-	-	-	-
	re3 extending range of recyclables	48,000	(31,000)	94,000	(61,000)	46,000	(30,000)	16,000
	Reading Football Club Social Inclusion Unit to SRLC	973,000	(976,000)	-	-	(973,000)	976,000	3,000
	Reading Town Centre Design Framework	86,000	(86,000)	86,000	(86,000)	-	-	-
	Reading West Station	199,000	(199,000)	399,000	(399,000)	200,000	(200,000)	-
	Replacement Vehicles	1,538,000	-	398,000	-	(1,140,000)	-	(1,140,000)
	Rogue Landlord Enforcement	75,000	(75,000)	75,000	(75,000)	-	-	-
	S106 individual schemes list	334,000	(334,000)	150,000	(150,000)	(184,000)	184,000	-
	Small Leisure Schemes	432,000	(200,000)	140,000	(140,000)	(292,000)	60,000	(232,000)
	Smart City Cluster project and C-ITS	1,877,000	(1,877,000)	1,230,000	(1,230,000)	(647,000)	647,000	-
	South Reading MRT (Phases 1 & 2)	362,000	(362,000)	362,000	(362,000)	-	-	-
	South Reading MRT (Phases 3 & 4)	6,947,000	(6,947,000)	5,815,000	(5,815,000)	(1,132,000)	1,132,000	-
	St George's Church Affordable Housing scheme	-	-	315,000	(315,000)	315,000	(315,000)	-
	The Keep	94,000	-	94,000	-	-	-	-
	Traffic Management Schools	295,000	(295,000)	95,000	(95,000)	(200,000)	200,000	-
	Tree Planting	22,000	-	23,000	-	1,000	-	1,000
	West Reading Transport Study - Southcote/Coley Improvements	72,000	-	72,000	-	-	-	-
	Western Area Access Works	128,000	(128,000)	128,000	(128,000)	-	-	-
	CIL Local Funds -Neighbourhood Allocation	-	-	239,000	(239,000)	239,000	(239,000)	-
	Central Library - Reconfiguration/Refurbishment	-	-	50,000	-	50,000	-	50,000
	Dee Park Regeneration - Housing Infrastructure Fund (school)	-	-	600,000	(600,000)	600,000	(600,000)	-
	Accommodation Review - Phase 2A & B	133,000	-	133,000	-	-	-	-
	Waste Operations - In Cab Waste Management System	70,000	-	70,000	-	-	-	-
<b>3 - DEGNS Total</b>		<b>47,231,000</b>	<b>(34,279,000)</b>	<b>36,537,000</b>	<b>(25,815,000)</b>	<b>(10,694,000)</b>	<b>8,464,000</b>	<b>(2,230,000)</b>
	Cemeteries and Crematorium	60,000	-	60,000	-	-	-	-
	Universal Digital Systems	1,466,000	-	941,000	-	(525,000)	-	(525,000)
	Digital Transformation and Innovation	407,000	-	-	-	(407,000)	-	(407,000)

