

Date of issue: 7th February, 2012

MEETING	OVERVIEW & SCRUTINY COMMITTEE (Councillors M S Mann (Chair), Basharat, Davis, Haines, Minhas, Munawar, O'Connor, Plenty and Smith)
DATE AND TIME:	MONDAY, 13TH FEBRUARY, 2012 AT 6.30 PM
VENUE:	SAPPHIRE 5, THE CENTRE, FARNHAM ROAD, SLOUGH, BERKSHIRE SL1 4UT
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SUPPLEMENTARY PAPERS

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

- * Item 4 was not available for publication with the rest of the agenda.
- * Item 5 was not available for publication with the rest of the agenda.

PART 1

<u>AGENDA ITEM</u>	<u>REPORT TITLE</u>	<u>PAGE</u>	<u>WARD</u>
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5.	Project, Performance and Financial Reporting for 2011/12	99 - 152	All

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SLOUGH BOROUGH COUNCIL

REPORT TO: Overview and Scrutiny Committee **DATE:** 13th February 2012

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PART I
FOR COMMENT AND CONSIDERATION

DRAFT MEDIUM TERM FINANCIAL STRATEGY (MTFS) 2011/12-2015/16
INCORPORATING DRAFT CAPITAL & REVENUE BUDGET 2012/13

1. Purpose of Report

- 1.1 The draft budget/ MTFS papers previously considered by the Overview and Scrutiny Committee on 6th December 2011, reflected a cumulative deficit position of £2.2m, taking into account Cabinet decisions agreed as at that date. In addition, further clarity around the complex funding arrangements and resulting service pressures have now been secured and the resulting position as set out in **table 1** is a balanced budget across all 4 coming years.

2. Recommendations

- 2.1 The Committee is requested to consider the draft revenue & capital budget for 2012/13 and draft MTFS to 2015/16 and provide any comments/recommendations to Cabinet prior to adoption at its meeting on 14th February 2012.

3. Key Policy Priority Implications

- 3.1 The Revenue and Capital budgets are the Council's financial plans for the forthcoming year. As such, the budgets will allocate resources to enable the delivery of the Council's Key Policy Priorities through the individual departmental and service plans.

4. Other Implications

Financial Implications

- 4.1 These are contained within the body of the report.
- 4.2 This strategy incorporates £20.625M of savings across the medium term. When added to the savings secured in 2010/11 the overall reduction in costs as a result of the cuts to public sector spending exceeds £25m. All savings proposed have been identified and agreed via a combination of cross cutting corporate initiatives, management reductions, and savings secured from back office functions and support service areas.

Human Rights Act & Other Legal Implications

- 4.3 The Council has various legal responsibilities around financial matters but, of primary importance: the Council must not plan to spend more than the resources it has available to it in any one year – the Council must set a ‘balanced budget’.
- 4.4 The 2003 Local Government Bill places a duty on the Section 151 officer to consider the robustness of budget estimates, the adequacy of reserves and the affordability of its capital programme in preparing its budget for the year.
- 4.5 There are no other legal or Human Rights Act implications.

Workforce

- 4.6 If agreed, the savings options to be considered will involve a combination of the deletion of vacant posts alongside voluntary redundancy/ early retirements on the ground of efficiency and reductions in working hours arising from expression of interest submitted by staff under the workforce planning exercise currently underway. Compulsory redundancies may be considered as a last resort, the Council will ensure that HR policies are applied to minimise the impact of redundancies and will look for redeployment opportunities for affected staff.

Table 1 - Slough BC Medium Term Financial Model – 2011/12 to 2015/16

	Provisional Settlement		CSR 2010		15/16 £'000
	11/12 £'000	12/13 £'000	13/14 £'000	14/15 £'000	
<u>Details</u>					
Opening Budget	103,979	105,107	100,460	102,105	100,857
Inflation: Pay	(150)	0	1,000	1,200	
Inflation: Prices	1,300	2,949	1,400	1,000	2,000
<u>Growth:</u>					
Previously agreed growth	2,538	332	689	22	0
New Growth (TBA)	50	770	115	0	0
Total Grant Impact	10,674	133	56	0	0
Specific Grant & Transfer Adjustments	0	90	206	0	0
Impact of Localisation of Council Tax Benefit		0	1,000	0	0
Contingency – Economic Risk	500	(305)	34	0	0
Total Pensions Adjustments	475	0	0	0	0
Capital Programme Adjustments	(508)	0	0	0	0
LAC Permanent Allocation of Reserve Provision		645			
Carbon Emissions Levy		380			
Community Investment	0	800	727	(49)	605
Total Growth	13,729	2,845	2,827	(27)	605
<u>Savings:</u>					
Total Previously Agreed Savings	(4,423)	(1,835)	(200)	0	0
Total New Savings Mitigating Cuts to Public Sector Spending	(8,011)	(6,494)	(3,680)	(2,500)	0
Savings to be found					
Total savings	(12,434)	(8,329)	(3,880)	(2,500)	0
<u>Income:</u>					
Council Tax Freeze Grant	(1,187)	(1,209)	1,209	0	0
New Homes Bonus (estimate)	(130)	(903)	(912)	(921)	(930)
Taxbase					
BUDGET REQUIREMENT	105,107	100,460	102,105	100,857	102,531
SPECIFIC GRANTS ROLLING INTO FORMULA GRANT	5,524	5,476		0	0
FORMULA GRANT	51,723	46,647	51,563	48,280	48,375
COUNCIL TAX REQUIREMENT	47,860	48,337	50,542	52,577	54,156
TOTAL ESTIMATED FUNDING AVAILABLE	105,107	100,460	102,105	100,857	102,531
SURPLUS / (DEFICIT)	BALANCED	BALANCED	BALANCED	BALANCED	BALANCED
Cumulative impact of cuts to public spending secured	(8,011)	(14,505)	(18,185)	(20,685)	(20,685)

Note: The cumulative value of Community Investment = £2.1m.

6. Securing a Sustainable Financial Position

- 6.1 The draft budget presents a balanced position across all 4 years of the medium term plan. Members expressly requested a robust process be applied to secure financial certainty insofar as is possible. The draft budget and draft medium term financial strategy meets that explicit objective.

Slough Borough Council

**Draft Medium Term Financial
Strategy**

2012/2013 – 2015/2016

**Incorporating
Draft Revenue & Capital Budget
2012/2013**

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1. Introduction & Background

- 1.1 This strategy delivers the Council's objective to secure a sustainable balanced budget position across the medium term. In so doing a balanced budget position is presented across a five year period, accommodating both clearly identified savings and known future challenges.
- 1.2 Members of the Council are drivers of budget policy and have set clear objectives for community and service priorities:
- Delivering savings requirements resulting from national government cuts in public sector spending
 - Protecting front line services
 - Accommodating the withdrawal of government subsidy for housing stock
 - Investing in service improvements to secure improved quality
 - Maintaining and increasing employment opportunities in the town
 - Providing capital investment for major regeneration, housing and infrastructure schemes
 - Investing in local community priorities
 - Increasing general fund balances to provide improved financial security in the current economic climate
- 1.3 The content of this document reflects the basis of the Council's Medium Term Financial Strategy over the current and coming four years and incorporates the proposed revenue and capital budget for the financial year 2012/2013. The draft budget presents a balanced position following decisions taken to address the residual shortfall. The main purpose of this report is then to approve Slough Borough Council's Financial, Capital and Treasury Management strategies, at the full Council meeting on 21 February 2012.
- 1.4 Changes to public sector funding have, as expected, resulted in significant financial challenges. Some services did not receive any element of national funding at all and it is for elected members to decide how they want to address this within the new "non ring fenced" but nevertheless significantly smaller pot of available funding. The savings set out in this report have been agreed at various stages during the past 6 months and represent difficult but necessary decisions to both secure a balanced position in the short term and address the larger scale financial challenges in the medium term.
- 1.5 The Strategy sets out the required Revenue, Capital and Treasury Management Budgets over the medium term and for 2012/13. The annual Capital and Revenue Budgets identify the resources required to deliver the full range of council services.
- 1.6 The Strategy is essentially structured across eight themes:
1. The Council's Priorities
 2. The Council's Financial Planning Process
 3. The Revenue Budget 2012/13
 4. The Capital Budget 2012/13
 5. Treasury Management
 6. Detailed Appendices

- 7. Accounting Policies and Disclosure
- 8. Fees and Charges

- 1.7 The Strategy incorporates the Strategic Director of Resources and Regeneration’s recommendations for the 2012/13 revenue and capital budgets; and updates the Council on the likely precept requirements of the Thames Valley Police Authority and Royal Berkshire Fire Authority for 2012/13.
- 1.8 The Localism Bill contains clauses that end the requirement for local authorities to set a 'Budget Requirement', which is generally the sum of Council Tax revenue and general Government grant. Specific grants are netted off before determining the Budget Requirement. The Council will now set a 'Council Tax Requirement' (and a not a 'Budget Requirement' for 2012-13 onwards. The resolution for members of the Council to approve will be updated accordingly following advice from Cipfa.

2. Allocation of Resources to Council Priorities

National Position

- 2.1 SBC’s financial and service planning is informed by the national economic position and influenced by the Government’s priorities and expectations. For the period 2011/12 to 2014/15 the Government’s spending plans were set-out in the Comprehensive Spending Review 2010, published on 20 October 2010.
- 2.2 The Chancellor of the Exchequer gave his Autumn Statement on the UK economy, which essentially provides an update on the Spending Review assumptions, on 29 November 2011. The Chancellor noted that, since the 2011 Budget was published in March 2011, the Office for Budget Responsibility (OBR) has revised a number of its key economic projections. In particular, the level of projected growth in the UK, Eurozone and World economy for the medium term has been significantly revised downwards. The latest set of OBR projections, compared to the forecasts used to inform Budget 2011 (March 2011), the Emergency Budget 2010 (June 2010) and the 2010 Budget (March 2010) are shown in Table 1 below. It is important to note that the growth projections are based upon the assumption that the euro area crisis does not escalate further and is eventually resolved.

Table 1 – Government economic forecasts

Budget		2010	2011	2012	2013
	2011 Autumn Statement	1.8%	0.9%	0.7%	2.1%
GDP growth	March 2011	1.3%	1.7%	2.5%	2.9%
	Emergency Budget 2010	1.2%	2.3%	2.8%	2.9%
	March 2010	1.0% to 1.5%	3.0% to 3.5%	3.25% to 3.75%	-

CPI Inflation	2011 Autumn Statement	3.3%	4.5%	2.7%	2.1%
	March 2011	3.3%	4.2%	2.5%	2.0%
	Emergency Budget 2010	2.7%	2.4%	1.9%	2.0%
	March 2010	2.0%	1.5%	2.0%	-
Net debt (% of GDP)	2011 Autumn Statement	60.5%	67.5%	73.3%	76.6%
	March 2011	60.3%	66.1%	69.7%	70.9%
	Emergency Budget 2010	61.9%	67.2%	69.8%	70.3%
	March 2010	63.6%	69.5%	73.0%	74.5%

2.3 In response to the apparent worsening economic position, the Chancellor's Autumn Statement included the following measures:

- Restricting public sector pay awards to an average of 1% for each of the two years (2013/14 and 2014//15) after the current pay freeze comes to an end;
- At a high-level, establishing that public expenditure will be further reduced by 0.9% in real terms in each of the years (2015/16 and 2016/17) following the current Spending Review period;
- Raising the state pension age from 66 to 67 between April 2026 and April 2028 (it increases to 66 in 2020); and
- Cancelling the planned £110 above inflation increase to the child element of the Child Tax Credit, and not uprating the couple and lone parent elements of the Working Tax Credit, in 2012/13.

2.4 The medium term financial plan (MTFP) takes account of these measures as necessary.

Impact of Localisation of Council Tax Benefit

2.5 The Government included within the Spending Review 2010 a policy commitment to localise support for council tax by 2013/14, reducing expenditure by 10%. The Welfare Reform Bill, published on 17 February 2011 contained provisions for the abolition of council tax benefit, paving the way for new localised schemes. Therefore, Slough BC will be responsible for designing and implementing a local council tax benefits scheme from April 2013. The MTFs currently assumes that

any future scheme will exactly match the available government funding. Officers will keep this assumption under regular review.

Formula Grant Allocation

- 2.6 On 18 July 2011, the Department for Communities and Local Government (DCLG) launched its consultation paper outlining the principle features of a proposed business rates retention scheme, "Local Government Resource Review: Proposals for Business Rates Retention – Consultation". DCLG subsequently published eight 'technical papers', to supplement and provide further detail on the initial consultation paper, on 19 August 2011. The government's intention is that the new business rates retention scheme will be implemented from 2013/14.
- 2.7 Currently, all business rates (also known as non-domestic rates or NDR) income collected by billing authorities is 'pooled' nationally, with this income being redistributed to individual authorities through the Formula Grant system. The government's stated policy objective is to enable councils to retain business rates income locally, providing a financial incentive for councils to undertake economic development activities and consequently increase the level of business rates collected in their local area. This new mechanism, which will be introduced from 2013/14, is a significant departure from the current system. Officers have modelled likely funding scenarios for SBC, based on the latest information available. These funding figures will be kept under regular review.

Sustainable Community Priorities

- 2.8 Within this challenging financial climate, SBC, and other partners - such as the Berkshire East Primary Care Trust (PCT) and Police and Fire Authorities – are committed to continuing to progress the 20 year Sustainable Community Strategy (SCS) "Proud to be Slough". The SCS, which was refreshed in 2011, sets out the most important priorities, identified by the local community itself, as follows:

Economy and Skills
Health and Wellbeing
Housing
Regeneration and Environment
Safer Communities

Two cross-cutting themes of promoting the image of the town and civic responsibility also run through the SCS.

Allocation of resources to priorities

- 2.9 The proposed revenue and capital budgets, contained within this report, are a reflection of the Council's ongoing prioritisation of resources to ensure SBC's services are focussed on delivering the strategy outlined above in the face of significant funding reductions. The budget proposals contained within this report include growth items for the following:

- ***Economy and Skills***
£60K Town Centre Management
£150K GIS
- ***Health and Wellbeing***
£158k – Learning Disability clients
£58k – Children’s Service (Independent Review Officers)
£100k – Concessionary fares
£32K – Ice Arena refrigeration plant
£85k – Improving Play Provision
- ***Regeneration and Environment***
£300k – Waste disposal
£85k – Improving play provision
- ***Safer Communities***
£30k –Alley gating

The following areas of growth are proposed as invest to save and efficiency investments:

- Client transactional services mgmt
- Inhouse debt collection service
- Information Governance Officer
- IT maintenance of contracts

Community Investment

- 2.10 In times of financial challenge local community needs can often be overlooked in favour of national or broader borough wide priorities. Members of the Council recognise the importance of investment in local communities and this strategy sets aside a sustainable funding allocation to ensure the needs of local residents and communities continue to be met on an equitable basis according to need.

Budget Consultation

- 2.11 The Council is under a statutory obligation to consult with local businesses on its proposed revenue and capital budgets each year. Best practice also suggests that the Council should consult with its local residents.
- 2.12 Slough Borough Council makes significant efforts to consult with stakeholders on its budget proposals each year. The recognised benefits of this approach include the following:
- Provide Members with information to support decision making
 - Promote public involvement in decision making
 - Identify priorities for spending
 - Identify areas in which spending reductions are seen as most acceptable
 - Raise awareness about how finances are spent
 - Raise awareness of the Council’s sources and levels of funding

- 2.13 This year residents have been consulted through a wide range of qualitative and quantitative consultation methods including: meetings with local parishes; local businesses – via the Thames Valley Chamber of Commerce; an article in the Citizen (Slough’s free newspaper); and a consultation officer to deal with telephone and email enquiries. From 2012/13 the Council will make available the use of an interactive online budget simulator which will allow residents to understand the difficult financial choices facing councillors during the budget setting process.
- 2.14 The consultation process was designed to be as inclusive as possible, seeking the views and opinions of residents, stakeholders, the business and voluntary sectors. Understanding the views and opinions of local people has assisted Cabinet as it develops and finalises the budget for the financial year ahead. The feedback obtained is also used by council services, alongside other sources of customer intelligence and feedback, when developing service plans and in continued implementation of the council’s vision.

3. Financial Planning

- 3.1 Robust financial planning and control processes are essential tools for a local authority to demonstrate good governance over public funds and to achieve value for money. Slough BC is continually seeking to improve in this area.
- 3.2 This section of the report provides an overview of the Council’s Financial Planning Process.

The Financial Planning Process

- 3.3 Each year, the Council must prepare a budget that fulfils five main purposes:
- To set the level of Council Tax for the forthcoming financial year;
 - To prioritise resources;
 - To authorise expenditure;
 - To provide a base to control expenditure and income;
 - To establish targets against which performance and achievements can be measured.
- 3.4 The Council begins its budget setting process early in the financial year to enable options to be fully considered and explored before decisions are made.
- 3.5 It is important to recognise the new approach that has been taken to identify and implement savings at a Corporate wide level across key themes rather than reducing all service budgets by an agreed percentage.
- 3.6 PPRG has been central in this process with individual directorates presenting their savings proposals to Commissioners across the key corporate themes between September and December 2011. This enabled the Council to have agreed savings items for 2012-13 in advance of the Government settlement in December 2011. Following PPRG’s agreement savings could then be reported by directorate to Cabinet as part of the developing Budget Strategy.

3.7 The key events in Slough BC's annual financial cycle are set out below:

February to April	Council agrees general revenue budget framework; capital budget framework; associated council tax levels; and treasury management policy. Council tax and non-domestic rate bills are despatched.
April/May	Work commences on next year's revenue and capital budget frameworks.
August/September	Financial Reviews (i.e. Fees and Charges, Option Appraisals, Growth and Savings options).
October - December	PPRG meetings, agreement of savings and development of growth bids.
December	Government publishes provisional local authority funding levels for next year for consultation. Precepts announced by Parish Councils. Council tax-base and collection fund surplus/deficit calculated.
January	Financial reviews completed. Government publishes final local authority funding levels for next year. Council housing rent and Housing Revenue Account business plan review.
February	Precepts and levies announced by Fire and Police Authorities
February to April	Council agrees general revenue budget framework; capital budget framework; associated council tax levels; and treasury management policy. Council tax and non-domestic rate bills are despatched.

Roles and responsibilities

PPRG (Policy and Performance Review Group)

3.8 Within Slough, priorities and objectives are set for the medium-term whilst departmental plans are submitted, considered and updated on an annual basis. The main focus of this process is the PPRG meetings which are held on a monthly basis

between September and December. The membership of PPRG is Commissioners' and Directors'. These meetings provide an opportunity for service departments to put forward new service proposals for the Administration to consider, refine their existing plans and demonstrate how they will balance their budget in the coming years. The process also gives the Administration the opportunity to engage with Service plans and to re-prioritise resources where appropriate.

- 3.9 The Administration and Service Departments are well aware of the constant need to provide Value for Money (VFM) in the services provided to the Council's residents and the particular Government imposed financial restraints inhibiting the Council. Alongside the constant in-year review of VFM, the PPRG meetings process enables existing priorities to be challenged by Lead Commissioners and Officers and ensures all growth and savings options are scrutinised and perceived to be robust.

Elected Members and Officers

- 3.10 Although the Commissioners' and Directors' meetings are essentially led by the Council's Administration and Corporate Management Team (CMT), all elected members and officers have an important role to play in the overall financial planning and monitoring processes.
- 3.11 Full Council: Under the Local Government Act 2003, the budget and consequent Council Tax demand must be agreed by Full Council regardless of the political structure in operation at the authority. Ultimately, therefore, the agreement of the budget is determined politically.
- 3.12 The Local Government Finance Act 1992 also requires precepting authorities to agree and issue their precept to billing authorities before the 1st March, with billing authorities being required to set the Council Tax by 11th March prior to the commencement of the new financial year on 1st April. Slough BC's budgeting process, therefore, culminates in a meeting of full Council, in February each year, to approve the budget for the forthcoming year.
- 3.13 Full Council has less of a role in budget monitoring, due to the more detailed nature of the information, but receives regular management information highlighting key budget and service performance issues, including details on the planned action by either officers or Cabinet to address the issues raised.
- 3.14 Cabinet: The Cabinet is responsible for presenting a budget to full Council for approval. Clearly, whilst much of the detailed work is undertaken by service officers and the finance department, the Cabinet provides oversight and strategic input into the budget construction process, as noted above through the Commissioners' and Directors' meetings process, establishing and monitoring systems and processes to ensure that the draft budget is acceptable and will deliver the Council's agreed policies, aims and objectives.
- 3.15 Whilst detailed budget monitoring is carried out by service managers, Commissioners maintain an overview of budget and service performance issues and challenges within their area of responsibility, and the Cabinet receives and

reviews regular reports detailing overall service and budget performance and highlighting any particular challenges. These reports are debated in order to develop and agree appropriate strategies, if required, to ensure that performance and spending are brought back on plan.

- 3.16 Overview and Scrutiny: The Local Government Act 2000 establishes the role of scrutiny as one of holding the Executive to account and to ensure that decision making is efficient, transparent and accountable. Effective scrutiny can add value to the budget making process by challenging the financial planning process to ensure that it is sufficiently integrated with the corporate and service planning process and examining how resources are allocated, making recommendations as to how resource allocation and value for money could be improved.
- 3.17 Overview and Scrutiny receive the service and budget monitoring reports discussed by Cabinet, and can conduct their own reviews and investigations to add value to the overall performance monitoring process as part of their on-going work load.

Key Considerations in the Financial Planning Process 2012/13

Funding Constraints

- 3.18 The Council, effectively, has three main sources of revenue income to fund its non-school services each year:
- 1) Formula grant: the main general funding stream provided by Government.
 - 2) Council tax.
 - 3) Specific grants: grants provided by Government to be spent on particular services/initiatives.

Formula Grant

- 3.19 Due to the current economic climate, and the Government's announcements concerning the national finances, officers have been forecasting significant formula grant reductions, over the short and medium-term, for some time. As noted later in the report the Council's formula grant allocation will be reduced by 8.3% in 2012/13 (-11.1% in 2011/12).
- 3.20 This level of funding reduction, although foreseen, inevitably requires difficult decisions to be made.

Council Tax

- 3.21 The Council is currently in receipt of a Council Tax Freeze grant, of £1,197k per annum for the years 2011/12 to 2014/15, as it accepted the Government's offer to freeze the level of its cash council tax amount in 2011/12 at 2010/11 levels. This specific grant, with no conditions attached, represents the income the council would have received had it increased its council tax in 2011/12 by 2.5%. The funding continues for future years (until 2014/15) to reflect the fact that had the Council actually increased its council tax amount in 2011/12 it would have benefitted from this additional income in perpetuity as it would form part of the council's income base.

3.22 In November 2011, alongside the Autumn Statement, the Government announced that it intended to offer a further Council Tax Freeze grant for 2012/13. However, crucially, this specific grant funding will only be available for one year – therefore Slough BC will effectively be left with a funding shortfall when the grant is withdrawn from 2013/14. As before, the grant assumes the council freezes its cash council tax level in 2012/13 at its 2011/12 levels. The grant is expected to be worth £1,209k in 2012/13. This specific grant funding has been included in the MTFS assumptions, although Members are asked to note the analysis of the Government’s Council Tax Referendum policy within the Council Tax resolution.

Specific Grants

3.23 From 2011/12, the Government removed ring-fencing from a number of specific grants and rolled-them into individual local authorities’ formula grant allocations. As such, these specific grants are now part of the Council’s overall general funding allocation without any conditions attached; and, therefore it is ultimately for Members to decide how this general funding is spent.

3.24 The provisional allocations for SBC, in 2012/13, are highlighted in the Table below. Service area budgets have been adjusted, in the MTFS, to reflect these revised funding levels.