## PERIOD 6 - CAPITAL PROGRAMME MONITORING

Dept	Scheme Name	2019/20 Approved Budget		2019/20 Forecast		2019/20 Forecast Variance		2019/20 Net
		1 - Spend	2 - Funding	1 - Spend	2 - Funding	1 - Spend	2 - Funding	Variance
	Future ICT Operating Model	490,000	-	790,000	-	300,000	-	300,000
	ICT Infrastructure (Invest to save)	2,268,000	-	2,520,000	-	252,000	-	252,000
	Oracle Capital Works - financed through reduced rental	207,000	-	247,000	-	40,000	-	40,000
	Lease to RTL (Bus Purchase)	-	-	1,500,000	-	1,500,000	-	1,500,000
	Lease to RTL (Project Voyager)	-	-	5,200,000	-	5,200,000	-	5,200,000
	<b>4 - DoR Total</b>	<b>4,898,000</b>	<b>-</b>	<b>11,258,000</b>	<b>-</b>	<b>6,360,000</b>	<b>-</b>	<b>6,360,000</b>
	Delivery Fund (incl Equal Pay)	6,983,000	-	7,748,000	-	765,000	-	765,000
	<b>5 - Corp Total</b>	<b>6,983,000</b>	<b>-</b>	<b>7,748,000</b>	<b>-</b>	<b>765,000</b>	<b>-</b>	<b>765,000</b>
<b>1 - GF Total</b>		<b>79,924,000</b>	<b>(53,509,000)</b>	<b>71,040,000</b>	<b>(40,769,000)</b>	<b>(8,884,000)</b>	<b>12,740,000</b>	<b>3,856,000</b>
	<b>Net Total</b>	<b>26,415,000</b>		<b>30,271,000</b>		<b>3,856,000</b>		
	Homes for Reading - Share Capital	15,370,000	-	-	-	(15,370,000)	-	(15,370,000)
	Homes for Reading - Loan Finance	16,350,000	-	-	-	(16,350,000)	-	(16,350,000)
	Homes for Reading - Share Redemption	-	-	7,000,000	-	7,000,000	-	7,000,000
	<b>3 - DEGNS Total</b>	<b>31,720,000</b>	<b>-</b>	<b>7,000,000</b>	<b>-</b>	<b>(24,720,000)</b>	<b>-</b>	<b>(24,720,000)</b>
	Purchase of Commercial Property	149,923,000	-	35,205,000	-	(114,718,000)	-	(114,718,000)
	<b>4 - DoR Total</b>	<b>149,923,000</b>	<b>-</b>	<b>35,205,000</b>	<b>-</b>	<b>(114,718,000)</b>	<b>-</b>	<b>(114,718,000)</b>
<b>1a - GF Total</b>		<b>181,643,000</b>	<b>-</b>	<b>42,205,000</b>	<b>-</b>	<b>(139,438,000)</b>	<b>-</b>	<b>(139,438,000)</b>
	<b>Net Total</b>	<b>181,643,000</b>		<b>42,205,000</b>		<b>(139,438,000)</b>		
<b>All GF Total</b>		<b>261,567,000</b>	<b>(53,509,000)</b>	<b>113,245,000</b>	<b>(40,769,000)</b>	<b>(148,322,000)</b>	<b>12,740,000</b>	<b>(135,582,000)</b>
	<b>Net Total</b>	<b>208,058,000</b>		<b>72,476,000</b>		<b>(135,582,000)</b>		

## HOUSING REVENUE ACCOUNT

	Housing Revenue Account-Major Repairs	10,246,000	(10,246,000)	9,540,000	(9,540,000)	(706,000)	706,000	-
	Housing Revenue Account-Hexham Road	1,538,000	(1,538,000)	1,400,000	(1,400,000)	(138,000)	138,000	-
	Disabled Facilities Grants (Local Authority Tenants)	600,000	(600,000)	670,000	(670,000)	70,000	(70,000)	-
	Housing Revenue Account-Fire Safety works	3,294,000	(3,294,000)	1,495,000	(1,495,000)	(1,799,000)	1,799,000	-
	Housing Revenue Account-New Build - Conwy Close	1,169,000	-	1,225,000	-	56,000	-	56,000
	Housing Revenue Account-New Build and Acquisitions	8,864,000	-	3,056,000	-	(5,808,000)	-	(5,808,000)
	Housing Revenue Account-New Build - Phase 3	1,250,000	(147,000)	1,270,000	-	20,000	147,000	167,000
	Housing Revenue Account-New Build and Acquisitions from GF	298,000	(177,000)	210,000	-	(88,000)	177,000	89,000
	Housing IT System	-	-	111,000	(111,000)	111,000	(111,000)	-
	Capital Receipts	-	(3,131,000)	-	(1,348,000)	-	1,783,000	1,783,000
	<b>6 - HRA Total</b>	<b>27,259,000</b>	<b>(19,133,000)</b>	<b>18,977,000</b>	<b>(14,564,000)</b>	<b>(8,282,000)</b>	<b>4,569,000</b>	<b>(3,713,000)</b>
<b>2 - HRA Total</b>		<b>27,259,000</b>	<b>(19,133,000)</b>	<b>18,977,000</b>	<b>(14,564,000)</b>	<b>(8,282,000)</b>	<b>4,569,000</b>	<b>(3,713,000)</b>
	<b>Net Total</b>	<b>8,126,000</b>		<b>4,413,000</b>		<b>(3,713,000)</b>		

# MONTHLY FINANCIAL REPORT

## Period 6 - End of September 2019

### Other Details

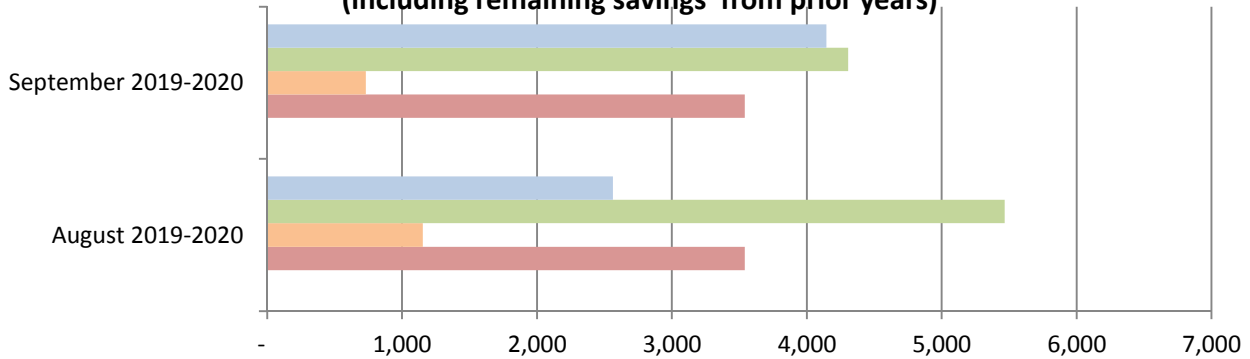
For further information regarding this report, please contact:

Matt Davis  
[Matthew.Davis@Reading.gov.uk](mailto:Matthew.Davis@Reading.gov.uk)

# Savings 2019-2020 - End of September 2019

The below graphs shows the outstanding 2018-19 unachieved savings and 2019-20 savings programme. This totals £12.720m for the overall council, including £3.161m worth of savings not achieved during prior years.

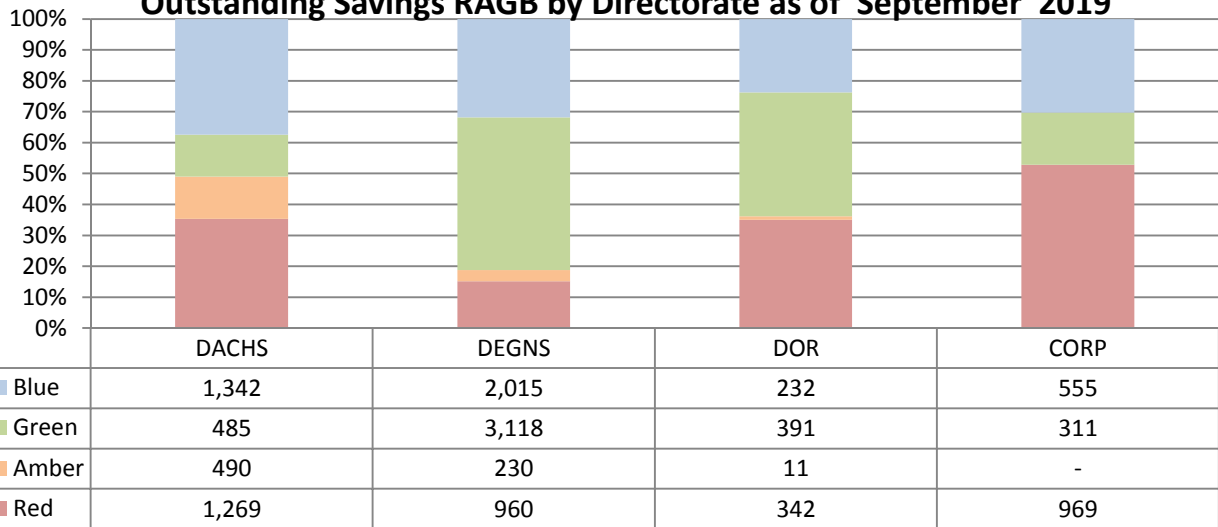
**Total 2019-2020 Savings by RAGB compared to previous month (including remaining savings from prior years)**



	August 2019-2020	September 2019-2020
Blue	2,562	4,144
Green	5,467	4,305
Amber	1,152	731
Red	3,539	3,540
<b>Total</b>	<b>12,720</b>	<b>12,720</b>

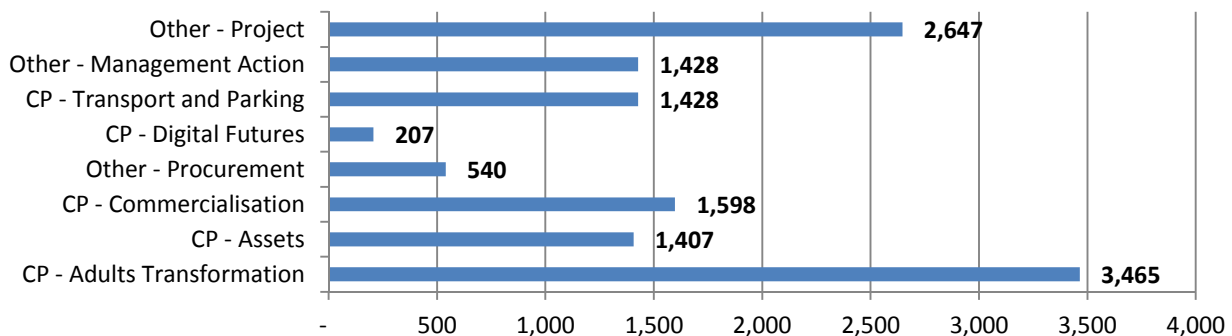
The next graph shows the current RAGB rating per directorate as at September 2019 and the percentage per area.

**Outstanding Savings RAGB by Directorate as of September 2019**



The Council has created delivery projects that have individual savings attached for review and to assist implementation. The data below shows the 2019-2020 budget savings and any remaining prior year savings per project.

**2019-2020 and remaining prior year savings per project**



## List of Prior Years Savings with Red Rated Elements Still Outstanding

Savings

Ref	SAVINGS PROPOSAL	Prior Years Savings (£000s)					Mitigatable Amount	Mitigation Option	Variance	Mitigation explanation
		TOTAL	RED	AMBER	GREEN	BLUE				
DACHS01-B	Delivery Models for Commissioning, Prevention & Quality Services	250	250	0	0	0	250	Ongoing	0	Mitigated by Inflation award containment, review and rightsizing overachievement and CHC reviews
DACHS25-A & DACHS26-A	Deputies - Review the charging policy and implementation of CASPAR software to improve efficiencies	25	25	0	0	0	25	Ongoing	0	Income target undeliverable, mitigated as part of overall DACHS Outturn position and saving to be removed as part of 20/21 budget setting.
DACHS5-C	Increased usage of Assistive Technology and Equipment	200	200	0	0	0	200	One-off	0	Currently not being delivered, mitigated as part of overall DACHS placement monitoring position and new tech team proposed to deliver this and further savings targets in future years.
Digitisation (DACHS)	Digitisation saving apportioned out to each directorate, over and above already set directorate savings. Business cases to be approved by Digital Futures Board.	52	52	0	0	0	0	One-off/Ongoing	52	Potential Pressure if mitigation cannot be found - work required to find a permanent source of mitigation/delivery.
DENS27-C	Explore creation of coordinated enforcement operation across Regulatory & Transportation services	29	29	0	0	0	29	One-off	0	Mitigated in FY 18/19 by over achievement in DEGNS service areas. No mitigation in FY 19/20 due to the current DENS forecast outturn position.
DENS37-A	Creation of 2 new works gangs, one to take on additional grounds maintenance work from internal and external sources and one to take on further external arboricultural and tree surveying works. Both proposals rely on compliance with the internal trading directive, sufficient administration support and full roll out of the digital agenda.	150	150	0	0	0	150	One-off	0	Mitigated in FY 18/19 by over achievement in DEGNS service areas. No mitigation in FY 19/20 due to the current DENS forecast outturn position.
DENS41-C	Review of Neighbourhood and Streetcare Services fees and charges and enforcement activity.	69	69	0	0	0	69	One-off	0	Mitigated in FY 18/19 by over achievement in DEGNS service areas. No mitigation in FY 19/20 due to the current DENS forecast outturn position.

## List of Prior Years Savings with Red Rated Elements Still Outstanding

Savings

Ref	SAVINGS PROPOSAL	Prior Years Savings (£000s)					Mitigatable Amount	Mitigation Option	Variance	Mitigation explanation
		TOTAL	RED	AMBER	GREEN	BLUE				
All Directorates										
Digitisation (DoR)	Digitisation saving apportioned out to each directorate, over and above already set directorate savings. Business cases to be approved by Digital Futures Board.	52	52	0	0	0	52	One-off	0	To be mitigated by budget underspend. No business case has been submitted to remove from MTFS.
CSS25-C	Increase Income from fees and charges across the registration and bereavement service	15	15	0	0	0	15	Ongoing	0	Income target will not be achieved based on current trends. Potentially offset by increase in charges relating registrars service. Business case has been submitted to remove from MTFS.
CSS33-C	Convert Locum solicitors into Permanent Solicitors	33	33	0	0	0	0		33	No increased trading due to restructure of the team. Unable to mitigate this saving. No business case has been submitted to remove from MTFS.
CSS12-C (CSS22-B)	Christmas closure	120	120	0	0	0	120	One-off	0	Christmas closure leave offer did not generate enough income to meet the target. Mitigated by underspend on Corporate Contingency Budget. No business case has been submitted to remove from MTFS.
CSS43-C	Management and Staffing Review	148	148				148	One-off	0	Management structure did not achieve the expected savings. Mitigated by underspend on Corporate Contingency Budget. No business case has been submitted to remove from MTFS.
DENS (CSS50-C)	Increased Fee income following review of Fees and Charges	60	23	0	0	37	0		23	Fees and charges review has not been completed due to higher priority tasks in Finance. No mitigation and no business case submitted to remove from the MTFS
BFFC Various	BFFC share of Apprenticeship Levy	35	35	0	0	0				
<b>TOTAL of Prior Years Savings with Red Elements still Outstanding</b>		<b>1,238</b>	<b>1,201</b>	<b>0</b>	<b>0</b>	<b>37</b>	<b>1,058</b>		<b>108</b>	