3.25 The latest information available gives the following allocations for DCLG Specific Grants in 2012/13 equivalent value of £17.8m in 2011/12):

	2012/13
Revenue Grants	£'000
Community Safety	213
Extended Rights to Free Transport	99
Early Intervention Grant	7,821
Housing Benefit and Council Tax Benefit Administration	1,259
Homelessness	197
The Private Finance Initiative (PFI)	3,678
Leaving Care	37
Learning Disability & Health Reform	2,970
Lead Local Flood Authorities	161
Total Revenue Grants	16,435
Capital Grants	£'000
Capital - Department of Health Grants	266
Capital - Integrated Transport	854
Capital - Maintenance Block Grant	982
Total Capital Grants	2,102
TOTAL	18,537

3.26 The MTFS currently includes a contingency sum of £223k to reflect the current uncertainty regarding the overall 2012/13 quantum of specific grant funding. Officers will keep this amount under regular review.

New Homes Bonus

- 3.27 In 2011/12, the Government introduced a new, non-ringfenced, specific grant, “the New Homes Bonus”, to “create a powerful, simple, transparent and permanent incentive “. The amount secured offsets some of the additional costs incurred by local authorities that deliver sustainable housing development.
- 3.28 The Council is expected to receive £1,357k via the New Homes Bonus specific grant in 2012/13 (£456k in 2011/12). The additional value for 2012/13 of £903K has been included in the MTFP.
- 3.29 However, it should be recognised that, from 2013/14, the Government expect the bonus scheme to effectively be paid for by local government (i.e. the scheme will be funded by reducing the amount of formula grant local authorities were expected to receive nationally). The Government admits that *“this redistributive mechanism....means that the scheme will create financial winners and losers”*; therefore, there is, depending on the number of new homes built within the Slough area, a possibility that Slough BC could “lose” (i.e. the Council’s future formula grant allocations may be reduced by more than it receives back via the New Homes Bonus scheme). Officers have sought to model the impact of this decision on SBC’s future formula grant forecast; and will keep these forecasts under regular review.

VFM

- 3.30 Managing the Council’s limited finances always presents an important challenge as residents demand the delivery of high quality services within a tight budget. This requires the Council to be more efficient and innovative as well as continuing to improve and to make the most of our resources to deliver what our residents want.
- 3.31 Examples of Value for Money items within the 2012/13 Revenue Budget include:
- £395k - Maximising revenue.
 - £2,350k - Reshaping the Council's services
 - £600k - Full year effect of the previous years savings
 - £300k - Reshaping the Council's services
 - £425k - Review of council assets
 - £150k - Review of all major contracts and commissioned services
 - £250k - Reducing, reshaping and changing, where possible, the financing of the council's capital programme
 - £253k - Increase in commissioned services from the voluntary sector
 - £1,150k - Establishing an external transactional services centre
 - £56k - Closure of Wexham Nursery
 - £570k - Reduction of agency spend
 - £337k - Increasing opportunities for part-time working
 - £125k - Investing in a healthy workforce

Risk Strategy

- 3.32 Budgets are necessarily based on assumptions about what will happen during the next financial year; and therefore there is an inevitable risk that these assumptions might be wrong.
- 3.33 The main foreseen risk is that the proposed savings are not delivered. In an attempt to reduce this risk all agreed savings will be allocated to the relevant directorate cash limits prior to distribution. The budgets will then be closely monitored via the monthly financial management reports and updated budget information, including savings achieved, will be reported to Cabinet throughout the financial year.

Inflation & Interest Rate Risk

- 3.34 Officers have recommended the Medium Term Financial Strategy assumes the following for inflation:

	12/13	13/14	14/15	15/16
Inflation (pay)	0	1,000	1,200	1,000
Inflation (prices)	2,881	1,400	1,000	1,000
TOTAL INFLATION	2,881	2,400	2,200	2,000

- 3.35 Inevitably, there is an element of risk associated with these assumptions. It is especially uncertain, in the current financial climate, what inflation rates are likely to be in the future and indeed how long the current relatively low levels of inflation can be sustained. Officers have worked to ensure the building of a robust budget in this report.

Pay

- 3.36 The MTFs takes into account the Government's extension of the public sector pay freeze to include 2012/13. It does, however, ensure that any contractual incremental progression is fully funded.

Prices

- 3.37 The MTFs assumptions generally reflect an overall uplift in prices inflation at the level of the Consumer Price Index (CPI), the Government's preferred measure of inflation. CPI currently stands at 4.2%. This assumption will be subject to regular review.
- 3.38 It should be noted that there is a risk that inflation rates may increase significantly in the short and medium term. The Medium Term Financial Strategy will be modified to take into account any new information as it arises. However, if rates increase sharply in the short term the Council may need to take action in year to address this, which inevitably may result in future service reductions if the financial impact cannot be managed.

Previous outturn

- 3.39 The latest monitoring report suggests the general fund is currently forecasting an underspend of £2.578m in 2011/12. However, there is continuing pressure on the

budget in Children and Families due to the number of looked after children which has begun to stabilise, but is still subject to volatility. The MTFs assumes a break-even revenue position for 2011/12. If an over spend were to arise, additional savings options would need to be found.

Income Generation

Council Tax Referendums

- 3.40 The Government have effectively announced the demise of a Council tax capping regime and replaced it with local referendums. The Parliamentary Under-Secretary of State for Communities and Local Government, Bob Neill MP, said in his written statement at the time of the provisional local government finance settlement 2012/13:

“The Localism Act also includes powers to abolish Whitehall capping in England and instead allow local residents to veto excessive council tax rises. I can confirm that we are moving ahead with introducing arrangements for council tax referendums if an authority sets a council tax which exceeds principles endorsed by Parliament (i.e. is “excessive”). These provisions will be implemented for 2012-13 and I am also today giving an indication of the principles I am minded to propose for that year. I propose that local authorities will be required to seek the approval of their local electorate in a referendum if, compared with 2011-12, they set council tax increases that exceed:

3.5% for most principal authorities;

3.75% for the City of London;

4% for the Greater London Authority, police authorities, and single purpose fire and rescue authorities.

I am proposing that no equivalent principles will apply for town and parish councils for 2012-13, although they may in future years.”

- 3.41 For the purposes of the Medium Term Financial Strategy, officers are assuming a council tax freeze in 2012/13; a 3% annual increase, per annum, for 2013/14 and 2014/15; and a 2.5% annual increase for 2015/16. This profile is intended to reflect the one-off nature of the Council Tax freeze grant funding in 2012/13 and ensure the Council is not ultimately financially penalised by accepting this funding for 2012/13. However, Members may ultimately decide a different council tax level is required.

Collection Rate

- 3.42 Members will be aware the Council has entered into an partnership with an external organisation for the provision of transactional services from 2012/13. As part of this arrangement, the external partner has agreed to improve SBC's council tax collection processes. Officers have therefore assumed, in the MTFs, that the collection rate will increase by 0.5% (to 98.5%) in 2013/14 and a further 0.5% (to 99.0%) from 2014/15.

Taxbase

- 3.43 The MTFs assumes, based on historic trends, that the council taxbase (i.e. the number of domestic properties from which council tax is levied each year) will increase by 1.0% per annum. Officers will keep this assumption under regular review.

Revenue Reserves and Balances

- 3.44 Reserves are funds set aside to provide for specific spending needs that may arise in future financial years. Whilst reserves and balances are not new money, they can be used to fund spending on services and so form part of the council's overall sources of funding.
- 3.45 There is no specific obligation on councils to have reserves or balances, and consequently, no legislation specifies maximum or minimum level of funds that a council should hold in its reserves and balances. Therefore, each authority should determine for itself as part of its overall financial planning what level of reserves it needs to maintain, and what its minimum level of balances should be.
- 3.46 The Local Government Act 2003 specifically requires the Responsible Financial Officer (known as the "Section 151 Officer") to make specific reference to whether reserves and balances are robust in the annual budget report that agrees the budget and Council Tax for the forthcoming financial year. The Strategic Director of Resources and Regeneration's report can be found at Appendix G.
- 3.47 Based on the Strategic Director of Resources and Regeneration's report, and the current economic climate, the Council is asked to approve the following Policy for Reserves in 2012/13:

Earmarked Reserves

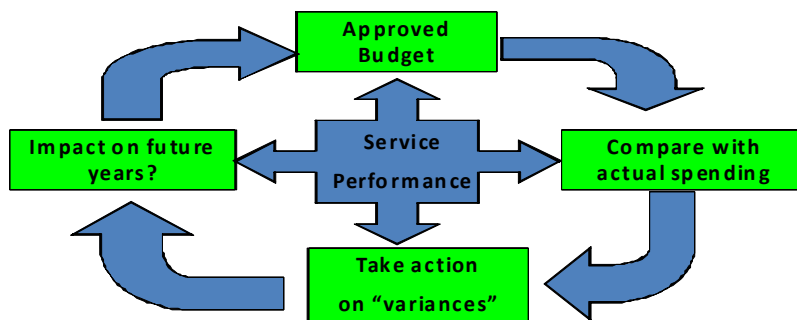
- a) Sufficient sums should be set aside in earmarked reserves as is considered prudent.
- b) The Strategic Director of Resources and Regeneration (SDR&R) will be authorised to establish such reserves as are required.
- c) The SDR&R will review the Earmarked Reserves for both adequacy and purpose on a regular basis and report her findings to Cabinet.

General Reserves

- d) To commence the financial year with general reserves at a level of at least £5m to cover exposure to known risks.
- e) If the level of general reserves is reduced to lower than £5m, the SDR&R will ensure the Medium Term Financial Strategy clearly identifies how the general reserves will be replenished back to the required £5m in the medium term.
- f) The Medium Term Financial Strategy will include a contingency sum for demand led pressures.
- g) The SDR&R will review the level of General Reserves on a regular basis and report her findings to Cabinet.

Measuring Delivery

- 3.48 Frequent monitoring of Council expenditure against the budget is important to ensure financial stability is maintained throughout the year. Consequently, regular monitoring reports are submitted to the various Senior Management Teams (SMTs) within Directorates, the Corporate Management Team (CMT), Cabinet and to the Overview and Scrutiny Committee. Service Directors are also fully aware of their duty to control their departmental budgets within the cash limits that are set for them.
- 3.49 Slough Borough Council's budget monitoring process is illustrated in the following diagram:



- 3.50 Budget monitoring is the continual process of comparing actual income and expenditure with the budget and forecasting the likely expected out turn at the end of the year. Over or under spending (variances) will be addressed as they arise with the aim of ensuring that the council ends the year within its budget. The budget monitoring process will also inform future updates of the MTFs where changes in expenditure and / or income patterns impact on future years.
- 3.51 Slough has very pro-active arrangements for monitoring and control to deliver at a high level of financial management, ensuring the Council manages within its resources.

4. The Revenue Budget 2012/13 and Council Tax

- 4.1 In determining the level of budgets for each Directorate, the Council must take into account the following factors:
- The level of funding it receives from Central Government.
 - Inflationary requirements and commitments.
 - New statutory responsibilities and/or transfers of function away from Council.
 - Changes in demographics and levels of service demand.
 - Growth requirements arising from the Corporate Plan.
 - Changes in levy and precepting bodies requirements.

- 4.2 Each of these factors has a major impact on the level of resources required or available to the Council.

The Local Government Finance Settlement

- 4.3 Local authorities receive a large part of their funding in the form of grants from central government. While some of this is in the form of specific grants (funding streams with a specific set of rules, intended to give authorities the resources to provide a particular service or achieve a particular outcome), in 2012/13 over £23.6 billion of funding is in the form of “formula grant”. This is intended to be general funding with no restrictions on what local authorities can spend it on.
- 4.4 On 8 December 2011, the Parliamentary Under Secretary of State for Communities and Local Government, Bob Neill MP, published a written statement announcing the provisional local government finance settlement for 2012/13. The provisional settlement provides local authorities with their expected general, non-schools, funding allocations for 2012/13; and represents the second year of a two year multi-year settlement (covering 2011/12 and 2012/13). Each local authority’s actual allocation is expected to be confirmed in January 2012. Officers are expecting little, if any, change in the figures; however, this assumption will be kept under review.
- 4.5 The key headline funding figures for Slough are as follows:

Table: Slough BC’s Formula Grant Allocation 2012/13

Formula Grant Change			
2012/13 Provisional Settlement (Excluding Council Tax Freeze Grant)	2011/12	2011/12	2012/13
	Cash £m	Adjusted £m	Cash £m
Formula Grant (£m)	57.247	56.837	52.123
% change (2011/12 adjusted to 2012/13 cash)			-8.3%

- 4.6 The cash amount is the amount of funding SBC will actually receive in 2011/12 and 2012/13 as general funding for non-schools services. The adjusted figures are used to enable ‘like-for-like’ comparisons to be made across years (this is considered in further detail below).
- 4.7 A comparison of the funding figures for Slough and other local authorities is set out below:

Formula Grant Change Comparison	
Change in Formula Grant Comparison (Based on adjusted figures) - Excludes Council Tax Freeze Grant	2012/13
Slough	-8.3%
Inner London Boroughs incl. City	-7.4%

Outer London Boroughs	-7.9%
Metropolitan Districts	-7.6%
Shire Unitaries	-7.6%
Shire Counties	-7.9%
Shire Districts	-11.5%
England	-7.3%
<i>Note: England figure includes Police and Fire authorities</i>	

- 4.8 As noted above, cash funding comparisons across years can be misleading, due to the fact that the Government make funding transfers between years. In order to enable like-for-like comparisons to be made, the Department for Communities and Local Government (DCLG) produce an adjusted funding baseline for individual local authorities, which identifies the main funding transfers that have occurred. The transfers for Slough are set out, in the Table below:

2011/12 Formula Grant Adjusted Baseline <i>This represents the baseline for future years' comparisons</i>	
	2011/12 £m
2011/12 Formula Grant	57.247
Private Sewers	(0.044)
Academies	(0.366)
2011/12 Adjusted Formula Grant	56.837

Private Sewers

- 4.9 The Government has removed £20.1m in 2012/13 from the national formula grant control total to reflect the transfer of responsibility for “private sewers” to sewerage and water companies – local authorities have historically been involved in dealing with issues and solving problems with private sewers, either in relation to their own properties or in some cases on behalf of local residents. No adjustment has been made in the MTFS to reflect this transfer.

Academies

- 4.10 The Government has transferred away £114.5m in 2012/13 to reflect the expected growth in academies and to provide funding for those functions carried out at LEA level funded from Formula Grant. The deduction from formula grant was a straightforward top-slice, as opposed to removing funding at an individual local authority level, as the Department for Education (DfE) have stated they do not know where future academies may be established. No adjustment has been made in the MTFS to reflect this transfer.

Formula Grant Floors

- 4.11 The cost of guaranteeing a maximum reduction in formula grant, for all individual local authorities, continues to be paid for by scaling back the increase in grant any authority was due to receive above the funding floor. As in previous years, the floor damping system is self-financing within each group of authorities i.e. authorities in one group will not cross-subsidise the floor for authorities in another group.
- 4.12 From 2011/12, the Government placed individual local authorities into one of the relevant four floor levels based on an overall ranking, determined by grant dependency, which is defined as the proportion of the 2010/11 budget requirement that was funded through the 2010/11 formula grant; and ensuring there are an equal number of authorities in each of the four bands. Band 1 authorities are deemed 'most dependent on formula grant' and Band 4 authorities are deemed 'least dependent on formula grant'.
- 4.13 Each Band has a maximum 'floor' i.e. no authority in each Band can receive greater reductions in formula grant than the maximum floor for its Band, as follows:

	2010/11		2011/12		2012/13	
	Floor	Scaling	Floor	Scaling	Floor	Scaling
Education / PSS authorities	1.5%	(71.7%)	(11.3%) (12.3%) (13.3%) (14.3%)	(71.4%)	(7.4%) (8.4%) (9.4%) (10.4%)	(71.7%)
Police Authorities	2.5%	(86.2%)	(5.1%)	(99.98%)	(6.7%)	(99.98%)
Fire & Rescue Authorities	0.5%	(57.9%)	(9.5%)	(34.0%)	(3.4%)	(32.1%)
Shire Districts	0.5%	(59.1%)	(13.2%) (14.2%) (15.2%) (16.2%)	(99.7%)	(11.2%) (12.2%) (13.2%) (14.2%)	(75.1%)

- 4.14 SBC is deemed to be a Band 2 authority and is therefore 'protected' from any funding reductions of more than 8.4% in 2012/13.
- 4.15 However, as noted above, the cost of guaranteeing the minimum increase in grant continues to be paid for by scaling back the increase in grant for authorities above the floor. In 2012/13, SBC contributes £0.152m towards the cost of the funding floor (£1.908m was paid back in 2011/12).

Schools Funding

- 4.16 The funding for schools continues to be through the DSG (Dedicated Schools Grant), a ring-fenced grant from the Department for Education rather than through the local Government finance system.
- 4.17 The Guaranteed Unit of Funding (GUF), for 2012/13 remains exactly the same as 2011/12 (£5,540 per pupil). The estimated Dedicated School Grant for Slough Borough Council based upon 22,026 pupils for 2012/13 is £122.0 million. The final

allocations of grant will not be announced until May 2012 after the start of the financial year.

- 4.18 The DSG will provide for the same items that were previously resourced through the Schools Formula Spending share within the local government finance system, and covered by the Schools Budget set by local authorities. The Schools Budget consists of delegated budgets allocated to individual schools, and a budget for other provision for pupils which local authorities fund centrally, such as some special educational needs provision and grants to independent and voluntary providers of early years education. The DSG is completely ring-fenced and therefore provides the funding for the Schools Budget.
- 4.19 The pupil premium was introduced in 2011-12. In 2012-13, schools will receive £600 for each Slough child from low income families who has been eligible for free school meals at any point in the last 6 years and also for any child who has been looked after continuously for more than six months. The deprivation pupil premium is estimated at £3.225m and the looked after children at £56.4k, a total of £3.282m
- 4.20 A proposed Schools Budget will be presented to the Schools Forum on 6th March 2012 for consideration.

Budget Reductions 2012/13 to 2015/16

- 4.21 All Service Directorates have been asked to make, wherever possible, efficiency savings. Further, during the budget process, Service Departments were required to only put forward savings options that they thought professionally acceptable. The total savings proposals put forward for 2012/13 amount to £8,329m. Further detail for the proposed 2012/13 to 2015/16 reductions is provided at Appendix E (ii).

Service Growth 2012/13 to 2015/16

- 4.22 The total growth outlined for all Service budget areas amounts to £2,845m for the financial year 2012/13. Proposed growth over the period 2012/13 to 2015/16 is outlined at Appendix E (i).

Budget 2012/13

- 4.23 The following table shows the main changes from the 2011/12 Revenue Budget.

Table: Change in Budget to 2012/13

	£000	£000
2011/12 Base Budget		105,107
Specific Grant Transfers	223	
Inflation (Excluding Schools)	2,949	
Non-Schools Growth	2,622	
Savings	(8,329)	
CT Freeze & New Homes Bonus	(2,112)	
= Net increase (decrease) in Budget		(4,647)
2012/13 Revenue Budget		100,460

Council Tax calculation

- 4.24 Council Tax billing authorities are required, under section 30(2) of the Local Government Finance Act 1992, to set their budget and Council Tax by 11th March prior to the start of the new financial year on 1st April. Precepting authorities have the slightly earlier deadline of 1st March, to enable information to be included on the overall bill prepared by the billing authority. Additional supplementary Council Tax demands designed to raise additional funding during the year are illegal, and so it is essential that the council ensures that the annual budget adequately funds services as mid-year financial pressures will largely have to be addressed within the overall total funding generated at the time the budget was set.

The Collection Fund

- 4.25 The Collection Fund accounts for all monies relating to the receipt of Council Tax and the old Community Charge, and for payments made to the precepting authorities, the Thames Valley Police Authority and the Royal Berkshire Fire Authority, and to fund the Council's own demand to meet its budget requirement.
- 4.26 Whatever balance remains on the fund in respect of the over/under recovery of Council Tax or Community Charge must be added to or subtracted from the following year's Council Tax bills. Adjustments in respect of Community Charges are added to the Council's part of the bill only, while Council Tax adjustments are shared with the Thames Valley Police Authority and the Royal Berkshire Fire Authority.
- 4.27 In setting the 2012/13 Council Tax, the Council must therefore separately estimate any surpluses or deficits on the Collection Fund for 2011/12 for both the Council Tax and Community Charge.
- 4.28 The Section 151 Officer has now approved the estimate for the Collection Fund for 2011/12, which shows the fund to be in balance. Therefore no adjustment has been made to the revenue budget when calculating SBC's local council tax for 2012/13.

The Council Tax Base

- 4.29 Cabinet agreed, on 21 November 2011, a taxbase of 41,981.5 equivalent Band D properties for 2011/12. This figure assumes a collection rate of 98.0% (98.0% for 2011/12) will be achieved in respect of all charges raised for 2012/13.
- 4.30 The calculation of Slough's share of the Council Tax is relatively straightforward. Slough's budget requirement plus any surplus or deficit on the collection fund, less the amount received in formula grant is divided by the taxbase to give the tax per Band D property. This is illustrated below:

Table: – Council Tax Band D Property

	£'000
Slough Budget Requirement 2012/13	100,460
Collection Fund in Balance	-
Less:	
Formula Grant	(52,123)
Total to be met from Council Tax	48,337
Taxbase	41,981.5
Council Tax at Band D – 2012/13	£ 1,363.01*

- **Based on latest estimates from Fire and Police**

Parish Precepts

- 4.31 Slough's parishes have requested total precepts for 2012/13 of £268,050, (£263,600 was requested in 2011/12). There will be slight movements in the actual amount of precept requested from local council tax payers within each parish between 2011/12 and 2012/13 due to changes in their taxbases across these years and/or the total amount of funding requested.

Other Precepts

- 4.32 The current figures used in this report for other precepts from Thames Valley Police Authority and Royal Berkshire Fire and Rescue are estimated and may be subject to change. We expect to obtain final figures from both TVPA and RBFR on the 17th February 2012.
- 4.33 The Thames Valley Police Authority has indicated that, for 2012/13, it is likely to freeze its precept at the same level it set in 2011/12 (£154.30). Further updates will be provided on these figures as information is released by the Police Authority.
- 4.34 The Royal Berkshire Fire Authority has also indicated that, for 2012/13, it is likely to request a 3.5% increase on the 2011/12 precept providing a figure of £57.31 (2011/12 £55.38). Further updates will be provided on these figures as information is released by the Fire Authority.
- 4.35 The implications of these precept requirements for Slough's Council Tax payers are given in Appendix D.
- 4.36 It should be noted these precepts are yet to be formally agreed and, if there are changes, an update will be provided at the meeting where this report is considered.

Setting the Tax

- 4.37 The Council is required to make certain calculations under sections 31A, 31B, 34 and 36 of the Local Government Finance Act 1992. These calculations are:

- The basic amount of Council Tax for both Slough and the preceptors.
- The basic amount of Council Tax for each valuation band for both Slough and the preceptors.
- The aggregate amount of Council Tax for each valuation band, which includes the basic amount for the Council and the basic amount for the preceptors and parishes.

- 4.38 In accordance with these requirements, Members are asked to agree the calculations set out Appendix C. The Council Tax for a Band D property under these calculations is £1,363.01 (£1,361.07 in 2011/12) including police and fire but excluding any parish precepts. The full Council Tax for each Band is included within the recommendations. Further detail can be found at Appendix D.
- 4.39 Any amendments proposed to the budget will require a recalculation to be undertaken for the revised figures within the statutory framework.

5. Service Budgets

- 5.1 This section of the report is intended to highlight Service department issues that will need to be kept under review during 2012/13, and may have an impact on the Medium Term Financial Plan. The proposed cash limits are provided at Appendix F.

Corporate Departments

- 5.2.1 Slough Borough Council is committed to protecting front line services as a priority during this period of financial challenge. To support this, securing efficiencies in back office and support functions is of paramount importance. As a result, all support functions were reviewed and savings proposals submitted in 2010/11. Further savings have continued to be submitted submitted to Members during 2011/12 for their approval.

Following agreement by Members regarding working with an external partner to establish a regional Transactional Services Hub in Slough a partner has been selected and the Council looks forward to working with Arvato to deliver savings and efficiencies through the new Transactional Service.

Community & Wellbeing

- 5.4 The integration of Public Health Services from the health authority is a major challenge. There will be a steep learning curve for the department as it seeks to be ready for the full integration of this major service area from April 2013.

Effective monitoring, forecasting and financial planning for demand led services to mitigate the risks associated with increased demand for social care is key area of challenge and focus in the coming year.

The proposed integration of adults and children's services may create capacity pressures during the transition period which will need to be carefully managed

Delivering and improving effective corporate procurement, supporting the delivery of cross cutting savings is key to the financial well being of the council during the coming year.

Education and Children's Services

- 5.5 The number of children on child protection plans and those who are looked after continues to be volatile as demand remains high locally, echoing the national picture of increasing numbers of children on children protection plans and looked after children.
- 5.6 Children looked after in a range of settings by Slough increased during 2011-12, significant investment in base budget allocation alongside 2 Gold projects has been agreed in order to provide better outcomes for children as well as to address the current and projected financial pressures. Successful delivery of the Gold project outcome milestones during the year is a critical success factor for the service. The numbers of looked after children in Slough will be monitored closely again in 2012-13.
- 5.7 The senior management reorganisation will require careful management to ensure that improvements to service delivery continue to be secured, including the re-shaping of children's social care to reflect the Safeguarding Improvement Plan and the recommendations of the Munro report on child protection.
- 5.8 Successfully supporting a comprehensive review of services to schools is critical to the delivery of the council's statutory and non-statutory education functions and the future financial wellbeing of the Council
- 5.9 Reviews of Sure Start and Integrated Youth Support Services will also take place during 2012/13 as part of reshaping early intervention services

Customer & Transactional Services

- 5.10 Successful and timely integration of previously separate services to secure planned efficiencies over the medium term is key to the wider financial well being of the organisation.

Resources and Regeneration

- 5.11 Managing the HRA to ensure the new borrowings to buy out subsidy are serviced with no risk to the wider general fund balances, whilst maintaining and continuing to improve services to tenants is a key area of challenge and focus for the coming year.
- 5.12 Resilient corporate finance services providing accurate forecasting and modelling support will be critical to the wider financial well being of the council.

6. Capital Investment Programme

Introduction

- 6.1 Capital expenditure is more explicitly defined in legislation and accounting practice. The Local Government Act 2003 requires local authorities to separate capital income and expenditure from revenue income and expenditure and Section 21 of the 2003 Act requires all authorities to follow “proper practice” in their accounting for the capital income and expenditure and drawing up their annual financial statements.
- 6.2 The current accounting practice defines capital expenditure as “all expenditure on the acquisition, creation or enhancement of a tangible fixed asset” and “expenditure on the acquisition of a tangible asset, or expenditure which adds to, and not merely maintains, the value of an existing asset, should be capitalised as a tangible fixed asset, provided that it yields benefits to the authority and the services it provides are for a period of more than one year”.
- 6.3 Therefore, any expenditure on the purchase and enhancement of assets is defined as capital expenditure. Any expenditure that does not add to the value or the substantially increase the useful life of the asset is not capital expenditure and so must be treated as revenue. Expenditure on repairing and maintaining assets is therefore classified as revenue expenditure.
- 6.4 Whilst most items of expenditure can be classified as either revenue or capital without significant problem, the definition is not absolute and so “grey areas” do occur. In such instances it is the responsibility of the Section 151 Officer possibly with advice from the authority’s external auditor, to ensure that the item is correctly classified in the accounts.
- 6.5 Authorities receive funding to pay for their capital and revenue expenditure from a variety of sources which will be considered in more detail below. However, the overall rule is that an authority can use revenue income to pay for capital expenditure, but cannot use capital income to pay for revenue expenditure. For example, a council could, at least in theory, fund building a new library using savings in staff costs, but could not fund staff salaries through the proceeds of sale of the library building.
- 6.6 Cabinet approved the current capital programme on 18th July 2011 (Agenda item 26). The programme has since been further reviewed by the Capital Strategy Group (CSG) in light of:
- a) Affordability in the context of the Council’s Revenue Budget and funding projections.
 - b) The Comprehensive Spending Review announcement and the Revenue Support Grant settlement and its impact on the General Fund (GF) revenue budget.
 - c) Progress on delivering current year’s capital programme and the budget scrutiny process.

d) Overall capital resource requirement to fund the capital programme at a prudent and sustainable level.

6.7 In preparing the proposed revised capital programme, Capital Strategy Group has considered the overall capital strategy and service priorities to enable delivery of the Council's business plans at a level of capital and revenue resources estimated to be available to ensure the proposed programme is financially prudent and sustainable.

6.8 The proposed capital programme will be subject to further review during 2012/13 to ensure continued affordability in future years.

6.9 General Fund Capital Programme 2010-11 to 2016-17

6.10 The general fund capital programme is restricted by the resources available to fund the expenditure. The major sources of funding are external grants and contributions, useable capital receipts and prudential borrowing

6.11 As part of the Comprehensive Spending review, the government also announced that from 2011/12, supported borrowing will be replaced with non-ring fenced capital grants. The following capital grant allocation to the Council for 2011/12 and 2012/13 has been announced so far. Further capital grant allocation announcement in respect of Education is expected soon.

	2012/13
	£'000
Department of Health	266
Department of Transport	1,836
	2,102

6.12 Schemes supported by grants and contributions have been included in the programme to the extent that those grants are estimated to be available. In addition to the above grants these include Education Targeted Capital Fund, Education Devolved Formula Grant and Private sector Improvement Grants and S106 contributions.

6.13 The Council is currently considering the option of procuring a partner to enter into a Local Asset Backed Joint Venture (LABV) with. The procurement process has started however the decision to proceed will be taken subject to the LABV offering value for money to the Council. If a decision is made to enter a LABV then significant capital projects in future years will be delivered via this route.

6.13 The use of borrowing to fund the Capital programme is restricted by the capacity for the cost of the borrowing to be funded from the Revenue Budget. These costs comprise not just the interest but also the requirement to make a Minimum Revenue Provision to repay the principal sum.

6.14 As part of the Treasury Management Strategy, it was agreed in 2008 that 2009/10 and 2010/11 capital borrowing requirement would be funded by reducing the level of treasury management deposits. In view of the current interest rate differential

between the investment rate that could be achieved and the current borrowing costs, it is proposed that the current funding policy of reducing the level of deposits is extended to at least 2012/13.

Expenditure

- 6.15 In light of the estimated resources available the process for this year's capital programme meant that no additional schemes were considered except for those with full funding from external grants and contributions with exception of schemes required due to statutory obligations.
- 6.16 All current schemes have been reviewed to ensure that these schemes were still required to deliver the Council's business plan and also to ensure that the total costs were correct and the profile of the expenditure reflects the pattern of spend.
- 6.17 The overall revised capital programme and resources are summarised in the attached Appendix I.
- 6.18 The Capital Strategy Group will monitor the capital resources at its regular monthly meetings and will recommend individual new bids for funding as and when new capital resources are identified. However this is likely to be restricted only to those schemes with external funding sources. The group will also monitor those schemes dependant on grants and contributions to ensure they only proceed when the grants are certain to be received. Capital Strategy Group will also further review the proposed capital programme during 2011/12 in light of the decisions on the Asset Management Strategy review reported elsewhere on the agenda to ensure the capital programme is adjusted not just to enable the Council to deliver future business plans but also generate efficiencies.

Capital Expenditure on Schools

- 6.19 The Schools Standards and Framework Act 1998 transferred assets (and liabilities) of former Grant Maintained schools from the LEA and vested them in the governing bodies of individual foundation schools. The Land and school buildings of foundation schools are therefore not assets of the LEA but of the individual governing bodies. Similar treatment applies to Voluntary aided/controlled schools and the Academies.
- 6.20 Capital funding from DCSF is allocated to the Council and not to the individual schools within the LEA. This funding is mainly in the form of capital grants.
- 6.21 The Education and Children's Services department allocate capital funding to individual schools based on the overall departmental asset management plans. The department does not discriminate against non-controlled schools on the basis that school places need to be provided for the Council's children and if these schools were not able to provide that provision, then the Council would have to find alternative provision. Whilst this may reflect the Council's overall policy in terms of provision of education within the borough, it does not contain explicit Council approval for incurring and financing capital expenditure and consequent revenue

budget implications in the form of debt charges on assets that do not belong to the Council.

- 6.22 The Education and Inspections Act 2006 amended Schedule 22 of the Schools Standards and Framework Act under which “where a school owns its own land (through its governing body, foundation body or trustees) wishes to sell surplus non-playing field land, it must inform the local authority, which can object to the disposal, to the reinvestment proposal, and/or claim a share of proceeds which are attributable to public investment”. It is necessary for the school governors to confirm that the Council is entitled to a share of their assets if a subsequent sale was to happen.
- 6.23 The proposed capital programme contains the following provisional funding for the foundation, voluntary aided/controlled schools and the Academies, which the Cabinet is recommended to approve. This will be updated and reported back to the Cabinet during the year once final funding allocations have been received.

Estimated Capital Expenditure

Foundation Schools	2011-12 £'000	2012-13 £'000	2013-14 £'000	Total £'000
Baylis Court	3,823	462	0	
Castleview Primary	57	0	0	
Cippenham Junior	490	0	0	
Herschel Grammar	60	0	0	
Lynch Hill School	30	0	0	
Pippins Primary	433	0	0	
Priory Primary	344	0	0	
Ryvers Primary	36	0	0	
Westgate	4,193	1,584	75	75
Total Foundation Schools	9,466	2,046	300	75
Voluntary Aided Schools				
Iqra Slough Islamic School	44	0	0	0
Khalsa Sikh Primary	183	0	0	0
St Josephs	200	0	0	0
Total Voluntary Aided Schools	427	0	0	0
Voluntary Controlled Schools				
Colnbrook CE Primary	60	0	0	0
Slough & Eton	277	0	0	0
St Mary's	205	0	0	0
Total Voluntary Controlled Schools	542	0	0	0
Academies				
Langley Grammar	409	0	0	0
Slough Grammar	354	0	0	0
Total Academies	763	0	0	0

HRA Capital Programme

- 6.24 The Housing Investment Strategy over the past 4 years has primarily focused on meeting the requirements of the Governments Decent Homes Standard partly funded by government HRA supported borrowing of £45.4M allocated after the ALMO was awarded the audit commission 2 star quality standard in October 2007. Following the transfer of ALMO function back to the Council's in-house team during 2010, the 5 year Housing Investment Programme has been reviewed and re-prioritised to ensure tenants priorities are met e.g. kitchen, bathroom and entrance door replacement.
- 6.25 The proposed HRA capital programme for 2012-13 is included in Appendix 1 and sets out the required funding to deliver a scheme of internal elemental improvements to meet decent homes compliance plus other essential capital investment works in line with the 30 year housing investment plan. The majority of the proposed capital programme will be funded from revenue contributions and capital receipts during 2012-13 following the commencement of self-financing for council dwellings. Under this new regime, the Major Repairs Allowance will no longer be a source of financing for the HRA Capital Programme.

Pooling of Capital Receipts

- 6.26 Under the capital finance regulations, all housing capital receipts are subject to the pooling arrangements under which 75% of RTB and 50% of non-RTB housing receipts have to be paid over to the Secretary of State. However, for the non-RTB receipts, a "Capital Allowance" which includes expenditure incurred or planned to be incurred on affordable housing and regeneration projects can reduce the amount. In order to qualify the above expenditure for the capital allowance, the Council is required to pass a resolution approving the amount that can be spent on affordable housing and regeneration projects.

Financial Risks

- 6.27 Any budget plan is likely to encounter risks. Some of the risks that have been identified that could impact on the proposed capital programme are:
- Slippage in the timing of capital receipts, especially as the revised programme is heavily reliant on this source. Any slippage or timing of delivery will incur additional capital financing costs;
 - Economic and market conditions, current estimates for receipts reflect current market conditions, but changes in this could adversely affect the programme. Higher than allowed for inflation will increase the capital costs;
 - Overspending against agreed budgets. The capital programme will be monitored on a regular basis;
 - Timing of capital grants and contributions;

- Unexpected call on the capital resources from unforeseen events;
- Change in legislation or Accounting Regulations, resulting in adverse impact on the revenue budget.

Whilst these risks cannot be completely removed, the following consideration has been given to mitigate the risks:

- i. In addition to stringent monitoring, capital receipts are only included where assets for disposals are identified with a realistic timetable for disposal;
- ii. Capital monitoring arrangements currently in place should identify any problems at an early stage. Slippages in capital spend are no longer automatically carried forward into the following year;
- iii. Proposed changes to Accounting regulations are reviewed by the officers and assessed for their potential impact on the Council's accounting policies and if necessary responded to as part of the consultation process.

Conclusions and Recommendation

- 6.28 The proposed capital programme and the associated Prudential Indicators, outlined in the next section, have been prepared within the context of the Council's capital strategy with a view to help enable the Council to deliver its business plan. The revised capital programme recommended for approval is summarised in the attached Appendix I.
- 6.29 We are awaiting final confirmation of Capital Financing Requirement from our Treasury Advisors and therefore the MTFs may need to be adjusted for an additional contribution to Minimum Revenue Provision. At this stage this is not thought to materially impact the MTFP.

7. Treasury Management Strategy Statement and Investment Strategy 2012-13

Introduction

- 7.1 The Treasury Management Strategy sets out the expected activities of the treasury management function for 2012-13. The strategy has been prepared with due regard to the Council's Medium Term Financial Strategy, the CIPFA Code of Practice, the statutory requirement under the Local Government ACT 2003, the investment guidance issued by the Secretary of State and advice from Arlingclose Limited, the Council's advisors.
- 7.2 The contents of treasury management strategy are:
- Background
 - Balance Sheet and Treasury Position
 - Borrowing and Rescheduling Strategy
 - Outlook for Interest Rates
 - Investment Policy and Strategy
 - Balanced Budget Requirement
 - 2012/13 MRP Statement

- Reporting
- Other Items

Background

- 7.3 The Treasury Management Strategy has been underpinned by the adoption of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management 2009, which includes the requirement for determining a treasury strategy on the likely financing and investment activity for the forthcoming financial year.
- 7.4 The Code also recommends that members are informed of Treasury Management activities at least twice a year. This report therefore ensures this authority is embracing Best Practice in accordance with CIPFA's recommendations.
- 7.5 Treasury management is defined as: "The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."
- 7.6 In addition to reporting on risk management related to treasury activities, the Treasury Management Code, revised by CIPFA in November 2011, also requires the Council to report on any financial instruments entered into to manage treasury risks.

Economic Background

- 7.7 The current quarter was dominated by the escalation of the sovereign debt crisis in the Eurozone which, despite several summits by heads of state, avoided tough decisions and workable plans desperately required to address their fundamental fiscal, economic and financial problems of overburdened sovereign balance sheets.
- 7.8 Growth: The lack of growth in the major economies was problematic for central bankers, not helped by the Eurozone sovereign debt crisis. Growth in the UK registered just 0.5% for the twelve months to September 2011 as domestic demand was depressed by low wage growth, high inflation and the fiscal policy measures taken by the coalition government to address the deficit and high level of debt.
- 7.9 Inflation: Inflation remained stubbornly high. Annual CPI for November 2011 was 4.8%; CPI had remained above MPC's 3% upper limit for 23 consecutive months and required the Bank of England's Governor to write his eighth open letter to the Chancellor. In fact the rise in the September CPI to 5.2% was as expected in response to the rise in energy prices pre-signalled by the energy companies. However, with CPI running at broadly double the level of the yield on a 10 year gilt it also gives an indication of the outlook for inflation in the medium term, i.e. lower.

Employment / Consumer Confidence:

- 7.10 Labour market data continued to disappoint. The ILO unemployment rate remained unchanged in October at 8.3%, but the number unemployed rose to 2.63million, the highest level since August 1994. Youth unemployment (16-24 year olds) climbed above the psychological 1 million mark. The small chink in an otherwise gloomy outlook was that service sector employment showed growth. There was little sign of

wage pressures as average weekly earnings increased just 2%. Real wages (i.e. after inflation) have been negative for over three years resulting in lower disposable income, further damaging already fragile consumer confidence.

- 7.11 Monetary Policy: Central bankers' policies were once again driven by the feeble growth outlook rather than the upward trend in inflation. The slowdown in the global economy, a deterioration in the economic outlook, the severe strains in the bank funding markets and a continued lack of supply of credit were the reasons given by the Monetary Policy Committee's decision at its meeting in October to increase asset purchases (QE) by £75bn whilst maintaining the Bank Rate at 0.5%.
- 7.12 The European Central Bank also opted for unconventional monetary policy by substantially increasing its refinancing operations. The ECB reintroduced year-long loans for banks and its main refinancing programme would be made available until at least July 2012, both of which are intended to provide much-needed liquidity for its banking sector.
- 7.13 With politics trumping economics and fundamental reform, the impasse in the Eurozone threatened to derail peripheral nations and it was not surprising that the rating agencies' warnings became more strident. Moody's said that it would review the ratings of all European Union sovereigns in the first quarter of 2012 after December's summit failed to produce decisive policy measures. Fitch placed the ratings of several sovereigns including Italy, Spain, Belgium and Ireland on rating watch negative based on its view that a comprehensive solution to the crisis is technically and politically beyond reach.
- 7.14 Gilt yields and money market rates: The very poor outlook for global growth has pushed back expectations for a rise in the UK bank rate to 2014/2015. Gilts once again benefited from their safe haven status and yields, which had already fallen to lows in the previous quarter, fell further. 5-year gilt yields fell to 1.13%, 10-year yields to 2.1% and 20-year yields to 2.85%.
- 7.15 PWLB borrowing rates fell commensurately (the Board maintained the +0.90% margin above the equivalent gilt yield for new borrowing).
- 7.16 There was very little change to Libor and Libid rates as at 31/12/2011, the differential 0.1% to 0.2% for maturities up to 12 months, although the differential widened with respect to overnight rates.

Balance Sheet and Treasury Position

- 7.17 The underlying need to borrow for capital purposes, as measured by the Capital Financing Requirement (CFR), together with Balances and Reserves, are the core drivers of Treasury Management Activity. CFR measures the underlying need to borrow for capital purposes. The estimates, based on the current Revenue Budget and Capital Programmes, are:

	31/03/2011 ACTUAL £m	31/03/2012 Estimate £m	31/03/2013 Estimate £m	31/03/2014 Estimate £m
General Fund CFR (incl IFRS Adjust.)	110.782	116.375	117.540	122.333
HRA CFR	23.130	159.732	159.732	159.732
Total CFR	133.912	276.107	277.272	282.065

7.18 The Council's level of physical debt and investments is linked to these components of the Balance Sheet. The current portfolio position is set out at **Annex A**. Market conditions, interest rate expectations and credit risk considerations will influence the Council's strategy in determining the borrowing and investment activity against the underlying Balance Sheet position. The Council will ensure that net physical external borrowing (i.e. net of investments) will not exceed the CFR other than for short term cash flow requirements. This is a key indicator of prudence as the CFR represents the level of borrowing for capital purposes, and revenue expenditure cannot be financed from borrowing other than for short term cash flow requirements.

Estimates of Capital Expenditure:

7.19 It is a requirement of the Prudential Code to ensure that capital expenditure remains within sustainable limits and, in particular, to consider the impact on Council Tax and in the case of the HRA, housing rent levels.

Capital Expenditure	2011/12 Approved £m	2011/12 Revised £m	2012/13 Estimate £m	2013/14 Estimate £m
Non-HRA	50.799	40.599	31.634	17.726
HRA	9.699	141.278	13.052	7.273
Total	60.498	181.877	44.686	24.999

Capital expenditure is expected to be financed as follows:

Capital Financing	2011/12 Approved £m	2011/12 Revised £m	2012/13 Estimate £m	2013/14 Estimate £m
Capital receipts	2.760	2.139	8.297	0.250
Grants & Contributions	33.760	29.835	12.525	9.522
Major Repairs Allowance	5.020	4.676	0.344	0
Revenue contributions	4.818	0.183	19.324	7.024
Total Financing	46.358	36.833	40.490	16.795
Supported borrowing	0.000	0.000	0.000	0.000

Unsupported borrowing	14.140	145.044	4.196	8.203
Total Funding	14.140	145.044	4.196	8.203
Total Financing and Funding	60.498	181.877	44.686	24.999

Incremental Impact of Capital Investment Decisions:

- 7.20 As an indicator of affordability the table below shows the impact of capital investment decisions on Council Tax and Housing Rent levels. The incremental impact is calculated by comparing the total revenue budget requirement of the current approved capital programme with an equivalent calculation of the revenue budget requirement arising from the proposed capital programme. For HRA, the capital programme is funded from either supported ALMO borrowing, Major Repairs Allowance or HRA revenue balances and therefore does not impact the average weekly housing rent.

Incremental Impact of Capital Investment Decisions	2010/11 Approved £	2011/12 Estimate £	2012/13 Estimate £	2013/14 Estimate £
Increase in Band D Council Tax	-9.20			
Increase in Average Weekly Housing Rents	0.00			

Reform to the Council Housing Subsidy System:

- 7.21 During Q3 2011 the Localism Bill received Royal Assent, and as a consequence draft self-financing determinations were issued by CLG. Self-financing involves a removal of the housing subsidy system by offering a one-off reallocation of debt. The settlement of the reallocation is expected to take place in Q4 on 28th March 2012 and will result in the Authority having an increase in debt to fund the settlement of £136m. The specific borrowing amount and terms have been determined by the Authority in conjunction with the advice of its treasury advisers.
- 7.22 The estimate for external interest payments in 2012-13 is £2.7m and for interest receipts is £0.9m. The ratio of financing costs to the Council's net revenue stream is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet borrowing costs. The ratio is based on costs net of investment income.

Ratio of Financing Costs to Net Revenue Stream	2010/11 Actual %	2011/12 Approved %	2011/12 Revised %	2012/13 Estimate %	2013/14 Estimate %
Non-HRA	8.62	5.95	5.95	6.41	6.67
HRA	7.34	6.85	18.96	17.80	19.82

Borrowing and Rescheduling Strategy

7.23 The Council's balance of actual external debt (gross borrowing plus other long-term liabilities) is shown in Annex A. The fall in PWLB repayment rates enlarges the premium / diminishes the residual discounts on the premature repayment of debt, reducing the attractiveness of debt rescheduling.

7.24 The **Authorised Limit** sets the maximum level of external borrowing on a gross basis (i.e. not net of investments) and is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).

Authorised Limit for External Debt	2010/11 Approved £m	2011/12 Revised £m	2012/13 Estimate £m	2013/14 Estimate £m	2014/15 Estimate £m
Borrowing	96.0	246.0	246.0	246.0	246.0
Other Long-term Liabilities	0.0	54.0	54.0	54.0	54.0
Total	96.0	300.0	300.0	300.0	300.0

7.25 The **Operational Boundary** links directly to the Council's estimates of the CFR and estimates of other cash flow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

Operational Boundary for External Debt	2010/11 Approved £m	2011/12 Revised £m	2012/13 Estimate £m	2013/14 Estimate £m	2014/15 Estimate £m
Borrowing	91.2	238.0	238.0	238.0	238.0
Other Long-term Liabilities	0.0	54.0	54.0	54.0	54.0
Total	91.2	292.0	292.0	292.0	292.0

7.26 The Strategic Director of Resources and Regeneration has the delegated authority, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long-term liabilities. Decisions will be based on the outcome of financial option appraisals and best value considerations. Any movement between these separate limits will be reported to the next meeting of the Cabinet.