## List of Savings with Red rated elements within 2019-2020

Ref	SAVINGS PROPOSAL	Prior Years Savings (£000s)					Mitigatable Amount	Mitigation Option	Variance	Mitigation explanation
		TOTAL	RED	AMBER	GREEN	BLUE				
<b>Directorate of Adults Care and Health Services</b>		<b>TOTAL</b>	<b>RED</b>	<b>AMBER</b>	<b>GREEN</b>	<b>BLUE</b>				
DACHS01-B	Delivery Models for Commissioning, Prevention & Quality Services	500	500	0	0	0	500	Ongoing	0	Mitigated by Inflation award containment, review and rightsizing overachievement and CHC reviews
DACHS25-A & DACHS26-A	Deputies - Review the charging policy and implementation of CASPAR software to improve efficiencies	25	25	0	0	0	25	Ongoing	0	Income target undeliverable, mitigated as part of overall DACHS Outturn position and saving to be removed as part of 20/21 budget setting.
DACHS3-C	Reducing Adult Social Care contracts spend(COMMISSIONING DELIVERY MODEL)	400	200	200	0	0	300	One-off/Ongoing	0	Mitigated as part of overall DACHS placement monitoring position, 50% of this saving is considered achievable on an ongoing basis and the remaining 50% is being removed and replaced as part of budget setting.
Digitisation	Digitisation saving apportioned out to each directorate, over and above already set directorate savings. Business cases to be approved by Digital Futures Board.	17	17	0	0	0	0	One-off/Ongoing	17	Potential Pressure if mitigation cannot be found - work required to find a permanent source of mitigation/delivery.
<b>Directorate of Adults Care and Health Services</b>		<b>942</b>	<b>742</b>	<b>200</b>	<b>0</b>	<b>0</b>	<b>825</b>		<b>17</b>	
<b>Directorate of Resources</b>		<b>TOTAL</b>	<b>RED</b>	<b>AMBER</b>	<b>GREEN</b>	<b>BLUE</b>				
CSS-L&D2	Income generation from charging for services, assuming new delivery model for legal services implemented	90	90	0	0	0	0		90	No increased trading due to restructure of the team. Business case has been submitted to remove from MTFS.
CSS2	Housing Benefit overpayment recovery	125	125	0	0	0	125	One-off	0	Contingency needed for potential subsidy loss
<b>Directorate of Resources</b>		<b>215</b>	<b>215</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>125</b>		<b>90</b>	

## List of Savings with Red rated elements within 2019-2020

Ref	SAVINGS PROPOSAL	Prior Years Savings (£000s)					Mitigatable Amount	Mitigation Option	Variance	Mitigation explanation
		TOTAL	RED	AMBER	GREEN	BLUE				
Corporate										
CSS14-C (CSS39-A)	Procurement	130	99	0	31	0	0		99	No contract savings have been identified by the DEGENS directorate. Unable to mitigate this saving. No business case submitted to remove from MTFS.
CSS43-C	Management and Staffing Review	444	444	0	0	0	444	One-off	0	Management restructure not started. Mitigated by underspend on Corporate Contingency Budget. No business case submitted to remove from MTFS.
CSS44-C	Proposal to put in place a number of changes to staff terms and	50	50	0	0	0	50	Ongoing	0	Delayed due to challenging discussions with trade unions. A package of changes is now being explored with a view to making a proposal to the trade unions. This may take some time to finalise as the trade unions would need to ballot members and any changes could only be implemented after contractual notice has been served. 3 new salary sacrifice schemes have been introduced which will mitigate this. No business case submitted to remove from MTFS.
DENS (CSS50-C)	Increased Fee income following review of Fees and Charges	60	60	0	0	0	0		60	Fees and charges review has not been completed due to higher priority tasks in Finance. No mitigation and no business case submitted to remove from the MTFS.
DENS32-C (DENS55-B)*	Achieve Full Cost Recovery & review Fees and Charges council wide.	25	25	0	0	0	0		25	Fees and charges review has not been completed due to higher priority tasks in Finance. No mitigation and no business case submitted to remove from the MTFS.
Corporate		709	678	0	31	0	494		184	