7.27 In conjunction with advice from its treasury advisor, Arlingclose Ltd, the Council will keep under review the following borrowing options:

- PWLB loans
- Borrowing from other local authorities

- Borrowing from institutions such as the European Investment Bank and directly from Commercial Banks
- Borrowing from the Money Markets
- Local authority stock issues
- Local authority bills
- Structured finance

- 7.28 The PWLB remains an attractive source of borrowing for the Council as it offers flexibility and control. The large downward move in gilt yields during the quarter three 2011 has resulted in PWLB rates falling very nearly to the pre-CSR levels of October 2010. However affordability and the “cost of carry” remained an important influence on the Council’s borrowing strategy alongside the consideration that for any borrowing undertaken ahead of need, the proceeds would have to be invested into a distressed financial market (credit risk) at rates of interest significantly lower than the cost of borrowing.
- 7.29 Alternative Sources: Whilst there are several claims that a competitive, comparable equivalent to PWLB is readily available, the Council will continue to adopt a cautious and considered approach to funding from the capital markets. The Council’s treasury advisor, Arlingclose, is actively consulting with investors, investment banks, lawyers and credit rating agencies to establish the attraction of different sources of borrowing, including bond schemes, loan products and their related risk/reward trade off.
- 7.30 For the Council the use of internal resources in lieu of borrowing has, therefore, continued to be the most cost effective means of funding capital expenditure. This has lowered overall treasury risk by reducing both external debt and temporary investments. However, the Council acknowledges that this position will not be sustainable over the medium term and the Council expects it will need to borrow £14m for capital purposes over the next couple of years>. Borrowing options and the timing of such borrowing will continue to be assessed in conjunction with the Council’s treasury advisor.
- 7.31 PWLB variable rates are expected to remain low as the Bank Rate is maintained at historically low levels for an extended period. Exposure to variable interest rates will be kept under regular review. Each time the spread between long-term rates and variable rates narrows by 0.50%, this will trigger a formal review point and options will be considered in conjunction with the Authority’s Treasury Advisor and decisions taken on whether to retain the same exposure or change from variable to fixed rate debt.
- 7.32 The Council has £13m loans which are LOBO loans (Lender’s Options Borrower’s Option) none of which are currently in or will be in their call period in 2012/13. An important change in the guidance to the Prudential/TM Code now requires LOBO loans to be treated as having a maturity date in the year where lenders’ options exist. This is so that an understanding, independent evaluation and reporting of the potential refinancing risk remains an important element of the overall management of risk within the Council’s treasury management portfolio. The Prudential Indicators relating to the maturity structure of Council’s borrowing will henceforth reflect this revised requirement

- 7.33 The rationale for rescheduling would be one or more of the following:
- Savings in interest costs with minimal risk
 - Balancing the volatility profile (i.e. the ratio of fixed to variable rate debt) of the debt portfolio
 - Amending the profile of maturing debt to reduce any inherent refinancing risks. As opportunities arise, they will be identified by Arlingclose and discussed with the Council's officers.

7.34 Borrowing and rescheduling activity will be reported to the Cabinet.

7.35 The following Prudential Indicators allow the Council to manage the extent to which it is exposed to changes in interest rates. The upper limit for variable rate exposure has been set to ensure that the Council is not exposed to interest rate rises which could adversely impact on the revenue budget. The limit allows for the use of variable rate debt to offset exposure to changes in short-term rates on investments. The Council's existing loans are at a fixed rate of interest.

	2010/11 Approved %	2011/12 Estimate %	2012/13 Estimate %	2013/14 Estimate %
Upper Limit for Fixed Interest Rate Exposure	100%	100%	100%	100%
Upper Limit for Variable Interest Rate Exposure	50%	50%	50%	50%

7.36 The Council will also limit and monitor large concentrations of fixed rate debt needing to be replaced. Limits in the following table are intended to control excessive exposures to volatility in interest rates when refinancing maturing debt.

Maturity structure of fixed rate borrowing	Existing level at 31/03/11 %	Lower Limit for 2011/12 %	Upper Limit for 2011/12 %
under 12 months	0.05	0.00	50.00
12 months and within 24 months	0.03	0.00	50.00
24 months and within 5 years	28.54	0.00	50.00
5 years and within 10 years	10.52	0.00	75.00
10 years and within 20 years	27.82	25.00	90.00
20 years and within 30 years	27.03	25.00	90.00
30 years and within 40 years	6.01	25.00	90.00
40 years and within 50 years	0.0	25.00	90.00
50 years and above	0.00	25.00	90.00

Investment Policy and Strategy

7.37 Guidance from CLG on Local Government Investments in England requires that an Annual Investment Strategy (AIS) be set.

7.38 The Council's investment priorities are:

- security of the invested capital;

- liquidity of the invested capital;
- an optimum yield which is commensurate with security and liquidity.

7.39 Investments are categorised as ‘Specified’ or ‘Non Specified’ investments based on the criteria in the CLG Guidance. Potential instruments for the Council’s use within its investment strategy are contained in Annexes B1 and B2. The Strategic Director of Resources, under delegated powers, will undertake the most appropriate form of investments in keeping with the investment objectives, income and risk management requirements and Prudential Indicators. Decisions taken on the core investment portfolio will be reported to the Cabinet on a regular basis.

7.40 The Council’s current level of investments is presented at Annex A.

7.41 Cash Flow Management – Unless required by statutory or regulatory requirements, all monies in the Council’s bank accounts will be under the control of the Strategic Director of Resources and will be aggregated for cash flow and investment purposes. The current exceptions being:

- Funds held in bank accounts for school disbursements and managed by officers in schools that have exercised their right to use different bankers from the Council.
- Funds held as cash and as bank balances and managed by officers of Social Services Care Establishments for small items of expenditure and on behalf of residents.

7.42 The Cash flow will be monitored on a regular and timely basis by the Treasury Management Panel to ensure liquidity risk is managed.

7.43 The Council’s in-house investments are made with reference to the outlook for the UK Bank Rate and money market rates.

7.44 In any period of significant stress in the markets, the default position is for investments to be made with the Debt Management Office or UK Treasury Bills. (The rates of interest from the DMADF are below equivalent money market rates, but the returns are an acceptable trade-off for the guarantee that the Council’s capital is secure.)

7.45 The Council selects countries and the institutions within them (see Annex B1), for the counterparty list after analysis and careful monitoring of:

- Credit Ratings (minimum long-term A for counterparties; AA+ for countries. The rating for counterparties has been reduced from A+ in 2011/12 to reflect a softening of ratings across counterparties generally, due to the current economic climate rather than increasing the Authority’s risk exposure. This is in-line with other Authorities and other customers of Arlingclose Limited.) The Council receives timely information from its advisors on credit ratings and will adjust its counterparty list to reflect the latest advice.
- Credit Default Swaps (where quoted)
- GDP; Net Debt as a Percentage of GDP

- Sovereign Support Mechanisms/potential support from a well-resourced parent institution
- Share Prices (where quoted)
- Macro-economic indicators
- Corporate developments, news and articles, market sentiment.

7.46 The Council and its Treasury Advisors, Arlingclose, will continue to analyse and monitor these indicators and credit developments on a regular basis and respond as necessary to ensure security of the capital sums invested.

7.47 The UK Bank Rate has been maintained at 0.5% since March 2009, and is anticipated to remain at low levels throughout 2012-13. Short-term money market rates are likely to remain at very low levels for an extended period which will have a significant impact on investment income.

7.48 To protect against a lower for longer prolonged period of low interest rates and to provide certainty of income, 2-year deposits and longer-term secure investments will be considered, in conjunction with Arlingclose advice on such and within the limits the Council has set for Non-Specified Investments (see Annex B2). The longer-term investments will be likely to include:

- Term Deposits with counterparties rated at least A (or equivalent)
- Supranational Bonds (bonds issued by multilateral development banks): Even at the lower yields likely to be in force, the return on these bonds will provide certainty of income against an outlook of low official interest rates.

7.49 The Council has placed an upper limit for principal sums invested for over 364 days, as required by the Prudential Code. This limit is to contain exposure to the possibility of loss that may arise as a result of the Council having to seek early repayment of the sums invested.

Upper Limit for total principal sums invested over 364 days	2011/12 Estimate £m	2012/13 Estimate £m	2013/14 Estimate £m	2014/15 Estimate £m
	10.00	10.00	10.00	10.00

Outlook for Interest Rates

7.50 The economic interest rate outlook provided by the Council's treasury advisor's indicated that as this point in time, given the precarious outlook for global growth and fears of a double-dip recession it is believed the Bank of England would only raise rates after there was firm evidence that the economy had survived the fiscal consolidation. Therefore, the outlook is for official interest rates to remain low for an extended period, as shown below.

7.51 The Council will reappraise its strategy from time to time and, if needs be, realign it with evolving market conditions and expectations for future interest rates

Balanced Budget Requirement

- 7.52 The Council complies with the provisions of S32 of the Local Government Finance Act 1992 to set a balanced budget.

2012/13 MRP Statement

- 7.53 The Local Authorities (Capital Finance and Accounting)(England)(Amendment) Regulations 2008 (SI 2008/414) place a duty on local authorities to make a prudent provision for debt redemption. Guidance on Minimum Revenue Provision has been issued by the Secretary of State and local authorities are required to “have regard” to such Guidance under section 21(1A) of the Local Government Act 2003.

- 7.54 The four MRP options available are:

- Option 1: Regulatory Method
- Option 2: CFR Method
- Option 3: Asset Life Method
- Option 4: Depreciation Method

NB This does not preclude other prudent methods.

- 7.55 MRP in 2012 -13: Options 1 and 2 may be used only for supported expenditure. Methods of making prudent provision for self financed expenditure include Options 3 and 4 (which may also be used for supported expenditure if the Council chooses).

- 7.56 The Cabinet is requested to consider and recommend to the Council to approve the annual MRP Statement as follows. If it is ever proposed to vary the terms of the original MRP Statement during the year, a revised statement will be submitted to Council at that time.

- The Council will apply Option 1/Option 2 in respect of supported capital expenditure and Option 3/Option 4 in respect of unsupported capital expenditure.
- MRP in respect of leases brought on Balance Sheet under the IFRS-based Code of Practice will match the annual principal repayment for the associated deferred liability.

Monitoring and Reporting on the Treasury Outturn and Prudential Indicators

- 7.57 The delegation and reporting on treasury management activities will be as follows:

i. The Council -

- Approve annual borrowing limits and interest rate exposure as required by the Local Government Act 2003 and CIPFA’s Prudential Code for Capital Finance.
- Approve and take ownership of the Treasury Management Policy statement via the Cabinet

- ii. **The Cabinet**
 - Receive annual report in February/March on the proposed Treasury Management activities including relevant information with regard to Treasury Management policy and Strategy;
 - Receive mid-year report on treasury management activities
 - Receive an annual report on Treasury Management activity for the preceding financial year.
 - The Cabinet will make necessary resolutions, when required, upon items contained within the reports.

- iii. **Overview and Scrutiny Committee**
 - Receive and review the treasury management policy and procedures and make recommendations to the Cabinet and the Council.

- iv. **Audit Committee**
 - Receive at least an annual report from the Strategic Director of Resources on compliance of the Council's investments with this document.

- v. **Treasury Management Panel consisting of** Strategic Director of Resources (Section 151 Officer), Assistant Director of Finance and the Treasury Manager (or equivalent).

The terms of reference for the Treasury Management Panel being:

- To oversee overall control and management of all monies in the hands of the Council and monitor the cash flow to ensure security and liquidity risk is managed.
 - To receive, review and recommend treasury management policies and practices for approval and monitor compliance.
 - To ensure regular treasury management reports including budgets and budget variations are received, reviewed and submitted to the Cabinet and Committees. As a minimum, the Council's budget monitoring process report any significant variations or emerging issues as appropriate.
 - To ensure that the organisation of treasury management function is fit for purpose to meet current demands and review performance of the treasury management function.
 - To authorise long term borrowing to meet the Council's borrowing requirements.
 - To approve and recommend appointment of external service providers and monitor their performance.
 - Balance effective risk management with performance i.e. debt cost vs. sustainability
- vi. **Financial controller**
 - Ensuring that day to day activities accord with the Treasury Management Policy
 - Execution of transactions
 - Managing the overall day to day Treasury Management function including cash flow forecasting and monitoring, training of staff, dealing

procedures and maintaining and reviewing the Treasury Management System Document.

- Production of regular performance monitoring reports to the Treasury Management Panel.
- Identifying and recommending opportunities for improved practices

Training

- 7.58 CIPFA's Code of Practice requires the responsible officer to ensure that all members tasked with treasury management responsibilities, including scrutiny of the treasury management function, receive appropriate training relevant to their needs and understand fully their roles and responsibilities. It is intended to arrange training sessions during the course of the year.
- 7.59 There will be changes to the Council's treasury management staff during 2012-13, the person with treasury responsibilities will be retiring. However, extensive handover and training arrangements are already in place to develop a qualified accountant in to this role. Staff involved will continue to attend regular workshops arranged by the CIPFA Treasury Management Forum and the Council's treasury management advisors, Arlingclose Limited, to update their treasury management knowledge. Treasury management activity is regularly monitored and reported to the Assistant Director of Finance with responsibility for treasury matters.

Consultants & Brokers

- 7.60 The Council appointed Arlingclose Limited as its advisors from 1st January 2011. Arlingclose provide information and advice on a range of treasury issues including advice on the investment and capital borrowing strategy, detailed information about counterparties and limits to ensure a balanced portfolio with an acceptable level of risk. The Strategic Director of Resources and the Assistant Director of Finance will periodically consider and review whether Arlingclose continue to provide a satisfactory service under their mandate and discuss directly with them any concerns.

Money Market Brokers

- 7.61 In the course of transacting treasury business, the Council utilises the services of money market brokers. These brokers when performing business on behalf of the Council are acting merely as intermediaries and advice on the security of dealings is not sought from them. A range of brokers is used to ensure accurate market information and competitiveness of bidding. The currently approved brokers utilised by the Council are as follows:
- Exco Inter Capital Plc
 - Prebon
 - City Deposit Brokers
 - Sterling Brokers Ltd
 - RP Martin

- 7.62 It is also proposed that no more than 50% of investment business is placed in the hands of any one broker at any one time. Direct dealing with counter parties is also undertaken. The direct dealing can be either via the phone or other electronic means such as the internet secure site.
- 7.63 **Money Laundering** has the objective of concealing the origin of money generated through criminal activity. In summary, it is an offence to assist anyone suspected of laundering money generated by any crime and it is a defence for an individual if they have reported knowing or suspecting at the first available opportunity. In carrying out the treasury management activities, the Council will maintain procedures for verifying the identity of clients and record keeping procedures for evidence of identity and transactions. Treasury Management staff will be provided with relevant training on procedures including reporting suspicions to relevant officer.

Local Authority Mortgage Interest Rate 2012-13

- 7.64 Under the Housing Act 1985, the Council is required to charge the higher of standard notional rate, which is set by the Secretary of State and is currently 3.93%, or the local rate based on the Council's own borrowing costs, estimated at 4.10% for 2012-13. Under the Housing Act 1985, the Council is allowed to add 0.25% to the borrowing rate to cover administrative costs. The Council's Mortgage Interest Rate for 2012-13 will therefore be 4.35%, the same rate in place for 2011/12.

Annexes to Treasury Management Strategy Statement

- Annex A - Current and Projected Portfolio Position
- Annex B - Specified Investments for use by the Council
- Annex B1 - Limits for New Specified Investments
- Annex B2 - Limits for New Non Specified Investments

8. Changes to Accounting Policies and Disclosure

- 8.1 This budget strategy requests the approval of two changes to Accounting Policies and Disclosure by members of the Council.
- 8.2 Note, under the recently enacted Localism Act 2011, Councils are now required to prepare a pay policy statement for the financial year 2012/2013 and each subsequent financial year.
- 8.3 The pay policy statement must set out the authority's policies for the financial year relating to:
- the remuneration of its chief officers,
 - the remuneration of its lowest-paid employees, and
 - the relationship between—
 - (i) the remuneration of its chief officers, and
 - (ii) the remuneration of its employees who are not chief officers.

- 8.4 The statement must state—
- the definition of “lowest-paid employees” adopted by the authority for the purposes of the statement, and
 - the authority’s reasons for adopting that definition.
- 8.5 The statement must include the authority’s policies relating to—
- (a) the level and elements of remuneration for each chief officer,
 - (b) remuneration of chief officers on recruitment,
 - (c) increases and additions to remuneration for each chief officer,
 - (d) the use of performance-related pay for chief officers,
 - (e) the use of bonuses for chief officers,
 - (f) the approach to the payment of chief officers on their ceasing to hold office under or to be employed by the authority, and
 - (g) the publication of and access to information relating to remuneration of chief officers.
- 8.6 A pay policy statement for a financial year may also set out the authority’s policies for the financial year relating to the other terms and conditions applying to the authority’s chief officers.
- 8.7 The pay policy is provided within Appendix K.

Debt Strategy

- 8.8 As part of the budget strategy members are being requested to approve a new Income and Collection policy in relation to the collection of the council’s debts.
- 8.9 The key features of the policy are:
- It recognises the Council’s responsibility to protect Council Tax payers by collecting debt whilst at the same time recognising the need to support vulnerable debtors.
 - The Council will, where it is permitted and practical, seek to obtain payment prior to or at the point of service delivery to reduce the number of debts to be collected.
 - Invoices will be issued on a timely basis and will clearly set out the amount to be paid, the deadline for payment and the means of payment available.
 - The Council will treat vulnerable debtors professionally and compassionately and will offer an assessment of entitlement to benefits where appropriate.
 - Payment methods will be clearly explained to customers and direct debit will be offered for the payment of recurring debts.
 - The Council will use all permitted means to enforce payments including the county court process.
- 8.10 The debt policy is provided at Appendix L.

9. Fees and Charges

- 9.1 Local councils are able to charge users for the provision of a wide variety of services. It is important to ascertain the legal position prior to introducing or varying

charges as Councils are obliged to provide some services by law (known as mandatory services). For example, currently legislation prevents a local council from making a charge for its domestic refuse collection service and for borrowing a library book, but does allow a charge to be made for a special collection of bulk domestic refuse and for borrowing a DVD from a library.

- 9.2 Where there is no specific legislation relating to the service, the Local Government Act 2003 provides all councils with a power to charge for all discretionary services, where users have a choice whether to use the service or not. Also the 2003 Act states that income generated by individual services, or groups of similar services, must not exceed the cost of providing the service, taking one year with another. Finally, the 2003 Act enables councils to create charging structures to provide different levels of charge to different groups of users, including offering the service free to certain individuals or groups.
- 9.3 The usual definition of a discretionary service is one where the council has the power to provide the service, possibly under the powers of well being provided in the Local Government Act 2000, but where the service is not specifically required to be provided by law. It should be noted, however, that for the purposes of charging, the 2003 Act also enables charges to be made if a council provides a mandatory service above the level of quality required by legislation, as the additional service is defined as discretionary within the provisions of the Act. For example, legislation requires local planning authorities to consider planning applications (an example of a mandatory service where legislation requires a charge to be made), but does not require such authorities to provide pre-planning advice to householders and developers. Where a council does provide such advice, it may charge for the advice under the 2003 Act as it falls within the definition of a discretionary service.
- 9.4 The Council raises approximately £18m of its total income from general fees and charges. Therefore these charges are a crucial funding source for the provision of services and in maintaining the council tax at a reasonable level.
- 9.5 The Council is currently undertaking a detailed review of all fees and charges to ensure that as a Council we understand where full cost recovery is in place for the fees and charges for services we provide. Any significant proposed changes to the charging structure from this review will be reported and seek Cabinet approval.
- 9.6 Under Delegated powers for 2011/2012 Strategic Directors can, in consultation with the Strategic Director of Resources and Regeneration and the appropriate Commissioner, set rent, fee charges and other income levels provided the change does not:
- Exceed inflation by more than 3% and/or
 - Involve a change in policy, or
 - Potentially have significant political implications.
- 9.7 It is proposed that during 2012/2013 a comprehensive review of fees and charges will be undertaken. Thereafter annual increases to fees and charges will form part of the budget setting process and decided by members.
- 9.8 Any exceptions to this general policy will require specific Cabinet approval.

EXISTING PORTFOLIO PROJECTED FORWARD

	Current Portfolio £m	%	31 Mar 11 Actual £m	31 Mar 12 Estimate £m	31 Mar 13 Estimate £m	31 Mar 14 Estimate £m
External Borrowing:						
Fixed Rate – PWLB	43.557	65.4	43.592	43.557	43.537	45.533
Fixed Rate – Market *	23.000	34.6	23.000	23.000	23.000	13.000
Variable Rate – PWLB						
Variable Rate – Market						
Total External Borrowing	66.557	100	66.592	66.557	66.537	58.533
IFRS Long Term Liabilities:						
- PFI	39.163		40.119	39.163	38.115	37.096
- Operating/Finance Leases	**		**	**	**	**
Total Gross External Debt	105.720		106.111	105.720	104.652	95.629
Investments:						
<i>Managed in-house</i>						
- Short-term monies (Deposits/ monies on call /MMFs)	97.590	96.5	78.325	45.759	34.829	28.329
- Long-term investments	0.000	3.5	0.000	0.000	0.000	0.000
<i>Managed externally</i>	0.000		0.000	0.000	0.000	0.000
Total Investments	97.590 ***	100	78.325	45.759	34.829	28.329

* - includes LOBO loans totalling £13M

** - Operating leases are currently being reviewed as part of IFRS and will be reported as part of budget outturn report.

*** - See Annex A1

Annex A1

DEPOSITS OUTSTANDING AS AT 20th January 2012							
Approved Counter Party	Sovereign Risk	Fitch		Moody's		Approved Limit [£M]	Deposit O/Stand [£M]
		LT	ST	LT	ST		
BANKS							
Australia & New Zealand Banking Group	Australia	AA-	F1+	Aa2	P1	5.00	0.00
Bank of Montreal	Canada	AA-	F1+	Aa2	P1	5.00	0.00
Bank of Nova Scotia	Canada	AA-	F1+	Aa2	P1	5.00	0.00
Canadian Imperial Bank	Canada	AA-	F1+	Aa2	P1	5.00	0.00
Commonwealth Bank of Australia	Australia	AA	F1+	Aa1	P1	5.00	0.00
HSBC	UK	AA	F1+	Aa2	P1	25.00	0.00
NAB	Australia	AA	F1+	Aa2	P1	5.00	5.00
Royal Bank of Canada	Canada	AA	F1+	Aa1	P1	5.00	0.00
Westpac Banking Group	Australia	AA	F1+	Aa1	P1	5.00	0.00
UK Debt Management Office	UK	AAA				no limit	10.00
Sub Total							15.00
LOCAL AUTHORITIES							
Birmingham City Council	UK			AAA		no limit	6.00
Cornwall County Council	UK			AAA		no limit	2.00
Leeds City Council	UK					no limit	9.00
Lancashire County Council	UK					no limit	2.00
Thurrock Borough Council	UK					no limit	3.00
Salford City Council	UK					no limit	6.50
Sub Total							28.50
MONEY MARKET FUNDS							
Blackrock	IRE			Aaa	MR1+	20.00	5.00
Prime Rate	UK	AAA mmf		AAAam		20.00	5.00
RBS Global Funds	IRE	AAA mmf		AAAam		20.00	7.20
Sub Total							17.20
Banks and Building Societies no longer meeting current rating criteria of A+							
BANKS							
Barclays Bank	UK	A	F1	aA3	P-1	0.00	9.00
Co-op Bank	UK	A-	F2	A3	P-1	0.00	5.00
Heritable Bank						0.00	0.89
Lloyds TSB	UK	A	F1	A1	P-1	0.00	15.00
Sub Total							29.89
Building Societies							
Nationwide Group	UK	A+	F1	A2	P-1	0.00	7.00
Sub Total							7.00
Total Deposits							97.59
<p>Note:</p> <p>a) In addition to above deposit limits, the Council may invest £10M in Gilts.</p> <p>b) Non UK Banks - these will be restricted to a maximum exposure of 25% per country.</p>							

Specified and Non Specified Investments

Specified Investments identified for use by the Council

Specified Investments will be those that meet the criteria in the CLG Guidance, i.e. the investment

- is sterling denominated
- has a maximum maturity of 1 year
- meets the “high credit quality” as determined by the Council or is made with the UK government or is made with a local authority in England, Wales, Scotland or Northern Ireland or a parish or community council.
- the making of which is not defined as capital expenditure under section 25(1)(d) in SI 2003 No 3146 (i.e. the investment is not loan capital or share capital in a body corporate).