## List of Savings with Red rated elements within 2019-2020

Savings

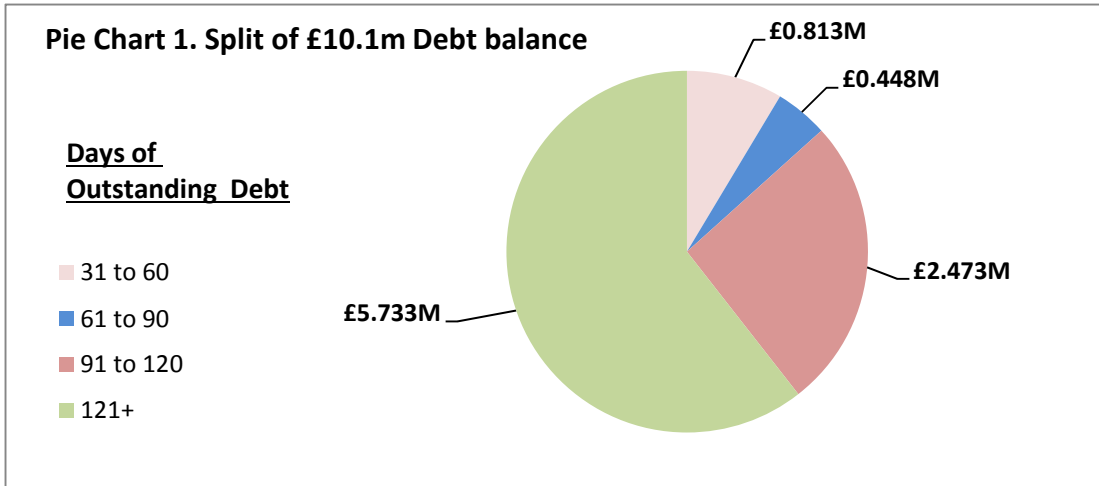
Ref	SAVINGS PROPOSAL	Prior Years Savings (£000s)					Mitigatable Amount	Mitigation Option	Variance	Mitigation explanation
		TOTAL	RED	AMBER	GREEN	BLUE				
Directorate of Economic Growth & Neighbourhood Services										
DENS03-A	Additional Income from Advertising - Further income to be generated from advertising . A separate report is included in the 5th December Policy Committee agenda.	25	25	0	0	0	0	No Mitigation	25	No mitigation due to the current DENS forecast outturn position for FY 19/20. Contractual arrangements are in place to ensure delivery of income in financial year 20/21 subject to alternate
DENS05-A	Townhall and Museum Additional Income	100	44	0	56	0	0	No Mitigation	44	No mitigation due to the current DENS forecast outturn position for FY 19/20. Building works are now complete and trade has commenced for delivery of income in financial year 20/21 subject to performance.
DENS12-B	Introduce 'Live Screening' of high profile performances.		5	0	5	0	0	No Mitigation	5	No mitigation due to the current DENS forecast outturn position for FY 19/20. Digital streaming equipment now fitted to achieve part income in FY 19/20, It is anticipated that this saving will be fully met in FY 20/21.
DENS2-C	Parks & Open Spaces Invest to Save	65	65	0	0	0	0	No Mitigation	65	No mitigation due to the current DENS forecast outturn position for FY 19/20. Contractual arrangements are in place to ensure delivery of income in financial year 20/21 subject to the obtaining of statutory