“Specified” Investments identified for the Council’s use are:

- Deposits in the DMO’s Debt Management Account Deposit Facility
- Deposits with UK local authorities
- Deposits with banks and building societies
- *Certificates of deposit with banks and building societies
- *Gilts: (bonds issued by the UK government)
- *Bonds issued by multilateral development banks
- Treasury-Bills (T-Bills)
- Local Authority Bills (LA Bills)
- AAA-rated Money Market Funds with a Constant Net Asset Value (CNAV)
- AAA-rated Money Market Funds with a Variable Net Asset Value (VNAV)
- Other Money Market Funds and Collective Investment Schemes– i.e. credit rated funds which meet the definition of a collective investment scheme as defined in SI 2004 No 534 and SI 2007 No 573.

1. ** Investments in these instruments will be on advice from the Council’s treasury advisor.*
2. *The use of the above instruments by the Council’s fund manager(s) will be by reference to the fund guidelines contained in the agreement between the Council and the individual manager.*

For credit rated counterparties, the minimum criteria will be the lowest equivalent short-term and long-term ratings assigned by Fitch, Moody’s and Standard & Poor’s (where assigned).

Long-term minimum: A(Fitch); A (Moody’s); A (S&P)

Short-term minimum: F1 (Fitch); P-1 (Moody’s); A-1 (S&P)

The Council will also take into account information on corporate developments of and market sentiment towards investment counterparties.

New specified investments will be made within the following limits:

Instrument	Country/ Domicile	Counterparty	Maximum Counterparty Limit £m	Maximum Group Limit (if applicable) £m
Term Deposits	UK	DMADF, DMO	No limit	
Term Deposits/Call Accounts	UK	Other UK Local Authorities *	No limit	
Term Deposits/Call Accounts	UK	Counterparties rated at least A Long Term and F1 Short Term (or equivalent)	See Individual C/Party Limits	
Gilts	UK	DMO	No limit	
T-Bills	UK	DMO	No limit	
LA Bills	UK	Other UK Local Authorities *	No Limit	
Bonds issued by multilateral development banks	EU	European Investment Bank/Council of Europe	£10M/Institut ion	
AAA-rated Money Market Funds	UK/Ireland/ Luxembourg domiciled	CNAV MMFs	£10M	
Term Deposits/Call Accounts	UK	Counterparties with a credit rating of A or equivalent	£10M	£20M
Term Deposits/Call Accounts	UK	Counterparties with a credit rating of A+ or equivalent	£15M	£30M
Term Deposits/Call Accounts	UK	Counterparties with a credit rating in excess of A+ or equivalent	£20M	£40M
Term Deposits/Call Accounts	Australia	Counterparties with a credit rating of A or equivalent	£5M	£10M
Term Deposits/Call Accounts	Australia	Counterparties with a credit rating in excess of A+ or equivalent	£10M	£20M
Term Deposits/Call Accounts	Canada	Counterparties with a credit rating of A or equivalent	£5M	£10M
Term Deposits/Call Accounts	Canada	Counterparties with a credit rating in excess of A+ or equivalent	£10M	£20M
Term Deposits/Call Accounts	US	Counterparties with a credit rating of A or equivalent	£5M	£10M
Term Deposits/Call Accounts	US	Counterparties with a credit rating in excess of A+ or equivalent	£10M	£20M

NOTE:

- a) Any existing deposits outside of the current criteria will be reinvested with the above criteria on maturity.
- b) Non-UK Banks - These will be restricted to a maximum exposure of 25% per country.
- *c) Local Authorities - as defined by Section 23 of the Local Government Act 2003

Non-Specified Investments determined for use by the Council

Having considered the rationale and risk associated with Non-Specified Investments, the following have been determined for the Council's use:

	In-house use	Maximum maturity	Max % of portfolio	Capital expenditure?
<ul style="list-style-type: none"> ▪ Co-operative Bank Plc (for cash flow purposes only) * 	✓	N/a	£15M	No
<ul style="list-style-type: none"> ▪ Deposits with banks and building societies ▪ CDs with banks and building societies 	✓ ✓	2 years	25% in aggregate	No
<ul style="list-style-type: none"> ▪ Gilts ▪ Bonds issued by multilateral development banks ▪ Bonds issued by financial institutions guaranteed by the UK government ▪ Sterling denominated bonds by non-UK sovereign governments 	✓ (on advice from treasury advisor)		£10M	No
Money Market Funds and Collective Investment Schemes, which are not credit rated	✓ (on advice from treasury advisor)			No

Note: In determining the period to maturity of an investment, the investment should be regarded as commencing on the date of the commitment of the investment rather than the date on which funds are paid over to the counterparty.

* Arlingclose recognises that many Local Authorities bank with the Co-op and are happy for the bank to be used for overnight/weekend deposits.

Savings mitigating cuts to public sector funding

Area of Activity	Notes	Progress	Savings Banked						
			for 2011/2012			for 2012/2013		for 2013/14	for 2014/15
			EOI's	Other	Total	Target	Value		
			£'000	£'000	£'000	£'000	£'000	£'000	£'000
1. Reviewing the Council's approach to income generation, cash and debt management.	3 elements : Management of Old Debt, Processes to improve collection rate (both of these enable us to reduce bad debt provision). 3rd element is an invest to save project (fixed investment costs of £40k) seeking to improve our revenue generating opportunities.	Management of old debt: debt policy change to apply from 10/11 end of year accounts. Sale of old debt clarity needed. Change to processes update needed		(1,081)	(1,081)	0	467		
2. Maximising Revenue		RIO : As detailed on separate summary sheet	0	0	0	(795)	(395)	(435)	
3. Service & organisational Transformation, models (operational services work from last year to secure up to 30% overall cost reduction.)	Provision made to fund repeated EOI exercise with similar assumptions as to costs, alongside phase 2 of org changes	TBC				(3,602)	(2,350)	(1,650)	
4. FYE's previous years changes	areas of recurring under-spending					(600)	(600)		
5. Final stage of senior management/support services reshaping						(500)	(200)	(300)	

Area of Activity	Notes	Progress	Savings Banked						
			for 2011/2012			for 2012/2013		for 2013/14	for 2014/15
			EOI's	Other	Total	Target	Value		
			£'000	£'000	£'000	£'000	£'000	£'000	£'000
6. Reviewing our assets. Reducing the cost of office accommodation requirements, ensuring value for money in running costs of all Council buildings.	original target not yet met, OTH site further savings and NNDR savings old children's centre					(342)	(425)		
7. Reviewing all major contracts and all commissioned services seeking a minimum 4% saving and securing a change to the basis of inflationary increases.	Includes all cross cutting corporate contracts negotiations and supplier e.g energy/utilities, telephony, catering.	Current year concluded, open book negotiation process for 11/12 savings involving changes to significant contracts underway.				(745)	(150)	(595)	
8. Reducing, reshaping and changing, where possible, the way we finance our capital programme to reduce borrowing costs.	Linked to reduction in capital programme, and repackaging of existing debt.	Awaiting the outcome of the asset review/cap programme review.				(500)	(250)	(250)	
9. Increase in commissioned services from the voluntary sector						(253)	(253)		
10. Anticipated savings form the set up of the transactional services centre						(1,700)	(1,250)	(450)	

Area of Activity	Notes	Progress	Savings Banked						
			for 2011/2012			for 2012/2013		for 2013/14	for 2014/15
			EOI's	Other	Total	Target	Value		
			£'000	£'000	£'000	£'000	£'000	£'000	£'000
11. Closure of Wexham Nursery						(56)	(56)	0	
12. Reduce Agency Spend						(570)	(570)		
13. Increase part-time opportunities						(337)	(337)		
14. Investing in a healthy workforce						(125)	(125)		
15. Phase 2 transactional services						(1,000)			(1,000)
16. Review Education, skills & Schools services						(1,000)			(500)
17. Phase 2 Accommodation						(1,000)			(1,000)
			0	(1,081)	(1,081)	(13,125)	(6,494)	(3,680)	(2,500)

Draft Five Year Revenue Budget (Requirements & Resources)

Slough BC Medium Term Financial Model – 2011/12 to 2015/16

Details	Provisional Settlement		CSR 2010		
	11/12 £'000	12/13 £'000	13/14 £'000	14/15 £'000	15/16 £'000
Opening Budget	103,979	105,107	100,460	102,105	100,857
Inflation: Pay	(150)	0	1,000	1,200	
Inflation: Prices	1,300	2,949	1,400	1,000	2,000
<u>Growth:</u>					
Previously agreed growth	2,538	332	689	22	0
New Growth (TBA)	50	770	115	0	0
Total Grant Impact	10,674	133	56	0	0
Specific Grant & Transfer Adjustments	0	90	206	0	0
Impact of Localisation of Council Tax Benefit		0	1,000	0	0
Contingency – Economic Risk	500	(305)	34	0	0
Total Pensions Adjustments	475	0	0	0	0
Capital Programme Adjustments	(508)	0	0	0	0
LAC Permanent Allocation of Reserve Provision		645			
Carbon Emissions Levy		380			
Community Investment	0	800	727	(49)	605
Total Growth	13,729	2,845	2,827	(27)	605
<u>Savings:</u>					
Total Previously Agreed Savings	(4,423)	(1,835)	(200)	0	0
Total New Savings Mitigating Cuts to Public Sector Spending	(8,011)	(6,494)	(3,680)	(2,500)	0
Savings to be found					
Total savings	(12,434)	(8,329)	(3,880)	(2,500)	0
<u>Income:</u>					
Council Tax Freeze Grant	(1,187)	(1,209)	1,209	0	0
New Homes Bonus (estimate)	(130)	(903)	(912)	(921)	(930)
Taxbase					
BUDGET REQUIREMENT	105,107	100,460	102,105	100,857	102,531
SPECIFIC GRANTS ROLLING INTO FORMULA GRANT	5,524	5,476		0	0
FORMULA GRANT	51,723	46,647	51,563	48,280	48,375
COUNCIL TAX REQUIREMENT	47,860	48,337	50,542	52,577	54,156
TOTAL ESTIMATED FUNDING AVAILABLE	105,107	100,460	102,105	100,857	102,531
SURPLUS / (DEFICIT)	BALANCED	BALANCED	BALANCED	BALANCED	BALANCED
Cumulative impact of cuts to public spending secured	(8,011)	(14,505)	(18,185)	(20,685)	(20,685)

Statutory Determination of Council Tax

Council Tax Resolution

In relation to the Council Tax for 2012/13 Cabinet is requested to resolve:

(a) That in pursuance of the powers conferred on the Council as the billing authority for its area by the Local Government Finance Act 1992 (the Act), the Council Tax for the Slough area for the year ending 31 March 2013 be as specified below and that the Council Tax be levied accordingly.

(b) That it be noted that at its meeting on 21 November 2011 Cabinet calculated the following Tax Base amounts for the financial year 2012/13 in accordance with Regulations made under sections 31B(3) and 34(4) of the Act:

- (i) 41,981.5 being the amount calculated by the Council, in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (the Regulations) as the Council Tax Base for the whole of the Slough area for the year 2012/13, and
- (ii) The sums below being the amounts of Council Tax Base for the Parishes within Slough for 2012/13:

a)	Parish of Britwell	1,809.5
b)	Parish of Colnbrook with Poyle	1,959.1
c)	Parish of Wexham	1,497.6

(c) That the following amounts be now calculated for the year 2012/13 in accordance with sections 31A to 36 of the Act:-

- (i) £388,287,820 being the aggregate of the amounts which the Council estimates for the items set out in section 31A(2)(a) to (f) of the Act. (Gross Expenditure)
- (ii) £339,802,291 being the aggregate of the amounts which the Council estimates for the items set out in section 31A(3) (a) to (d) of the Act. (Gross Income)
- (iii) £48,217,479 being the amount by which the aggregate at paragraph c (i) above exceeds the aggregate at paragraph c (ii) above calculated by the Council as its council tax requirement for the year as set out in section 31A(4) of the Act. (Council Tax Requirement).
- (iv) £1,157.77 being the amount at paragraph c(iii) above divided by the amount at paragraph b(i) above, calculated by the Council, in accordance

with section 31B(1) of the Act, as the basic amount of its Council Tax for the year, including the requirements for Parish precepts.

(v) That for the year 2012/2013 the Council determines in accordance with section 34 (1) of the Act, Total Special Items of £268,050 representing the total of Parish Precepts for that year.

(vi) £1,151.39 being the amount at paragraph c (iv) above less the result given by dividing the amount at paragraph c (v) above by the relevant amounts at paragraph b (i) above, calculated by the Council, in accordance with section 34 (2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item relates.

(vii) Valuation Bands

Band	Slough Area	Parish of Britwell	Parish of Colnbrook With Poyle	Parish of Wexham Court
	£	£	£	£
A	767.59	44.06	31.80	24.48
B	895.53	51.41	37.10	28.56
C	1,023.46	58.75	42.40	32.64
D	1,151.39	66.10	47.70	36.72
E	1,407.25	80.79	58.30	44.89
F	1,663.12	95.47	68.90	53.05
G	1,918.98	110.16	79.50	61.21
H	2,302.78	132.19	95.40	73.45

Being the amounts given by multiplying the amounts at paragraph c (iv) and c (vi) above by the number which, in the proportion set out in section 5 (1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with section 36 (1) of the Act, as the amount to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

(viii) That it be noted that for the year 2012/13 the Thames Valley Police Authority have provisionally stated the following amount in precept issued to the Council, in accordance with section 40 of the Act, for each of the categories of dwellings shown below:

ESTIMATE- Update provided when confirmed.

BAND	Thames Valley Police Authority £
A	102.87
B	120.01
C	137.16
D	154.30
E	188.59
F	222.88
G	257.17
H	308.60

- (ix) That it be noted that for the year 2012/13 the Royal Berkshire Fire Authority has provisionally stated the following amount in precept issued to the Council, in accordance with section 40 of the Act, for each of the categories of dwellings shown below:

ESTIMATE – Update provided when confirmed

- (x) Note that arising from these recommendations, and assuming the major precepts are agreed, the overall Council Tax for Slough Borough Council including the precepting authorities will be as follows:

BAND	Royal Berkshire Fire Authority
A	38.21
B	44.58
C	50.94
D	57.32
E	70.05
F	82.79
G	95.52
H	114.63

Band	Slough	Thames Valley Police Authority	Royal Berkshire Fire Authority	TOTAL
	£	£	£	£
A	767.59	102.87	38.21	908.67
B	895.53	120.01	44.58	1060.12
C	1,023.46	137.16	50.94	1211.56
D	1,151.39	154.30	57.32	1363.01
E	1,407.25	188.59	70.05	1665.89
F	1,663.12	222.88	82.79	1968.79
G	1,918.98	257.17	95.52	2271.67
H	2,302.78	308.60	114.63	2726.01

- (xi) That the Section 151 Officer be and is hereby authorised to give due notice of the said Council Tax in the manner provided by Section 38(2) of the 1992 Act.
- (xii) That the Section 151 Officer be and is hereby authorised when necessary to apply for a summons against any Council Tax payer or non-domestic ratepayer on whom an account for the said tax or rate and arrears has been duly served and who has failed to pay the amounts due to take all subsequent necessary action to recover them promptly.
- (xiii) That the Section 151 Officer be authorised to collect (and disperse from the relevant accounts) the Council Tax and National Non-Domestic Rate and that whenever the office of the Section 151 Officer is vacant or the holder thereof is for any reason unable to act, the Chief Executive or such other authorised post-holder be authorised to act as before said in his or her stead.

Schedule of Basic Amount of Council Tax for All Areas (Including Police & Fire)2012/13

Tax Bands	Fractions	SLOUGH	THAMES VALLEY POLICE	THE ROYAL BERKSHIRE FIRE	SLOUGH PLUS POLICE & FIRE	LOCAL PARISHES + SLOUGH + POLICE + FIRE					
						BRITWELL		COLNBOOK WITH POYLE		WEXHAM COURT	
		Council Tax	Council Tax	Council Tax	Council Tax	Parish Element	Total Council Tax	Parish Element	Total Council Tax	Parish Element	Total Council Tax
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
					a+b+c		d+e		d+g		d+i
		£	£	£	£	£	£	£	£	£	£
A	6/9	767.59	102.87	38.21	908.67	44.06	952.73	31.80	940.47	24.48	933.15
B	7/9	895.53	120.01	44.58	1,060.12	51.41	1,111.53	37.10	1,097.22	28.56	1,088.68
C	8/9	1,023.46	137.16	50.94	1,211.56	58.75	1,270.31	42.40	1,253.96	32.64	1,244.20
D	9/9	1,151.39	154.30	57.32	1,363.01	66.10	1,429.11	47.70	1,410.71	36.72	1,399.73
E	11/9	1,407.25	188.59	70.05	1,665.89	80.79	1,746.68	58.30	1,724.19	44.89	1,710.78
F	13/9	1,663.12	222.88	82.79	1,968.79	95.47	2,064.26	68.90	2,037.69	53.05	2,021.84
G	15/9	1,918.98	257.17	95.52	2,271.67	110.16	2,381.83	79.50	2,351.17	61.21	2,332.88
H	18/9	2,302.78	308.60	114.63	2,726.01	132.19	2,858.20	95.40	2,821.41	73.45	2,799.46

Schedule of Basic Amount of Council Tax for All Areas (Excluding Police & Fire)

2012/13

Tax Bands	Fractions	SLOUGH	LOCAL PARISHES					
			BRITWELL		COLNBOOK WITH POYLE		WEXHAM COURT	
		Council Tax (a)	Precepts (b)	Council Tax (c) a+b	Precepts (d)	Council Tax (e) a+d	Precepts (f)	Council Tax (g) a+f
		£	£	£	£	£	£	£
A	6/9	767.59	44.06	811.65	31.80	799.39	24.48	792.07
B	7/9	895.53	51.41	946.94	37.10	932.63	28.56	924.09
C	8/9	1,023.46	58.75	1,082.21	42.40	1,065.86	32.64	1,056.10
D	9/9	1,151.39	66.10	1,217.49	47.70	1,199.09	36.72	1,188.11
E	11/9	1,407.25	80.79	1,488.04	58.30	1,465.55	44.89	1,452.14
F	13/9	1,663.12	95.47	1,758.59	68.90	1,732.02	53.05	1,716.17
G	15/9	1,918.98	110.16	2,029.14	79.50	1,998.48	61.21	1,980.19
H	18/9	2,302.78	132.19	2,434.97	95.40	2,398.18	73.45	2,376.23

- Based on Total Council Tax Requirement including parishes of £48,605,129

- Council Tax Requirement excluding parishes of £48,337,079

Appendix E(i) – Investment Items

		2012/13	2013/14	2014/15	2015/16
		£'000	£'000	£'000	£'000
		<u>Community and Wellbeing</u>			
G7 CWB	2 Reviewing officers to reduce care packages	0	(120)	0	
G8 CWB	Project Manager to achieve service redesign	0	(113)	0	
	Alley Gating	30	30	30	
	Organic Income Shortfall	35			
	Improving Play Provision	85			
	Replacement Refrigeration Unit at the Ice Arena	32			
	LD Growth (Transition Clients)	80	78	0	
		262	(125)	30	0
		<u>Education and Childrens Services</u>			
	ECS Independent Reviewing Officers	77			
	LAC Permenant Allocation of Reserve Provsion	645			
		722	0	0	0
		<u>Resources and Regeneration</u>			
G1 GBE	Civil Parking Enforcement	10			
G2 GBE	Joint Arrangements - Coroners Service	22	22	22	
	Client transactional services mgmt	133			
	Inhouse bailiff (to be reduced)	120			
	Waste disposal	150	150		
	Building control surveys	150	50		
	Town Centre Management	60			
	Traffic Signal (Electricity)	65			
	Concessionary Fares	100			
		810	222	22	0
		<u>Customer and Transactional Services</u>			
	Information Governance Officer	50			
	GIS Mapping System	75			
	GIS Mapping System	75	(35)		
	IT maintenance of contracts	43			
		243	(35)	0	0
		<u>Corporate</u>			
G01 COR / EG01 COR	Capital Financing / MRP	300	900	0	
	Contingency - Economic Risk	(305)	34		
	Carbon Emissions Levy	380			
	Impact of Localisation of Council Tax Benefit	0	1,000	0	0
	Community Investment	800	727	(49)	604
		1,175	2,661	(49)	604
Total		3,212	2,723	3	604
Revenue Budget Impact		2,622	2,565	(27)	604

Appendix E(ii) – Committed and Approved Savings

Ref	Details	2012/13 £'000	2013/14 £'000	2014/15 £'000
<u>Community and Wellbeing</u>				
S1 CWB	Develop re-enablement of in house services	(200)	0	0
S4 CWB	Continue to provide alternative care to further enhance independence	(100)	0	0
S15 S25 CWB	Commissioning TBC by Strat. Director CWB	(100)	(100)	0
S18/S26 CWB	Additional Savings to be Found	(375)	0	0
S22 CWB	Make Community Centres Self funding	(100)	(100)	0
ES3b CWB	Reprovision of Central Library	(80)	0	0
App A (3)	Service & organisational transformation	(529)	(784)	0
App A (9)	Increase in commissioned services from the voluntary sector	(253)	0	0
		(1,737)	(984)	0
<u>Education and Childrens Services</u>				
S07 ECS	Strategic review of youth Service	(140)	0	0
	DECS - Savings now determined	(910)	0	0
App A (3)	Service & organisational transformation	(822)	0	0
App A (16)	Review Education, skills & Schools services	0	0	(500)
		(1,872)	0	(500)
<u>Resources and Regeneration</u>				
S03 GBE	Recharges to HRA/Capital	20	0	0
S39 GBE	Sale of Trade Waste Collection service	200	0	0
ES2 GBE	Highways Maintenance	250	0	0
S03 RES	VFM review of legal services	(100)	0	0
999 RES	Review of Property Services (should be a B saving)	(50)	0	0
App A (3)	Service & organisational transformation	(999)	0	0
App A (4)	FYE's previous years changes	(395)	0	0
App A (6)	Reviewing our assets. Reducing the cost of office accommodation requirements, ensuring value for money in running costs of all Council buildings.	(425)	0	0
App A (11)	Closure of Wexham Nursery	(56)	0	0
App A (13)	Increase part-time opportunities	(112)	0	0
		(1,667)	0	0
<u>Customer and Transactional Services</u>				
S09 I&D	CSC - reduced costs in line with grant	(150)	0	0
App A (10)	Anticipated savings from the set up of the transactional services centre	(1,250)	(450)	0
App A (15)	Phase 2 transactional services	0	0	(1,000)
		(1,400)	(450)	(1,000)
<u>Corporate</u>				
App A (1)	Reviewing the Council's approach to income generation, cash and debt management.	467	0	0
App A (2)	Maximising Revenue	(395)	(435)	0
App A (3)	Service & organisational transformation	0	(866)	0
App A (4)	FYE's previous years changes	(205)	0	0
App A (5)	Final stage of senior management/support services reshaping	(200)	(300)	0
App A (7)	Reviewing all major contracts and all commissioned services seeking a minimum 4% saving and securing a change to the basis of inflationary increases.	(150)	(595)	0
App A (8)	Reducing, reshaping and changing, where possible, the way we finance our capital programme to reduce borrowing costs.	(250)	(250)	0
App A (12)	Reduce Agency Spend	(570)	0	0
App A (13)	Increase part-time opportunities	(225)	0	0
App A (14)	Investing in a healthy workforce	(125)	0	0
App A (17)	Phase 2 Accommodation	0	0	(1,000)
		(1,653)	(2,446)	(1,000)
		(8,329)	(3,880)	(2,500)

SLOUGH BOROUGH COUNCIL

Cash Limits

2011/12 to 2013/14

	2010/11 Revised Budget £'000	2011/12 Base Budget £'000	2012/13 Budget £'000	2013/14 Budget £'000
Education & Childrens Services *	24,534	27,789	26,719	26,719
Community & Wellbeing	36,990	35,983	34,965	34,532
Green & Built Environment	26,243	25,473	25,859	25,881
Central Directorates	22,679	17,662	16,956	16,956
Corporate	(83)	(201)	(203)	(203)
Inflation to be allocated		1,300	1,050	1,100
Total Service Directorates	110,363	108,007	105,347	104,986
Treasury Management	3,334	2,179	4,082	4,099
Earmarked Contingencies & Other	1,382	(5,079)	(4,582)	(6,927)
Area Based Grant	(11,100)	0	0	0
Transfer to/(from) Balances	0	0	0	0
Budget Requirement excluding Parishes	103,979	105,107	104,847	102,158
Funding Available	103,979	105,107	100,940	98,789
Budget Gap	0	(0)	(3,907)	(3,369)

* The apparent increase in ECS cash limit is due to a prescribed change in the accounting treatment relating to the new Early Intervention Grant. For comparison purposes the true position for ECS is:

Education & Childrens Services *	24,534	22,918	21,848	21,848
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Statement on the Robustness of Budget Estimates, and the Adequacy of Reserves and the Key Budget Risks

**SECTION 25 REPORT
2011/12 ROBUSTNESS OF BUDGET AND LEVEL OF RESERVES AND
BALANCES**

1. Introduction and Purpose of Report

- 1.1 To review the Council's General Fund Budget, Capital Programme, Earmarked Reserves and General Fund Balances to ensure the robustness of the estimates included.