## List of Savings with Red rated elements within 2019-2020

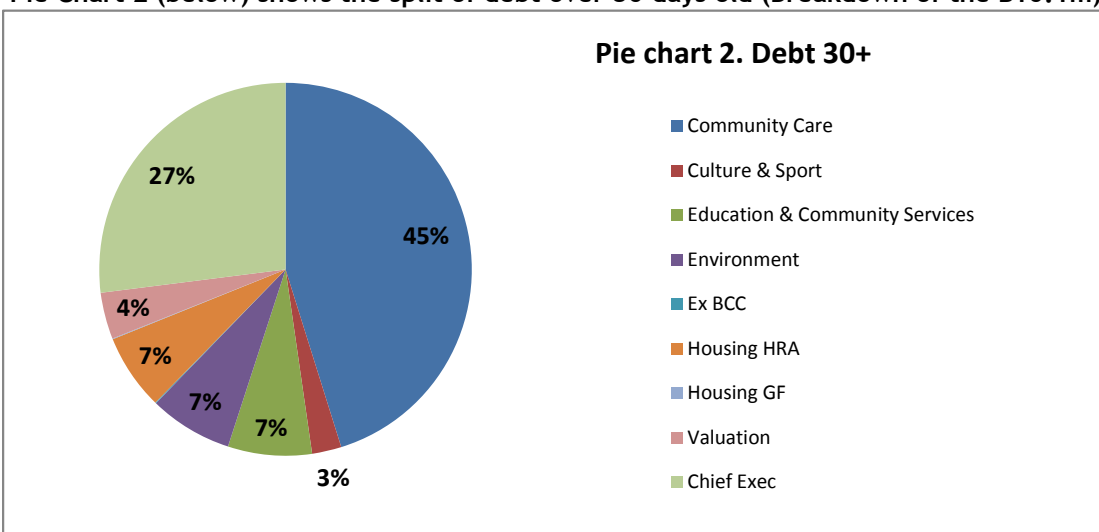
Ref	SAVINGS PROPOSAL	Prior Years Savings (£000s)					Mitigatable Amount	Mitigation Option	Variance	Mitigation explanation
		TOTAL	RED	AMBER	GREEN	BLUE				
Directorate of Economic Growth & Neighbourhood Services										
DENS33-B	Review and increase all allotment rental charges and review plot sizes.	26	26	0	0	0	0	No Mitigation	26	No mitigation due to the current DENS forecast outturn position for FY 19/20. Contractual arrangements are in place to ensure delivery of income in financial year 20/21 subject to the obtaining of statutory
DENS29-C & DENS48-C & DENS22-C(DENS23-A)	Continue to review existing property holdings e.g. Old Civic Site and Southside./Increase income from commercial property acquisitions - additional stretch target	750	519	0	231	0	0	No Mitigation	519	Mitigation: No mitigation due to the current DENS forecast outturn position for FY 19/20. Officers are continuing to investigate potential properties to purchase.
DENS-ECD5	Theatres Fees and Charges Increases	40	20	0	20	0	0	No Mitigation	20	No mitigation due to the current DENS forecast outturn position for FY 19/20. Officers continue to explore ways to generate additional income.
DENS24-C (Alternative to market testing)	Commercialisation - Alternative to Market testing	8	8	0	0	0	0	No Mitigation	8	No mitigation due to the current DENS forecast outturn position for FY 19/20. New revenue business case in production to deliver saving in future years.
Directorate of Economic Growth & Neighbourhood Services		1,014	712	0	312	0	0		712	
TOTAL of Savings with Red rated elements within 2019-2020		2,880	2,347	200	343	0	1,444		1,003	
TOTAL of Savings with Red Elements in 19-20 and Prior Years		4,118	3,548	200	343	37	2,502		1,111	

# Debt Performance - End of September 2019

The pie chart below shows the sundry debt as at the end of Period 6 (in excess of 30 days old) to total £9.468m compared to £11.188m at the end of Period 5.

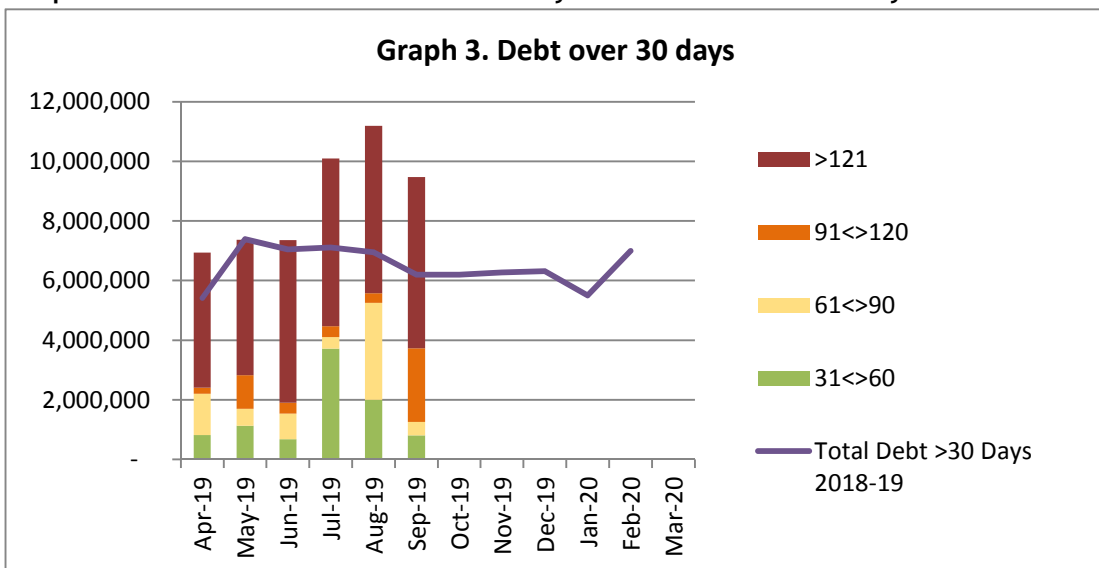


Pie Chart 2 (below) shows the split of debt over 30 days old (Breakdown of the £10.1m)



**Note:** Community Care includes Adult Client debt and invoices relating to NHS/CCG. As of Period 6, debt has been secured against 5 properties which totals £0.473m, however there is no guarantee that 100% of this is recovered upon sale of the property. Education Services includes the majority of Schools service level agreement invoices.

Graph 3 shows the trend of debt over 30 days for 2019-2020 financial year.



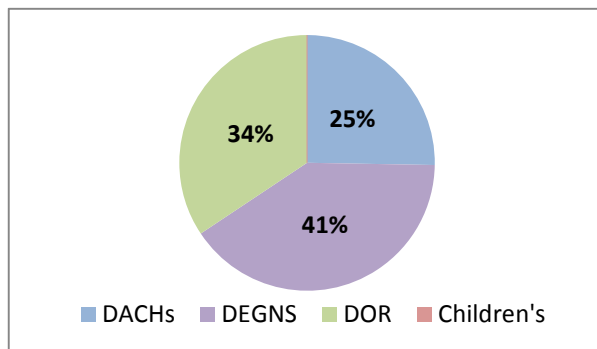
Debt over 121 days old has increased by £0.118m to £5.733m since the end of period 5.

## Agency and Staffing - End of September 2019

Agency contracts with the council as at the end of September 2019.

Number of agency workers by directorate

Directorate	Number of Septmeber Agency	Previous Month
DACHs	25	21
DEGNS	40	52
DOR	34	33
Children's	0	0
<b>Total</b>	<b>99</b>	<b>106</b>



Agency staff by post name (top 5)

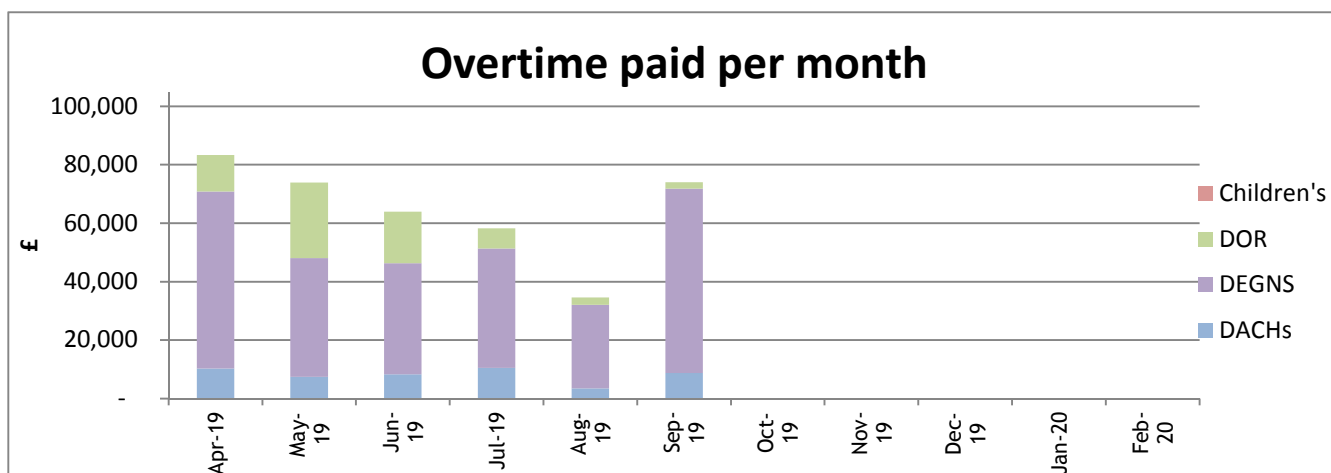
Post name	No.
Case Progression Officer	12
Refuse Loader	12
Cleaner	10
Social Worker	9
Sweeper	7

Agency spend by directorate per quarter (£000s)

Directorate	Q1(18-19)	Q2(18-19)	Q3(18-19)	Q4(18-19)	Q1(19-20)	Q2(19-20)
DACHs	501	491	368	456	344	394
DEGNS	424	420	345	423	312	403
DOR	805	685	580	486	314	447
Children's	1,521	1,518	1,215	1,687	1,414	1,499
<b>Total</b>	<b>3,251</b>	<b>3,114</b>	<b>2,508</b>	<b>3,052</b>	<b>2,384</b>	<b>2,742</b>

Overtime paid by directorate (Septmber and actual to date for 2019-2020)

Directorate	September 2019 Only	Actual to Date 2019-2020
DACHs	£ 8,736	£ 48,770
DEGNS	£ 63,088	£ 271,631
DOR	£ 2,210	£ 67,656
Children's	£ -	£ -
<b>Total</b>	<b>£ 74,034</b>	<b>£ 388,057</b>



Redundancies within 2019-2020

Directorate	Redundancies Costs	No. of Redundancies
DACHS	£ 134,011	13
DEGNS	£ 159,767	3
DOR	£ 2,250	1
<b>Total</b>	<b>£ 296,028</b>	<b>17</b>

Redundancy expenditure will either be funded through the capitalisation directive if the redundancy relates to transformation or through use of the redundancy revenue reserve.

Currently no redundancy charges have been reflected within the Period 6 reporting.