2. Executive Summary

- 2.1 Under Section 25 of the Local Government Act 2003, the Strategic Director of Resources as the Council's Chief Financial Officer (the Council's 151 Officer) is required to report to the Council on:

- 1) The robustness of the estimates included within the budget
- 2) The adequacy of the reserves and balances

- 2.2 Under the Act, Members must have regard to the contents of this report when making their decisions on the budget.

3. Proposals

- 3.1 It is proposed that Members consider the contents of this report when making their decisions on the Council's budgets at this meeting.

4 . Recommendation

- 4.1 The Council is recommended: to consider the contents of this report in approving the General Fund and Capital Programme 2011/12 budgets and that the Section 25 report on the robustness of the budget be noted.

"The Strategic Director of Resources & Regeneration reports that the estimates of income and expenditure forming the Council's General Fund Revenue Budget for 2011/12 have been prepared on the basis of existing plans, known current and future commitments and the financial implications of the proposals for service development, improvement and efficiencies.

Where it has been necessary to do so, in the case of certain budgets (e.g. pay, investment income and income from fees and charges), robust and prudent assumptions have been used for inflation, interest rates and service take-up that, on the basis of current and predicted levels of activity, are considered to be reasonable and prudent.

However, Members will appreciate that some budgets are more sensitive and responsive to changes in demand, often caused by factors outside of the Council's control. In the event of any unanticipated changes it may be necessary to take corrective action and the effectiveness of this relies on good systems of budgetary control, monitoring and risk management.

It is important, therefore, to review actual performance against budget on a regular basis in order to ensure budgets remain on track, particularly the realisation of savings/efficiency proposals as well as being proactive in identifying emerging risks and responding accordingly, taking remedial action where this is appropriate.

Set within this wider control framework and the adequacy of the Authority's financial arrangements generally, the Chief Financial Officer considers the Council's budget estimates for 2012/2013 to be robust although challenging in the medium term.

With regard to the medium term, Members will be aware of a number of pressures facing the Council. These need to be considered in the context of the national framework being applied to local government, which, amongst other things, requires increasing efficiencies and restrictions on council tax increases. Against this backdrop the expectation is that, future years' budgets will come under increasing pressure with a growing emphasis on prioritisation, efficiency, innovation and collaboration in service delivery. Members may therefore face difficult decisions in later years in order to sustain a balanced budget over the medium term

Statement on the Adequacy of Financial Reserves

- 4.2 The Council is asked to consider the following statement in respect of the adequacy of the Council's proposed financial reserves:-

"The Strategic Director of Resources reports that, having conducted a review of the Council's requirement for the minimum working balance, taking into consideration various matters including:-

- the Council's spending plans for 2012/13 and the medium term financial position;*
- adequacy of estimates of inflation, interest rates;*
- treatment of demand led and demographic pressures;*
- impact of external partnerships;*
- the need to respond to emergencies.*
- Capital programme variations.*

an amount of £7.5m is considered adequate for this purpose.

The level of general fund balances has steadily increased over the past year in line with expectations and is planned to continue to do so.

This statement is made on the understanding that any use of reserves and balances is undertaken in accordance with the Council's existing Financial Procedure Rules”

5. Supporting Information

- 5.1 The conclusion is that the processes followed have been generally sound and similar to those that have produced robust estimates in the past. In the light of information made available during the budget process, there is sufficient capacity in the proposed budget and available reserves and balances to cope with the financial risks the Authority faces in 2012/13.
- 5.2 The strength of the service and financial planning processes supported by a professional finance team, with the involvement of Service Management Teams, Directorate Management Teams, Strategic Directors and Corporate Management Team, and elected Members; the extensive consultation; the assessment of risk; the rigorous challenge; the inclusion of a central contingency; and the way in which it is underpinned by adequate balances; means that the draft budget is robust, comprehensive and geared to the delivery of the Council's key objectives and service priorities.
- 5.3 Section 25 of The Local Government Act 2003 includes a specific personal duty on the Chief Financial Officer (“CFO”) to make a report to the authority when it is considering its budget and Council Tax. Also, Section 26 of the Act gives the Secretary of State power to set minimum level of reserves for which an authority must provide in setting its budget. The Secretary of State stated that “the provisions are a fallback against the circumstances in which an authority does not act prudently, disregards the advice of its CFO and is heading for serious financial difficulty”.
- 5.4 The Local Government Finance Act 1992 also requires that authorities have regard to the level of reserves needed for meeting estimated future expenditure when calculating the next budget requirement.
- 5.5 There are also a range of safeguards to ensure authorities do not over-commit themselves financially. These include:
- The CFO ‘S114’ powers, which require a report to all members of the authority if there is or is likely to be unlawful expenditure or an unbalanced budget
 - The Prudential Code which applied to capital financing from 2004/05.
- 5.6 These safeguards are reinforced by the Use of Resources Assessment by the Audit Commission which includes a methodology to assess the financial performance and standing of the authority.

6. Guidance on Evaluation of the Estimates

- 6.1 The Local Government Act 2003 does not provide any specific guidance on how to evaluate the robustness of the estimates. The explanatory notes to the

Act do, however, stress that decisions on the appropriate level of reserves should not be based on a rule of thumb, but on an assessment of all the circumstances considered likely to affect the authority. In addition reference is also made to the CIPFA guidance on reserves and balances.

6.2 The Chartered Institute of Public Finance and Accountancy (CIPFA) states that the following factors should be taken into account when the CFO considers the overall level of reserves and balances:

- Assumptions regarding inflation
- Estimates of the level and timing of capital receipts
- Treatment of demand led budgets (i.e. budgets where expenditure or income are to some extent beyond the Council's control)
- Treatment of efficiencies
- Risks inherent in any new partnerships etc
- Financial standing of the authority (level of borrowing, debt outstanding etc)
- The authority's track record in budget management (including the robustness of the Medium Term Financial Strategy)
- The authority's capacity to manage in-year budget pressures
- The authority's virement and year-end procedures in relation to under- and over- spends
- The adequacy of insurance arrangements.

The above issues are also of relevance when evaluating the robustness of the budget.

7. Reserves

7.1 The estimated level of reserves as at 31 March 2012 are shown in Appendix F(i). The rationale for each of these reserves and the level required in each has been reviewed. The remaining reserves are considered to be both necessary and at adequate levels. In addition to the various earmarked reserves, the Council will have an estimated General Fund Balance of approximately £7m at 31st March 2013. The General Fund balance materially meets the recommended 'good practice' minimum of 5% of the budgeted net operating expenditure for the financial year 2012/13.

7.2. Reserves can be held for three main purposes:

- general reserves to meet the potential costs of emergencies or unexpected events, including a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing
- a contingency to meet the costs of events that are possible but whose occurrence is not certain – this also forms part of general reserves.
- earmarked reserves to meet known or predicted liabilities over a period of time usually of more than one year. These earmarked reserves

protect the Council against specific financial risks and this is a factor to be taken into account when assessing the adequacy of the totality of balances and reserves and the level of the General Fund Balance.

8. Strategic Budget Issues to Evaluate for Robustness

8.1 Inflationary pressures

An assumption on staff turnover savings recruitment costs etc is made on a zero based basis departmentally. Budgets have been prepared at out-turn prices (i.e. again on an individual zero based basis to take account of known or expected increases in the prices of goods and services). This is a tried and tested approach, although in the unusual economic situation currently being experienced, an Economic Factors Reserve has also been set up as outlined above.

8.2 Capital Programme Revenue Effects and Financing

The revenue budget includes all revenue effects of capital schemes. Particular emphasis has been placed on the major schemes such as the Council's Heart of Slough project. Assumptions of new capital receipts in 2011/12 are based on realistic estimates received from the relevant officers in the Council.

8.3 Treatment of demand led pressures and efficiencies

Particular care has been taken in compiling the key Council budgets which are often described as 'demand led' because their achievement is to some degree outside the Council's control. These types of budgets, are likely to contribute significantly to any overall variation of actual achievement against budgets particularly so given the sensitivity of some services to demographic pressures – an issue resultant in considerable under funding for the Borough. Some of these budgets could be further affected by the prevailing economic recession and in all cases a prudent approach has been adopted in the estimates prepared.

8.4 Savings Identified

Savings proposals for 2012/13 total approximately £8.3m. The main priority in achieving these savings was to protect front line priority services. Each of these efficiency proposals was evaluated for feasibility of achievement and found to be realistic. Each expenditure efficiency has been removed from the relevant budget and each agreed increase in income added to the relevant budget. Both expenditure and income efficiencies will be profiled on the Council's Financial Management System to make it clear that efficiencies are expected to be realised from the agreed date. Prior to the commencement of the financial year 2012/13 the identified savings areas will be removed from the budget and cash limits will only be allocated on the basis of available resources. Monthly financial information will then be provided to help monitor progress, and any significant variations will be reported to both the Corporate Management Team and the Cabinet. These reports will contain proposals for corrective action where necessary.

8.5 Any one-off costs of achieving ongoing efficiencies have been built into rationale and projections of use of provisions.

9. Investment Income

9.1 The 2012/13 revenue budget for investment income is based on ensuring security of investment, liquidity and income yield.

9.2 The Council's investment income budget for 2012/13 has been compiled on the basis of close tracking of actual and likely interest rates and with the help of external information sources and the treasury advisors. The emphasis will be on the least risky places to invest the Council's money and this, along with the trend in interest rate reductions and the agreed use of existing cash deposits to fund the capital borrowing requirement has led to a significant reduction in both the investment income and borrowing costs which have been built into the budget. In budgetary terms this is prudent and places the Council at less risk of exposure in-year.

10 Capacity to Manage in-year Budget Pressures

10.1 The Authority has a record of maintaining good financial and budgetary discipline in the face of mid-year pressures, including virement procedures that allow funds to be moved to areas of pressure. Although underspends and overspends are not automatically carried forward, the Authority does have an approved carry forward scheme.

10.2 For a number of years, year-end out-turn has been within approved budget levels, although the trend to early overspends remains visible, this trend is reducing considerably and the discipline to remain within overall budgeted levels is well established. This is a welcome change, although it does mean, quite rightly, that further development on accurate budgeting, profiling and forecasting is required and this is a major area of agreed focus for the Council's corporate management team.

10.3 Managers with budgetary responsibility receive ongoing financial training and support.

10.4 Budget holders receive regular information from their relevant finance lead and regular Financial Management System (FMS) reports. Both budget profiling and commitment accounting are used to assist the budgetary control process.

10.5 The Cabinet receives monthly budgetary performance reports, including proposed actions to deal with any variances from budget and early consideration of the of potential pressures.

11. Risk Management and Insurance Arrangements

11.1 The Council has continued to improve its risk management approach which regularly updates the key risks and identifies actions which can reduce the

likelihood and impact of those risks. The risks identified are fed into the budgetary process as appropriate.

- 11.2 In recent months the economic recession has featured as a key risk for several of the Council's income budgets and appropriate budgetary provision has been made in respect of these.
- 11.4 Specific service based and demand led budget risk considerations are identified and considered within the main budget report.
- 11.5 The Authority has a very low record of claims against its insurance policies. A comprehensive range of insurance policies are held, although these are subject to regular review to ensure that this is the most appropriate response to the risks faced.

12. Longer Term Considerations

- 12.1 Although this report has the 2012/13 budget as its focus it is worthwhile considering briefly some of the key longer term financial issues facing the Council so that it can be established that no hidden issues could affect the forthcoming budget year.
- 12.2 The Council has a robust Medium Term Financial Strategy which is regularly updated and gives multi-year projections of the Council's revenue and capital position.
- 12.3 The Council makes contributions to the Berkshire Pension Fund on behalf of staff. The next actuarial review of the fund will be based on the position as at 31 March 2013.

13. Key Issues for Consideration and Options

- 13.1 The key issues are whether:
 - the base budget is realistic
 - the expenditure efficiencies are achievable
 - the additional income will be received
 - the reserves are adequate to deal with any shortfall in the budget
- 13.2 It is considered that these requirements are in fact met.
- 13.3 The Full Council can of course make changes to the budget even at this late stage, although it is advised that any such changes, if significant, could adversely affect the robustness of the budget if a full appraisal of their likely consequences is not undertaken.

SLOUGH BOROUGH COUNCIL

General Fund Reserves

					*Subject to review in Nov 2012	
	2011/12			2012/13	2013/14	2014/15
	Committee Approved	Jan 12 Position	Projected Position	Projected Position	Projected Position	Projected Position
	£'000	£'000	£'000	£'000	£'000	£'000
<u>General Fund Balance</u>						
Balance as at 1st April	5,388	6,384	7,500	8,000	8,000	8,000
Planned Contribution to/(from) Revenue Account						
Balance as at 31st March	5,388	6,384	7,500	8,000	8,000	8,000
<u>Earmarked Reserves</u>						
<u>Miscellaneous Reserves:</u>						
LABGI	0	192	192	0	0	0
Contingencies	1,000	730	1,000	750	500	500
Berkshire Liabilities	400	440	400	200	100	0
Future Debt & Cap reqmnts	3,096	4,016	3,497	3,000	1,500	1,500
Stat Prop Funct & Landlord duties	300	605	300	300	300	300
Financial System Upgrade	200	300	400	0	0	0
PFI Unitary	1,407	1,498	1,498	1,498	1,498	1,498
Harmonisation	250	400	50	0	0	0
LSP Management	0	16	16	0	0	0
Economic Risk	500	2,699	4,000	3,000	2,000	1,000
Learning Disability Transfer	0	113	113	750	1,500	0
Organisational Change	0	750	1300	750	750	750
ECS Social Workers Laptop	0	30	30	0	0	0
Berkshire SRG	0	156	156	156	0	0
School Places	300	530	530	530	530	0
Looked After Children	0	646	0	0	0	0
Heathrow rail link reserve	0	30	105	105	105	105
Events	0	30	30	30	30	30
Community Cohesion	0	75	0	0	0	0
Safeguarding and Adoption	0	0	190	190	0	0
Total Miscellaneous Reserves	7,453	13,257	13,257	11,259	8,813	5,683
<u>Grants Reserves:</u>						
Community & Wellbeing	0	148	0	0	0	0
Ed & Ch Schools - Oracle	0	0	0	0	0	0
Education & Children	0	314	0	0	0	0
Green & Built	0	360	0	0	0	0
Resources & Regeneration	0	285	0	0	0	0
Improvement and Development	0	34	0	0	0	0
Total Grants Reserves	0	1,141	0	0	0	0

	2011/12			2012/13	2013/14	2014/15
	Committee Approved	Jan 12 Position	Projected Position	Projected Position	Projected Position	Projected Position
	£'000	£'000	£'000	£'000	£'000	£'000
Housing Benefits	0	394	394	394	394	394
Department Services	0	0	0	0	0	0
Capital Reserves	0	1,287	1,053	1,053	1,053	1,053
Insurance Reserves	375	516	750	750	750	750
Total Earmarked Reserves	7,828	16,595	15,454	13,456	11,010	7,880
Trading Accounts	85	0				
Total General Fund Reserves	13,301	22,978	22,954	21,456	19,010	15,880

SUMMARY OF CAPITAL PROGRAMME 2011/12 to 2017/2018

Summary	2011/2012 Budget	2012/2013 Budget Estimate	2013/2014 Budget Estimate	2014/2015 Budget Estimate	2015/2016 Budget Estimate	2016/2017 Budget Estimate	2017/2018 Budget Estimate
EXPENDITURE	£'000	£'000	£'000	£'000	£'000	£'000	£'000
GENERAL FUND PROGRAMME							
Community and Wellbeing	1,086	938	0	0	0	0	0
Education and Children's Services	21,314	10,506	8,276	4,883	0	0	0
Customer & Transactional	500	0	0	0	0	0	0
Resources & Regeneration	9,607	11,035	1,450	2,150	3,835	797	0
Heart of Slough	16,122	9,155	8,000	0	0	0	0
	48,629	31,634	17,726	7,033	3,835	797	0
HOUSING REVENUE ACCOUNT							
Housing Revenue Account	9,699	13,052	7,273	7,323	8,793	9,240	7,014
	9,699	13,052	7,273	7,323	8,793	9,240	7,014
TOTAL CAPITAL PROGRAMME	58,328	44,686	24,999	14,356	12,628	10,037	7,014
SOURCE OF FINANCING	£'000	£'000	£'000	£'000	£'000	£'000	£'000
GENERAL FUND PROGRAMME							
Capital Grants	-31,116	-10,095	-8,032	-6,137	-2,484	-354	0
Revenue Contributions	-183	-9,100	0	0	0	0	0
S106	-3,254	-2,430	-1,250	0	0	0	0
Capital Receipts	-1,639	-7,440	0	0	0	0	0
Borrowing	-12,437	-2,569	-8,032	-896	-1,351	-443	0
	-48,629	-31,634	-17,726	-7,033	-3,835	-797	0
HOUSING REVENUE ACCOUNT							
Capital Grants	0	0	0	0	0	0	0
Revenue Contributions	0	-7,292	-7,023	-7,073	-8,543	-8,990	-6,764
Major Repairs Allowance	-5,020	-344	0	0	0	0	0
Borrowing	-2,000	-1,484	0	0	0	0	0
HRA Balances	-2,195	-2,932	0	0	0	0	0
Capital Receipts	-484	-1,000	-250	-250	-250	-250	-250
	-9,699	-13,052	-7,273	-7,323	-8,793	-9,240	-7,014
TOTAL FINANCING	-58,328	-44,686	-24,999	-14,356	-12,628	-10,037	-7,014

Glossary

Balances: Unallocated reserves which are essentially retained to cover uncertainties and risks which may require funding in the future.

Billing authority: The council that bills and collects both Council Tax from local residents and Business Rates from local business premises. For Council Tax, the bill issued will include the precepts from other authorities operating in the area. Slough BC is a billing authority.

Budget Requirement: The amount the authority estimates as its planned spending for the forthcoming financial year, after deducting income it raises from fees and charges, specific grants and funding from reserves.

Capital: Income received and funding spent on the creation and enhancement of the council's assets (e.g. land, buildings, infrastructure, equipment). What counts as capital has to meet specific criteria set out in legislation and accounting practice. Councils cannot use capital income for revenue purposes.

Cash Limits: An amount of money agreed by the Administration within which a Directorate sets its budget, and subsequently within which it is expected to contain its net expenditure.

Collection Fund: The Collection Fund accounts for all monies relating to the receipt of Council Tax and the old Community Charge, and for payments made to the precepting authorities, the Thames Valley Police Authority and the Royal Berkshire Fire Authority, and to fund the Council's own demand to meet its budget requirement. Whatever balance remains on the fund in respect of the over/under recovery of Council Tax or Community Charge must be added to or subtracted from the following year's Council Tax bills.

Comprehensive Spending Review: The central government mechanism for establishing four-year expenditure plans for all public spending, resulting in multi-year funding settlements for local councils. The CSR 2010 covers the financial years 2011/12, 2012/13, 2013/14 and 2014/15.

Council Tax Requirement: The amount the authority estimates will be required to be raised through council tax based on its planned spending for the forthcoming financial year, after deducting formula grant, income it raises from fees and charges, specific grants and funding from reserves.

Discretionary Services: Services where the council has the power to provide a service, but has no specific legal obligation (e.g. leisure and cultural services). Under the Local Government Act 2003, enhancements to statutory service provision which are over and above what is required by law (e.g. pre-planning advice) is defined as a discretionary service, thus allowing the council to levy a charge.

Formula Grant: The funding provided to local authorities by central government as part of the Local Authority Financial Settlement. Formula Grant is made up of Revenue Support Grant plus an allocation from the National Non Domestic Rate (NNDR) pool.

General Fund / General Fund Services: All services provided by the local authority, with the exception of the provision of council housing are defined as General Fund services.

Hereditament: Essentially meaning property, but used in local government to mean houses and other living accommodation, such as flats.

Housing Revenue Account (HRA): All councils that own and manage council housing are required by law to budget and account for the resulting income and expenditure separately. The separate account is known as the Housing Revenue Account (HRA)

Housing Revenue Account Subsidy: The government grant for the provision of council housing. The grant is calculated via a formula which allocates grant to some local councils to support their HRA. It is a national redistribution formula and as such, individual authorities can receive funding via grant or be in “negative subsidy”, meaning funding has to be returned to central government from the local council.

Local Government Financial Settlement: The process, and announcement, of the amount of funding local councils will receive in Formula Grant. The Settlement is announced annually, but is now linked to the government’s Comprehensive Spending Review process, meaning that local councils receive notice of funding over a multi-year period.

Local Strategic Partnership (LSP): Non statutory bodies comprising of representatives all bodies delivering public services (including the health and voluntary sectors) in a local area.

Mandatory Services: Services which a local authority is required to provide specifically by law.

Negative Subsidy: The Housing Revenue Account Subsidy grant models income and expenditure in a council’s Housing Revenue Account. If the model calculates that income is greater than expenditure, the council is said to be in negative subsidy, and has to pay over this sum to central government.

National Non-Domestic Rates (NNDR): Also known as Business Rates, they are the means by which local businesses contribute towards the cost of local authority services. The rates are pooled by central government and redistributed to local councils according to the number of people living in the area. This money, together with revenue support grant forms each individual local authority’s Formula Grant allocation.

Non domestic rating multiplier: Business rates are calculated by multiplying the rateable value of the business premises by an amount set annually by central government, known as the Non domestic rating multiplier. For 2011/12 the multiplier is 43.3p in the £. For small business with rateable values below £6,000, this is reduced to 42.6p in the £.

Precepting authority: A local council that levies Council Tax but does not directly bill local residents. Precepting authorities include county councils, police authorities, fire and rescue authorities, parish and town councils and other local bodies such as the Norfolk Broads Authority. Precepts are added to the overall Council Tax bill produced by the Billing authority(ies) in the local area.

Prudential Indicators: The Prudential Framework introduced by the Local Government Act 2003 requires local authorities to prepare information on planned capital expenditure, borrowing and treasury management over a three year period, known as the prudential indicators. Detailed requirements are set out in the Prudential Code for Capital Finance prepared by CIPFA.

Rateable value: The rateable value is the annual rent a property would command if it was available on the open market at a set date. The business rate levied on a business property is calculated by multiplying the rateable value by the non domestic rate multiplier. Rateable values are determined by the Valuation Office Agency (VOA), an executive agency of HM Revenue & Customs. Revaluations are carried out every 5 years. The current rateable values are as at 1 April 2008.

Revenue: Income received and expenditure allocated to support the general running costs of the council.

Rent Restructuring: A long term Government initiative commenced in 2002/03 to require all social landlords to have a single approach to setting rent levels, based on a single formula. All local authorities are required to calculate housing rents for their HRA properties in accordance with the nationally determined Formula Rent system.

Revenue Support Grant (RSG): A government grant, forming part of the Formula Grant that is provided to local councils to support their general revenue expenditure.

Section 151 Officer: Section 151 of the Local Government Act 1972 requires that every local authority in England and Wales should "...make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs." In most authorities the Strategic Director of Resources & Regeneration (or equivalent) is designated as the Section 151 Officer to fulfil this statutory role. At Slough Borough Council this role is carried out by the Strategic Director of Resources.

Schools Forum: Schools forums were set up by the government to give schools greater involvement in the distribution of funding for education in the local authority. Forums have a consultative and advisory role on key aspects of strategy and budget while having regard to wider education issues. The forum is made up of members representing primary, secondary and special schools, including schools governors and Head Teachers.

Statement of Recommended Practice (SORP): The Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice (more generally known as the SORP), defines proper accounting practice for local authorities in the UK. Accordingly, it informs all local councils on various technical accounting matters, including the structure of their annual financial statements. It is prepared by a joint committee of the Chartered Institute of Public Finance and the Accountancy / Local Authority (Scotland) Accounts Advisory Committee (CIPFA/LASAAC).

SLOUGH BOROUGH COUNCIL

INCOME COLLECTION AND DEBT RECOVERY POLICY

1. Objectives

1.1 This policy seeks to set best practice with consistent and effective processes for the maximisation of income and the management of the Council's debt. It should be read in conjunction with the Financial Regulations set out in the Council's Constitution.

1.2 The specific aims of the policy are:

- To develop a corporate approach towards sharing debtor information across collection teams and managing multiple debts owed to the Council.
- To use cost effective and fair collection and recovery practices in the pursuance of all debts owed to the Council, ensuring that those with the means to pay do pay to protect the interests of Council Tax payers.
- To ensure a professional, consistent and timely approach to recovery action across all of the Council's functions.
- To fully consider the debtor's circumstances and ability to pay.
- To treat individuals consistently and fairly regardless of age, sex, race, gender disability and sexual orientation and to ensure that the individual's rights under the Data Protection Act and Human Rights legislation are protected.

2. Debts Covered by this Policy

2.1 The debts covered by this policy are as follows:

- Accounts Receivable (Sundry Debts)
- Former Tenant Arrears
- Commercial Rents
- Adult Social Care Fees & Charges
- Penalty Charge Notices

2.2 Debts for Council Tax, National Non Domestic Rates, current rent arrears and overpaid housing benefits are collected in accordance with their own specific income management policies.

2.3 The policy will apply to all departments of the Council and focus on collecting the charge set rather than how the charge is arrived at. Ability to pay is a key concern when considering debt recovery.

3. Fair Debt Collection

3.1 This policy aims to adopt fair debt collection and recovery practices including:

- Ensuring that bills are accurate, timely and clear.
- Providing appropriate and easy payment methods.
- Encouraging people who fall into arrears to contact us and agree to payment arrangements appropriate to their circumstances.
- Helping to reduce the effect of debt on people on low incomes by informing them of the general availability of income-related benefits and by trying to ensure that maximum benefit take-up occurs.
- Advising people where they can get independent advice with financial problems
- Identifying deliberate non-payers or those who delay payment and taking timely and effective enforcement action.

4. Prepayment for Goods and Services

4.1 Where permitted by law the Council will seek payment in advance of supplying goods and services under statute. For commercial services the Council will seek payment in advance wherever it is practical to do so.

5. Raising Invoices

5.1 No invoice will be raised without full and accurate debtor information and supporting documentation including the name of the party to be invoiced, postal address, email address and telephone number.

5.2 Before supplying requested goods and services to a new commercial customer which amount to £10,000 or more, officers must carry out a company search and credit check through the Accounts Receivable team.

5.3 The Council will not normally raise invoices for a value of £20 or less unless required to do by statute or to protect the Council's interests.

5.4 Where a charge is for a low value, repeated service, an invoice will be raised on a periodic basis (quarterly as a minimum) whenever possible.

5.5 All invoices will be despatched within two days of generation.

5.6 The Council will aim to develop a facility so that invoices will be sent electronically where the debtor is able to receive such invoices.

6. Payment Methods

6.1 The Council will promote payment by the following methods:

- Direct Debit (to be implemented)
- Standing Order for regular fixed payments
- Debit/ Credit Card
- Direct Bank Payments

6.2 Payments by cheque will be accepted by post. Cash payments will only be accepted at the My Council office or other Council offices with cash receipting facilities and will be subject to review in accordance with Money Laundering Regulations.

6.3 Further details of acceptable payment methods and locations are set out below.

6.4 Available Methods of Payment

Direct Debit

This is the preferred method of payment for Council Tax, Business Rates and Housing Rents since it is the easiest and most cost effective method of collection. The Council is working to offer direct debit as a payment method for other types of debt but not one off charges or parking fines.

Debit Card/ Credit Card

Debit/ credit card payments are accepted for all Council debts, rent, charges and parking fines.

24 Hours a Day

Payment can be made 24 hours a day, 7 days a week by debit/ credit card by:

- Telephone: 0845 303 9488
- Online at: www.slough.gov.uk

Internet banking payments can be made directly to the Council's bank account:

- Sort code 08-90-16
- Bank Account No. 61038422

Any internet banking payment should include a transaction reference such as the Council Tax reference number, invoice number etc.

Payment Card

A payment card can be used to pay Council Tax or rent at any post office or at My Council.

Post

Cheques made payable to Slough Borough Council can be posted to:

Slough Borough Council
My Council
Landmark Place
High Street
Slough
SL1 1JL

Posted payments should quote the transaction reference such as the Council Tax reference number, invoice number etc.

In Person

Payment can be made in person at the Customer Service Centre between 9am (10am on Thursdays) and 4.45pm Monday to Friday:

My Council
Landmark Place
High Street
Slough
SL1 1JL

Parking fines can also be paid at the Parking Shop between 9am and 5pm Monday to Friday:

Parking Shop
Unit 5
Shaftesbury Court
Chalvey Park
Slough
SL1 2ER

Disputed Invoices

Debtors wishing to dispute invoices will be encouraged to promptly contact the Council. Contact may be made by telephone, letter, email, fax and in person. Contact details are set as below:

6.5 Sundry Debt Invoice Queries

Sundry debt invoice queries can be made:

By telephone to 01753 875511 for payment issues and to the number shown on the invoice for anything else.

By fax to 01753 875371 quoting the invoice number

By post to Slough Borough Council
Landmark Place
High Street
Slough
SL1 1JL

By email to enquiries@slough.gov.uk quoting the invoice number

In person at: Slough Borough Council
Landmark Place
High Street
Slough
SL1 1JL

Opening Hours are Monday 9am to 6.30pm. Tuesday, Wednesday and Friday 9am to 5.30pm, Thursday 10am to 5.30pm and Saturday 9am to 1.30pm.

- 6.6 The Council will respond to disputed invoice queries as soon as possible. Investigation of any query raised by a debtor will commence within seven days of its receipt. The Accounts Receivable team will acknowledge the query and provide timescales to the debtor for its resolution. The Accounts Receivable team will notify the cost centre manager of the dispute. Where a cost centre manager becomes aware of a dispute before the Accounts Receivable team, the cost centre manager will provide details to the Accounts Receivable team as soon as possible.
- 6.7 Where a debt is deemed by the cost centre manager to have been raised in error, the cost centre manager will immediately arrange for its cancellation. This will only apply where the goods or services were not supplied to the debtor. Where the quantity or price shown on the invoice is incorrect, the cost centre manager will instruct the Accounts Receivable team to issue a credit note.

7. Hardship

- 7.1 Debtors (excluding business debtors) seeking help due to financial difficulties will, where appropriate:
- be offered an assessment of their ability to pay to be undertaken by the Finance Business Partner for the relevant Council service.
 - be invited to provide details of their means to pay by listing their income and expenditure with supporting evidence if necessary
 - be encouraged to use appropriate money advice services
 - be given access to the Council's interpretation service if required
 - be encouraged to seek benefit advice where appropriate
- 7.2 If it is found that the debtor is suffering severe financial hardship or has difficulty in managing their own affairs, the following will be considered:

- Can the debt be reduced? Is there any entitlement to relevant benefits, discounts, exemptions and reductions to minimise the potential for further debts to accrue?
- Does the debtor owe money to other Council services? If so, the debtor will be advised that, with their consent, all their Council debts may be taken into consideration when deciding on an arrangement.

7.3 Where a debtor agrees that all their Council debts can be considered collectively, officers from the relevant services will exchange information and seek to identify an appropriate payment arrangement and the basis on which payments will be allocated. Debts will be prioritised in accordance with government guidelines.

7.4 Where payment arrangements are made with a debtor, these will be confirmed in writing to the debtor and will be regularly monitored. Should the payment arrangement be breached, further recovery action will be taken. Debtors subject to a payment arrangement will be advised to contact the Council should they experience a change of circumstances affecting their ability to pay.

7.5 Where the amount to be subject to a payment arrangement is less than £200, the maximum time period for the arrangement will not normally exceed 12 months but this may be overridden where the debtor does not have the ability to pay within this period.

8. Enforcement

8.1 All debts will be allocated to a named officer. Typically this will be the originator of the invoice or their cost centre manager. All debtor accounts will be allocated to a specific debt recovery officer by the Transactional Finance Service Manager.

8.2 The debt recovery officer will coordinate an effective and timely debt recovery process and ensure close monitoring and a proactive approach to debt collection.

8.3 For sundry debts and commercial rent accounts managed in-house:

- Automated reminder letters will be sent to the debtor 28 and, if still unpaid, 35 days after an invoice has been issued.
- Regular case review meetings will be held between debt recovery officers and the originators of invoices or their cost centre manager to review debts outside of the Council's payment terms and determine appropriate recovery actions. In contentious cases, decisions may be referred to the Transactional Finance Service Manager and the relevant Assistant Director for the service area.
- Telephone contact with the debtor by the debt recovery officer may commence 14 days after an invoice has been issued and will continue for as long as considered appropriate. Where required a Council representative will visit the debtor.
- Where contact by the Council fails to recover the debt in a reasonable timescale, it will be referred to a debt collection agency or the in-house bailiffs team unless inappropriate due to the vulnerability of the customer or if other collection methods are likely to be more successful.

- The Council may use all appropriate means (including the use of tracing agencies) to locate a debtor who moves without providing a new contact address.
- The Council will seek recovery of unpaid debts through the court where appropriate and, at the earliest opportunity, secure a debt by placing a legal charge on a debtor's property. Where a legal charge is inappropriate, other enforcement actions will be taken including the use of bailiffs to seize and sell debtors' goods. This process will normally be followed when dealing with rent and service charge arrears but may be supplemented by proceedings to possess the property and an approach to a leaseholder's mortgage company.
- As a last resort, the Council will, subject to a risk assessment, issue a bankruptcy petition (or a winding up petition for limited companies) where a debtor refuses to pay and other methods of enforcement fail.

8.4 Fees, charges and contributions for adult social care will be collected in accordance with the process for sundry debtors described in paragraph 9.3 above with the following variations:

- New service users will receive a personal visit from a Financial Assessment and Benefits Officer in order to complete a financial assessment. This will include a full benefits check and assistance with the completion of associated forms.
- If payment is not received after the initial reminder letter has been issued, the debt recovery officer will discuss the most appropriate method of collection with the social worker or occupational therapist responsible for the service user.
- The Council will make full use of its enforcement powers under Section 21 of the Health and Social Services and Social Security Adjudications Act (HASSASSA) (1983). If a service user gifts an asset within the six months before the service commences, the recipient of the gift becomes liable for the social care charges.
- The Council will make full use of its enforcement powers under Section 22 of HASSASSA (1983). Where a service user fails to pay an assessed charge for accommodation but has a beneficial interest in land, the Council will place a charge against a solely owned property and a caution against a jointly owned property.
- Debts for non-residential services are recovered under Section 17 of HASSASSA (1983).

8.5 Council tax debts will be recovered in accordance with the Council Tax (Administration and Enforcement) Regulations Act (1992) and subsequent amendments. National Non-Domestic Rates will be recovered in accordance with the Local Government Finance Act (1998) and subsequent regulations and amendments. Slough Borough Council appoints bailiffs to recover local taxation arrears in accordance with its own code of conduct. Only certificated bailiffs can

levy “distress” for local taxation and fees charged to the debtor are governed by legislation.

- 8.6 Housing benefit overpayments will be recovered in accordance with Regulations 99-108 of the Housing Benefit (General) Regulations (2006) as amended. Slough Borough Council has debt recovery procedures in place where Housing Benefit has been overpaid but the debtor is no longer in receipt of the benefit.
- 8.7 Rent arrears are collected by the Housing Service in accordance with its Income Management Procedure.
- 8.8 Arrears on externally managed commercial tenancies are recovered in accordance with the procedures specified in each contract.
- 8.9 The Council’s debt recovery standards are set out below:

9. Debt Recovery Standards

- 9.1 The debt recovery standard is to ensure that all customers are treated in a consistent way across the whole Council and to ensure prompt payment and recovery action is taken no matter what the invoice is for.

Timescale	What will happen	What this means
0 Days	Invoice / invoice sent to the customer	The money is now owed to the Council
14 days	Reminder	The payment is overdue
28 days	Final reminder	The payment is significantly overdue and will affect the ability of the Council to continue providing services.
35 days	Letter Before Claim (This needs to be better clarified)	The Council will now take legal action if the invoice is not paid
46 days	Summons issued to the court	Legal action is now in process
60-67 days	County Court Judgments (CCJ)	The Council will apply to the court for a CCJ. The debtors credit rating will be affected
<p>Any or some of the following options are now available:</p> <p>Note – all these options below will add additional administration and court costs to the debt</p>		
81 days +	Charging Order obtained	This will put the charge on a debtor’s property. When the property is sold the debt will be recovered from the proceeds.

81 days +	Bailiffs Instructed	Bailiffs can seize debtor's possessions to the value of the debt plus costs.
81 days +	Debt Collection Agencies Instructed	Life becomes uncomfortable for the debtor until the debt has been paid i.e. night time phone calls etc
81 days +	Possession proceedings commence	If the debtor is leaseholder they will lose their home
81 days +	Eviction proceedings commence	If a Council tenant they will lose your home
81 days +	Deduction from benefits commences	This will ensure that money will be recovered direct from a claimants benefits at source
81 days +	Attachment of Earnings arranged	This will ensure that money will be recovered directly from a debtor's wages via the employer.
81 days +	Third Party Debtor Order obtained	Money will be taken directly from a debtors bank account(s)
81 days +	Liability Orders (Business Rates) obtained	Referral to a Bailiff or Imprisonment
81 days +	Bankruptcy proceedings initiated	Forced closure of debtors business
81 days +	Liquidation proceedings initiated	Forced closure of debtors business
81 days +	Committal to prison proceedings	Debtor sent to prison

10. Exceptions to the agreed debt recovery standards

10.1 The recovery of outstanding debt in some Council sections is governed by legislation, and this will take precedence over the debt recovery standard.

11. Debt Write Off

11.1 Irrecoverable debts will be written off in accordance Part 4, Section 4.6 of the Council's constitution.

11.2 Debts will normally only be written off if the debtor is:

- Deceased with no assets
- Bankrupt with no assets
- In an Individual Voluntary Arrangement and the arrangement is adhered to
- Gone away and no trace
- After a custodial sentence for non-payment of Council tax if so instructed by the court
- Dissolved limited company

Following a review, it may also be determined that a debt is uneconomical to collect.

12. Performance Monitoring and Reporting of Debt

12.1 The Council will set separate performance targets for income and cash collection.

12.2 A detailed sundry aged debt report will be issued to cost centre managers on a monthly basis. A summarised report, highlighting trends, will be issued to Corporate Management Team, Assistant Directors and the Head of Finance on a monthly basis.

12.3 The Council will provide against specific debts where there is a significant risk of non-payment. It will also apply a general provision to debts outside of the Council's payment terms. Bad debt provision movements will be credited to or charged to the relevant cost centre and will be monitored on a monthly basis. Cost centre managers will therefore be accountable both for their income budgets and also for the collection of outstanding debt.

13. Bad Debt Provision

Provisions are made for bad and doubtful debts and these are charged to the appropriate revenue account. In accordance with the CIPFA guidelines, for Council Tax and Business Rate debts, the older the debt the greater the provision, although depending on specific circumstances this may not be applied. All HRA related debts and sundry debts over £250 are analysed and a provision made depending on individual circumstances. All other debts are subject to a range of specified percentages depending on validity of the existing debt, age and possibility of further recovery action.

Slough Borough Council

DRAFT Pay Policy Statement 2012-13

1. Background

The recently enacted Localism Act 2011, requires Councils to approve a pay policy statement for the financial year 2012/2013 and each subsequent financial year thereafter. The pay policy statement sets out the authority's policies for the financial year relating to:

- the remuneration of its chief officers,
- the remuneration of its lowest-paid employees, and
- the relationship between —
 - (i) the remuneration of its chief officers, and
 - (ii) the remuneration of its employees who are not chief officers.

2. Definitions

The Council defines its "lowest –paid Employees" as the FTE inclusive salary of those employees on pay band 1 of the approved independently administered HAY pay-scale (15 people).

This definition applies as it is the lowest pay grade on which any member of staff can be employed within the approved pay bands. The pay band values were reviewed and agreed by council for non chief officers as part of the Job Evaluation Harmonisation exercise in 2009.

Chief Officers are defined as Assistant Directors and Strategic Directors are paid on the approved independently administered HAY SML pay bands 12 – 16 (approved September 2007) and the Chief Executive is paid on CE band approved November 2006.

This statement includes the authority's policies relating to —

- (a) the level and elements of remuneration for each chief officer,
- (b) remuneration of chief officers on recruitment,
- (c) increases and additions to remuneration for chief officers,
- (d) the use of performance-related pay for chief officers,
- (e) the use of bonuses for chief officers,
- (f) the approach to the payment of chief officers on their ceasing to hold office under or to be employed by the authority, and
- (g) the publication of and access to information relating to remuneration of chief officers.

1. Definition and Scope

This Pay Policy Statement sets out the Council's policies towards a range of issues relating to the pay of the workforce, in particular Chief Officers and the lowest paid staff.

In accordance with the requirements of the Localism Act 2011, the Pay Policy Statement will be agreed by Borough Council for each financial year and will be published on the Council's website. This statement can be amended during the financial year, providing any changes are approved by full Council.

All decisions on pay and reward for Chief Officers will comply with this pay policy statement.

At a time when the Council and the wider economy is facing considerable financial pressure and uncertainty, it is understandable that there are high levels of interest in, and scrutiny of, the Council's senior management pay and reward structures.

In the context of managing scarce public resources, remuneration at all levels needs to be adequate to secure and retain high-quality employees dedicated to the service of the public, but at the same time needs to avoid being unnecessarily generous or otherwise excessive (and seen as such).

2. Determination of Pay Levels

Following a job evaluation and benchmarking exercise conducted under the Hay Group Job Evaluation Scheme ('Hay Scheme') in September 2007, the Council formally adopted a salary scale for Chief Officers (SML grades 12 – 16). The 'Hay Scheme' is a systematic process for ranking jobs logically and fairly by comparing job against job or against a pre-determined scale to determine the relative importance of jobs to an organisation. This chief officers' salary scale is published on the Council's website.

All new posts will be evaluated using the Hay Scheme and paid in accordance with the published salary scale.

3. Determination of individual pay levels within grade

(a) On Appointment

The appointments process for Chief Officers incorporates independent evaluation of a detailed job description and person specification to determine approved pay band.

The specific point at which officers are appointed to the scale is determined when the offer is made by the appointing officer and or the Chairman of the Panel. Factors taken into account are:

- Skills and experience
- Current salary
- Market factors

Where the conditions of the approved scheme are met, new appointments may also access financial support for relocation up to the amount specified within the policy which is published on the Council's website.

(b) Progression through the pay scales

Progress through the pay scale each year is subject to satisfactory performance as recorded by the Council's performance management systems. Failure to achieve a satisfactory rating may lead to increments being withheld.

(c) Additional pay

Chief Officers do not receive any bonus payments.

A Chief Officer may be appointed as Returning Officer. The Chief Executive was appointed the Council's Returning Officer in 2010. The Returning Officer's fee is paid separately from and in addition to the salary. The Returning Officer's fee is not set by the Council but determined according to national guidelines. It reflects the very significant additional duties and accountabilities over and above normal contractual responsibilities.

Additional fees for Chief Officers in respect of any local election duties they may perform are paid separately from salary at levels determined by the Returning Officer in the context of the national guidelines. This reflects the additional duties undertaken by staff volunteering to carry out election duties over and above their normal contractual council responsibilities. In setting fee levels, the Returning Officer takes into account a range of factors, including levels of responsibility and expertise required.

Detailed remuneration tables for the last financial year can be found on the Council's website; <http://www.slough.gov.uk/aboutus/articles/2225.aspx>

Chief Officers may be required to cover 24hour emergency phone for which an allowance of £112 per week is paid. Directors and the Chief Executive do not receive this allowance.

The Director of Education and Children's Services receives an on call allowance of £112 per week for fulfilling the duties of the Social Work emergency rota.

Chief Officers are eligible to claim expenses incurred according to the same scales applicable to all employees.

4. When employment ends

A Chief Officer who ceases employment with the Council may be entitled to a severance payment if they are being dismissed either on grounds of redundancy or on grounds of efficiency of the service. The procedure

applicable in these circumstances is governed by the Council's Organisational Change Policy.

The Council's Pensions Discretion Policy sets out the discretions which the Council is able to exercise in the case of Chief Officers (and all other employees). The procedure for approving the application of any pension discretion is contained within this policy.

Officers who have received a redundancy payment and/or early access to their pension may not be engaged by the Council on any consultancy basis.

5. Terms and conditions of employment

Chief Officers' terms and conditions of employment are in accordance with the Scheme of Conditions of Service for the Joint Negotiating Committee (JNC) for Local Authorities' Chief Officers as supplemented by the Council's Employment policies. These may be amended from time to time by the Council and agreements made with employee representative bodies.

6. Remuneration of the lowest paid employees

The remuneration of the lowest-paid employees at Slough Borough Council is determined by the application of the Hay Scheme. Its aim is to operate grading arrangements based on principles of fairness, transparency, and consistency.

The lowest paid employee is on Band L1 of the scheme. The current rate of pay for this post is £13,161 - £14,723 per annum.

The average rate of pay is £22,840.

The pay multiple (that is the ratio between the highest paid earner and the average mean earnings of the whole workforce) is 7.02.

7. Relationship between the remuneration of the Council's chief officers and other officers

The Council's policies in respect of Chief Officer pay vary only as follows:

- There is no application of overtime: Chief Officers are expected to work the number of hours required to properly perform their duties.
- The direct satisfactory performance link to annual increments.

PROPOSED CHIEF OFFICERS SALARY W.E.F. 1.4.12

LEVEL OF POST	JOB TITLE	GRADE
Chief Executive	Chief Executive	CE
Strategic Directors	SD, Resources, Housing & Regeneration	SML 16
	SD, Wellbeing	SML 16
	SD, Customers & Communities	SML 16
	SD, Education & Children's Services to 30.9.12	SML 16
Assistant Directors	AD, Enforcement & Regulatory Services	SML 14
	AD, Leisure Communities & Skills	SML 13
	AD, Customer Services & IT	SML 13
	AD, Corporate Resources	SML 13
	AD, Professional Services	SML 13
	AD, Estates & Regeneration	SML 13
	AD, Housing & Environment Services	SML 14
	AD, Children & Families	SML 14
	AD, Adult Social Care	SML 14
	AD, Commissioning etc to be considered in early 2012/13 in the light of changes to Public Health provision	SML TBC 13/14
	AD, Achievement & Inclusion (post to be reviewed during 2012/13)	SML 13

This new structure achieves a further net saving of £500,000 over 2 years.

CURRENT CHIEF OFFICERS SALARIES

LEVEL OF POST	JOB TITLE	GRADE
Chief Executive	Chief Executive	CE
Strategic Directors	SD, Resources & Regeneration	SML 16
	SD, Community & Wellbeing	SML 16
	SD, Education & Children's Services	SML 16
	SD, Customer and Transactional Services	SML 15
Assistant Directors	AD Finance and Audit	SML 13
	AD Housing	SML 13
	AD Property	SML 13
	AD Professional Services	SML 13
	AD Transport & Planning	SML 13
	AD Environmental Services	SML 13
	AD Personalisation, Commissioning & P'ship	SML 13
	AD Community Adult Social Care	SML 13
	AD Culture & Skills	SML 13
	AD Commissioning & Procurement	SML 12
	AD Public Protection	SML 13
	AD Commercial & Transactional Services	SML 13
	AD Customer Services & IT	SML 13
	AD Children & Families	SML 13
	AD Achievement & Inclusion	SML 13

This structure was adopted in early 2011 achieving an annual saving of c £750,000 and superseding an earlier structure of 5 Directors and more than 25 second tier posts. This in turn superseded the structure in place in 2007 of 7 first and more than 25 second tier posts.

**SLOUGH BOROUGH COUNCIL
SENIOR MANAGEMENT GRADE RANGES**

CX	Grade Range £131,232 - £157,479
SML16	Grade Range £108,015 - £125,983
SML15	Grade Range £98,232 - £114,575
SML14	Grade Range £87,202 - £101,709
SML13	Grade Range £72,743 - £84,843

SLOUGH BOROUGH COUNCIL

REPORT TO: Overview and Scrutiny **DATE:** 13th February 2012
CONTACT OFFICER: Julie Evans, Strategic Director of Resources (01753 875300)
(For all enquiries)
WARD(S): All

PART I
FOR COMMENT AND CONSIDERATION

PROJECT, PERFORMANCE AND FINANCIAL REPORTING FOR 2011/12

1. Purpose of Report

This report highlights the Council's overall performance from delivery of service to financial management covering the period up to and including December 2011 against the following key areas:

- i. Council's Gold Projects covering the period to 31st December 2011.
- ii. Performance Scorecard covering the period to 31st December 2011 (Appendix A).
- iii. Revenue and capital monitoring position to 31st December 2011 (Appendix B).

2. Recommendation(s) / Proposed Action

Overview and Scrutiny Committee are requested to review and comment on the following aspects of the report:

- i. Project management
 - Note the current reported status of each Gold Project.
- ii. Performance Scorecard
 - Note the performance issues identified and highlighted.
- iii. Financial performance – revenue and capital
 - Note the current projected outturn position on the General Fund of an under spend of £2.578m.
 - Note that the Housing Revenue Account (HRA) reported a forecast under spend of £317k.
 - Note the identified areas of risk and emerging issues.

3. Key Priorities – Taking Pride in Slough and Making a Difference to Communities

The budget is the financial plan of the authority and as such underpins the delivery of the Council's key priorities through the financial year.

Budget monitoring throughout the financial year reflects on whether those priorities are being met and, if not, the reasons why, so Members can make informed decisions to ensure the Council remains within its available resources.

4. Community Strategy Priorities

This report indirectly supports all of the community strategy priorities. The maintenance of excellent governance within the council to ensure it is efficient, effective and economic in everything it does is achieved through the improvement of corporate governance and democracy and by ensuring good people and management practices are in place.

5. Other Implications

(a) Financial

These are contained within the body of the report.

(b) Risk Management

Supporting Information

6. Gold Project Update

The summary below provides an update on the Council's Gold Projects as at 31st December 2011. Individual project progress reports have been made by Project leads, with endorsement from the Project Sponsor, and are provided on pages 3 to 25 of this report.

Please note that the highlight reports are submitted using a standardised format.

Monthly Period Summary

- This report covers ten Gold Projects in total, of which highlight reports have been received for all as at 31st December 2011.
- All of the Gold Project update reports have been agreed and authorised by the Project Sponsors.
- Of the ten active gold projects, seven have been assessed to have an overall 'Green' status and three as 'Amber'; five projects have been evaluated at 'Amber' status for '*Issues and Risks*', three at Amber' status for '*Timeline*'.
- No component of any project has been assessed as being of 'Red' status.

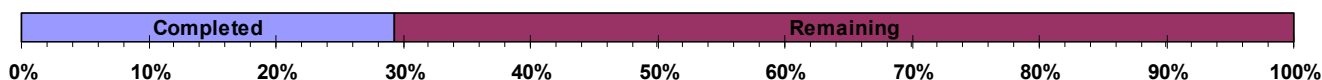
Gold Project Name	Overall status	Page
Britwell Regeneration	GREEN	3
Business Continuity	GREEN	4
Customer Focus Programme	GREEN	5
Delivering Personalised Services Programme	AMBER	6-10
Family Placement Service ('FPS')	GREEN	10-14
Public Health Transition Programme	GREEN	15
Safeguarding Improvement Plan	AMBER	16-19
School Places in Slough	AMBER	20-21
Slough Local Asset Backed Vehicle ('LABV')	GREEN	22-24
Thames Valley Transactional Services Project	GREEN	24-25

Britwell Regeneration			Project SPONSOR	John Rice	
Wards affected: Britwell & Haymill			Project MANAGER	Jeff Owen	
	Timeline	Budget	Issues & Risks	OVERALL STATUS	Date of update report
Current period	AMBER	GREEN	GREEN	GREEN	06/01/2012
<i>Previous month</i>	AMBER	GREEN	GREEN	GREEN	<i>01/12/2011</i>
Project start date:	01/03/2011		Anticipated Project end date:	31/03/2018	
<p>A horizontal progress bar from 0% to 100%. The first 10% is a light blue box labeled 'Completed'. The remaining 90% is a dark purple box labeled 'Remaining'.</p>					
Has this highlight report been agreed and authorised by the Project Sponsor? Yes <input checked="" type="checkbox"/> No (draft) <input type="checkbox"/>					
Key activities completed / milestones achieved in this period:					
<ol style="list-style-type: none"> 1. Regeneration Tender – major further work on evaluation has completed; this resulted in the issue of an appendix clarification on Planning and housing standards. Financial model prepared by Finance and issued. 2. Tender for the Britwell Hub – Contractor appointed 10/01/12. Start on site 6 weeks from contract, completion 50 weeks from start. 3. Planning permission secured for Britwell Hub & 3 satellite housing sites. 4. Scout & Guides Accommodation has been re-scoped. Confirmation from Building Control that proposed car park slab on Kennedy Park is acceptable for loading of new building. Grant funding bids made to Landfill Tax Credit Scheme, and to National Lottery by Scout & Guides. 5. “Boys Club” Trustees expressed an interest in relinquishing lease – valuation is being sought. 					
Key activities / milestones scheduled for next period:					
<ol style="list-style-type: none"> 1. Conduct final evaluation of regeneration tenders. Select preferred developer (Feb) and conduct compliance interview. Appoint for progression to planning permission (March). 2. Jolly Londoner/Car sales & Library sites award. 3. Newbeech House - Tender receipt and award mid Feb 2012. 4. Tender building for Scouts & Guides. 					
Key issues of risk / obstacles to progress :					
<ol style="list-style-type: none"> 1. Unable to reach agreement with Regeneration Tenderer preferred bidder – risk can be attenuated by robust evaluation process. 					
Recommendations for CMT:					
<ol style="list-style-type: none"> 1. To note the continuing progress with the project. 					

Business Continuity			Project SPONSOR	Roger Parkin	
Wards affected: All			Project MANAGER	Dean Trussler	
	Timeline	Budget	Issues & Risks	OVERALL STATUS	Date of update report
Current period	GREEN	GREEN	GREEN	GREEN	06/01/2012
<i>Previous month</i>	GREEN	GREEN	GREEN	GREEN	12/11/2011
Project start date:	July 2011		Anticipated Project end date:	Feb 2012	
<p>A horizontal progress bar from 0% to 100%. The bar is divided into two sections: a blue section labeled 'Completed' which extends to the 90% mark, and a red section labeled 'Remaining' which covers the final 10%.</p>					
Has this highlight report been agreed and authorised by the Project Sponsor? Yes <input checked="" type="checkbox"/> No (draft) <input type="checkbox"/>					
Key activities completed / milestones achieved in this period:					
<ol style="list-style-type: none"> 1. KPMG Presentation made to working group. 2. KPMG Presentation made to Senior Leadership Team ('SLT') on 16th December. 3. Shared information with KPMG. 4. 1-1's have taken place with KPMG/CMT to understand Directorate requirements. 					
Key activities / milestones scheduled for next period:					
<ol style="list-style-type: none"> 1. 1-1's with KPMG/heads of service being organised for January. 2. Plan Templates updated. 3. Completion of Business Impact Assessments. 4. Draft Business Continuity Plan. 					
Key issues of risk / obstacles to progress :					
<ol style="list-style-type: none"> 1. Resource availability to support project. 					
Recommendations for CMT:					
<ol style="list-style-type: none"> 1. Ensure Directorate support of planned Heads of Service 1-1 Interviews. 					

Customer Focus Programme			Project SPONSOR	Roger Parkin	
Wards affected: All			Project MANAGER	Judith Davids/ Mohammed Hassan	
	Timeline	Budget	Issues & Risks	OVERALL STATUS	Date of update report
Current period	GREEN	GREEN	AMBER	GREEN	01/01/2012
<i>Previous month</i>	<i>GREEN</i>	<i>GREEN</i>	<i>AMBER</i>	<i>GREEN</i>	<i>01/12/2011</i>
Project start date:	17/2/2011		Anticipated Project end date:	31/3/2013	
Has this highlight report been agreed and authorised by the Project Sponsor? Yes <input checked="" type="checkbox"/> No (draft) <input type="checkbox"/>					
Key activities completed / milestones achieved in <i>this</i> period:					
<ol style="list-style-type: none"> Proposed numbering strategy agreed at project board level, 12 Golden numbers agreed. These will be surveyed with customers for feedback before being formally submitted to CMT to sign off. Detailed meetings held with Schools to agree transfer of calls and levels of hand off's; work has begun to agreed implementation activities and time frames. Follow up meetings held with Planning, Highways and Transport to understand possible transfer of work streams, from the back office through to My Council. First draft of the functional specification has been completed and is being amended for the procurement of the Telephony system by SBC IT service. 'Click Tools' - the decision making application - has been successfully tested, we are awaiting sign off to procure this. User Acceptance Testing ('UAT') scripts have been written & tested for LLPG (Local Land Property Gazette), and are ready for sign off. UAT scripts for Analytics scripts are written and are ready for testing. 80% of Siebel users have completed formal training on the new Oracle CRM system. Interim email process written up ready to be trained out to a number of named Customer Service Advisors ('CSAs'). Service Review meetings held with Adult Social Care, Housing Benefits, Council tax and Housing Services. Resource Planning role has been submitted for formal job evaluation; now awaiting details ahead of advertisement. 					
Key activities / milestones scheduled for <i>next</i> period:					
<ol style="list-style-type: none"> Schedule 'expressions of interest' interviews for Schools, Planning and Transport to enable CSAs to be trained in their respective hubs ahead of go live. Implementation of Schools Services to include calls & additional face-to-face coverage. Test UAT scripts for Analytics ahead of go live for 'Oracle On Demand'. Go Live with 'Oracle On Demand' CRM system at My Council with all CSA and relevant back offices trained. Named CSAs to be trained on the interim Email process by the 16th of January 2012. Remaining staff to be trained on the Oracle CRM system to include back office teams, w/c 3rd Jan. Proposed Golden numbers to be tested with customers, results will be available in February's project board meeting. Benefits realisation/evaluation for the 'Tell Us Once' process to be compiled working with registrars and customers. Finalise and agree procurement/payment terms for the CRMIT Email module. Advertise for the Resource Planner role, with interviews planned for end of January/early February. 					
Key issues of risk / obstacles to progress:					
<ol style="list-style-type: none"> Further delays with CRMIT Statement of Works/Contract, the delays will impact implementation date which is expected to be around March 2012. 					
Recommendations for CMT:					
<ol style="list-style-type: none"> To note level of progress achieved and risks identified. 					

Delivering Personalised Services Programme			Project SPONSOR	Jane Wood	
Wards affected: All			Project MANAGER	Mike Bibby & Mary McGorry	
	Timeline	Budget	Issues & Risks	OVERALL STATUS	Date of update report
Current period	AMBER	GREEN	AMBER	AMBER	04/01/2012
<i>Previous month</i>	<i>AMBER</i>	<i>GREEN</i>	<i>AMBER</i>	<i>AMBER</i>	<i>06/12/2011</i>
Project start date:	01/07/2011		Anticipated Project end date:	31/03/2013	



Has this highlight report been agreed and authorised by the Project Sponsor? Yes No (draft)

Key activities completed / milestones achieved in **this** period:

1. Nothing About Me, Without me (Learning Disabilities ('LD') Change Programme)

1.1 LDP1 – Value for Money Reviews

(use of Respond respite service and review of costs of LD residential placements)

- Value for Money review completed.
- Carers Respite policy and protocols drafted. Identifying a group of most impacted carers to consult with via Respond.

1.2 LDP2 – Employment support for People with Disabilities

- Cabinet approval for new policy and service model to provide employment support to people with disabilities.
- 30 day consultation with staff ended on 6th December. Redundancy notices issued to affected staff by 12th December. Voluntary redundancy request outcomes also notified to staff.
- HR process to find alternative employment opportunities within Slough for affected staff.
- Meetings arranged with Shaw Trust, Job Centre Plus and other providers to put in place arrangements to support workshop operatives with alternative employment opportunities.

1.3 LDP3 – Day Centres and Day Services

- Service users identified according to cost of residential placements for contracts to be reviewed.
- Work to unpick *Supporting People* funding element of placements which may be used to provide alternatives to day care services.
- 20 people have reduced their day centre attendance by 1 day per week to do alternative activities at a cost of just circa £450 per week to Adult Social Care ('ASC') – a recognised significant achievement. Need to understand impact on reducing cost pressures for agency staff at Elliman.
- **Safeguarding & Personalisation** – Positive risk taking tools and protocols are being tested and implemented to ensure we balance safeguarding with personalisation.

1.4 LDP4 – Supported Living Service

- Phase two moves require provision of suitable housing options for five service users, four of which need to live in close proximity to maximise value for money for support requirements – for Housing Panel.
- Cabinet approval of floating support tender.
- Formal consultation exercise commenced with Supported Living Team, service users and their carers and families (informal discussions and briefings undertaken before going to Cabinet with proposals).

1.5 LDP5 – Repatriation of Residential Placements to Slough

- Discussions taken place with *Keyring* and other providers regarding opportunities they can offer for people with higher needs to repatriate to Slough.
- Three service users identified with accommodation package and support to return imminently.
- Successfully relocated service user closer to Slough after existing provider refused to negotiate costs.

- One service user has been placed in supported living accommodation.
- Two service users identified for *Choice* contract - £1,777 per week saving aimed for from 2012/13 on these two people.

1.6 **LDP6 – Transition from Children’s Services**

- Project group established with terms of reference and base line information gathered.
- Transitions Protocol reviewed, tightened and re-issued to senior management team as a reminder.
- Meetings established with specialist providers, including preparation for 13 young people with complex needs being transitioned in the next two years.
- Plan being drawn up to inform commissioning intentions.

2. **Commissioning Services**

- 2.1 ***Domiciliary Care Services / Personal Assistants (Home Support)*** – tenders reviewed and site visits completed for potential providers of new service. Approach agreed at the ASC Commissioning Board that brings 15 providers onto the framework whilst continuing to work with existing local providers and recommendation for full implementation of framework. Approval to award contract as delegated by cabinet due for sign off by Director and Lead Commissioner 6th January.
- 2.2 ***Information, Advice & Advocacy Service*** – contract formalities completed. New “Gateway” services in operation, involving 16 partners, following soft launch completed in November. Implementation plan and review meetings taking place.
- 2.3 ***Floating Support*** – new service model agreed by Supporting People Commissioning Body. Redesigned service specification developed for tendering process. Business case and specification developed. Formal service users consultation underway and due for completion end of January. Tender due out February 2012.
- 2.4 ***Berkshire Equipment Service*** – Tender evaluation completed December, providers notified, ACATEL period ceased 30th December. Tender debrief meeting arranged for January 10th, initial implementation meeting with new provider arranged January 11th. New service to become operational 1st April.
- 2.5 ***Carers Respite & Support Services*** – quality evaluation visits to potential new providers completed. Tender evaluation form due for sign off 5th January.
- 2.6 ***Substance Misuse (Accommodation)*** – evaluation undertaken and recommended provider identified. Tender evaluation form signed off 19th December.
- 2.7 ***Older Peoples Services*** – site visits and surveys completed. Further report prepared on future options, which has been considered by DMT and recommendations made for future service options. Further work needed to develop detailed strategy and commissioning intentions for community based services for Older People.
- 2.8 ***Mental Health Day Services*** – specification finalised and PQQ / tender process undertaken. Provider presentations to be held 6th January. Evaluation due to be completed week commencing 9th January.
- 2.9 ***Learning Disabilities Supported Living*** – completed PQQ stage, short listed and issued ITT. Following re-evaluation of PQQ Submissions, ITT process has been opened up again with tender submissions being received at end of January. Evaluation to take place during February.
- 2.10 ***Domestic Abuse*** – bringing together reviews of existing separate services and commencement of specification drafting, on the basis of a pooled budget. Consultation held with provider agencies and other stakeholders to inform development of new service model. New service model to be commissioned during 2012.

3. **Contracts**

In the process of reviewing all current contracts and updating these where necessary.

4. **Safeguarding**

Care Governance Policy and procedures reviewed and updated. Care Governance Board now meeting monthly. Safeguarding annual report reviewed at Health Scrutiny Panel in December.

5. Slough Services Guide

A 'soft-launch' of the services guide took place in November, a more comprehensive launch is to be implemented in January 2012.

6. Performance Highlights

	Target	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Variance against Target
Finance Measures										
Savings Performance: Savings Achieved or Projected to be Achieved as a percentage of Total Savings Agreed (year to date)	100%	72%	72%	74%	85%	85%	85%	85%	85%	-15%
Quality Measures										
% of ASC assessments completed within 4 weeks of first contact: monthly snapshot	90<95%	83.60%	79.70%	80.30%	75.40%	79.70%	80.30%	88.30%	Not Available	-1.70%
% ASC services in place within 4 weeks of completed assessment: monthly snapshot	75>90%	97.60%	67.70%	71.90%	63.40%	83.00%	83.30%	69.60%	Not Available	-5.40%
Volume Measures										
Number of assessments made per month by Adult Social Care Services	n/a	196	220	223	202	208	236	178	67	
Number of community based clients and carers in receipt of self directed support (Personal budget/direct payment) - cumulative total		648	689	715	743	814	834	874	Not Available	
Number of reviews completed per month by Adult Social Care Services	n/a	231	141	356	305	271	229	222	277	
Number of safeguarding referrals leading to a strategy meeting per month	n/a	11	16	22	23	16	19	14	16	
Outcome Measure										
2B: Proportion of older people (65 and over) who were still at home 91 days after discharge from hospital into reablement/rehabilitation services	90%	100%	100%	100%	100%	95%	100%	tbc	tbc	+10%

Key activities / milestones scheduled for **next** period:

1. **Nothing About Me, Without Me**

- Carers respite policy and procedures require consultation with carers and families who may be affected and these are being identified for a meeting in January.
- Profile of transitions to ASC services continue to be raised strategically at Assistant Director level.
- Ongoing meetings with providers for complex needs to consider opportunities on an individual, needs-led basis.
- CCF work brief drawn up on negotiations to take place with residential providers on those cases where the resident is not going to move out.

- Ongoing work to identify suitable accommodation in Slough with Housing Services and providers.
- Ongoing review of contracts and negotiations with providers for service users in day care centres, some of which will be post-election.
- Sure Trust and Job Centre Plus event in January with local employers to promote employment of people with disabilities.
- Clarification on PQQ / ITT for floating support to run simultaneously to consultation with staff and key stakeholders. Consultation workshops arranged for January.

2. Commissioning Services

- **Residential Services** – further consideration of future options for provision and commissioning of residential and nursing care provision.
- **Home Support (Domiciliary Care and Personal Assistants)** – new contractual arrangements to be proposed for sign off, framework implemented.
- **Information Advice and Advocacy Service (‘IAAS’)** – implementation continuing with performance framework and formal controls to be introduced. Formal public launch of new services in January.
- **Floating Support** – ITT single stage tender process to be advertised first week of February.
- **Berkshire Equipment Service** – Implementation plan to be refined and agreed. Practitioner processes to be developed in line with implementation plan.
- **Carers Respite & Support** – new contracting arrangements to implement framework to be agreed with operations. Work with local providers.
- **Substance Misuse (Accommodation)** – Implementation plan to be refined and agreed. Implementation meetings arranged.
- **Mental Health Day Services** – ITTs to be evaluated and completed by week commencing 9th January.
- **Learning Disabilities Supported Living** – ITTs to be evaluated and framework of providers to be proposed for sign-off February.
- **Domestic Abuse** – further progress on Specification, prior to commencing the commissioning cycle.
- **Voluntary Sector Commissioning** – Advice and information service and Capacity building service out for tender. Evaluations due for completion first week in February. Prevention service development of bidding processes underway due for advert 18th January.

3. Safeguarding

Two key pieces of work to be progressed:

- The overarching safeguarding strategy with vision and objectives against the seven strategic priorities.
- A specific section on the ways we will deliver risk, choice and control.

A meeting has been arranged with the Director to progress this work in January 2012.

4. LINK Personal Budget Survey

Link to set up focus group and feedback outcomes to Executive Board.

Key issues of risk / obstacles to progress:

1. Nothing About Me, Without Me

- Identification of suitable housing options and agreement to provide this housing for people with learning disabilities.
- Any negative reaction to the LD Change Programme.
- Public reaction to disability employment support changes.
- Family anxiety about changes in Supported Living Team to Floating Support.
- Service users not wanting to leave day care services – financial risk (double run on costs) to encourage them to find alternatives while maintaining day service provision.

- Continuing Health Care criteria applied differently for adults and children and health pathway not assessed early enough.
- Unknown transitions from Looked after children and Education Services.
- Risk of challenge and negative reaction to changes to revised policy for carers respite services.

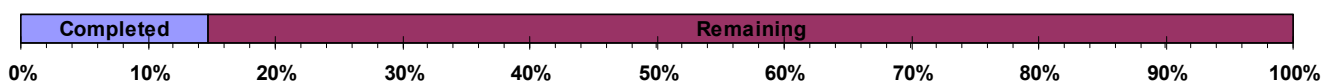
2. Commissioning

- Impact on voluntary sector providers arising from award of tendered contracts.

Recommendations for CMT:

1. Continue to support and monitor the work through leadership / early consideration of local housing options for people with LD, essential to delivering PPRG savings.
2. Recognising need for double-run costs and potential growth bids to deliver longer-term savings.

Family Placement Service (FSP)			Project SPONSOR	Clair Pyper	
Wards affected: All			Project MANAGER	Jill Forrest	
	Timeline	Budget	Issues & Risks	OVERALL STATUS	Date of update report
Current period	GREEN	GREEN	GREEN	GREEN	05/01/2012
<i>Previous month</i>	<i>GREEN</i>	<i>GREEN</i>	<i>GREEN</i>	<i>GREEN</i>	<i>02/12/2011</i>
Project start date:	19/10/2011		Anticipated Project end date:	31/03/2013	



Has this highlight report been agreed and authorised by the Project Sponsor? Yes No (draft)

Key activities completed / milestones achieved in **this** period:

Project Management - Jill Forrest

- Project Initiation Document ('PID') completed and signed off by Project Sponsor (Clair Pyper). Action from 02/12/11 - Project plan and timeline to be drafted by Project Manager.
- To be completed.

1) Recruitment of Staff Strand - Lead JP

Action from 02/12/11 - 1 supported lodgings social worker still to be recruited.

- Temporary social worker started (fixed term contract not yet awarded).

Action from 02/12/11 - 4.5 staff recruited above will start in December 2011.

- Completed.

Action from 02/12/11 - Fixed term contracts to be appointed to.

- Staff member from FPS Team appointed to act up as Assistant Team Manager.
- Staff member transferred internally to Special Recruitment Project on 12/12/11.
- Two Fostering Social workers and one Placement Social worker, FPS Gold Project temporary workers recruited to fixed term contracts.
- Two external appointments to fixed term contracts (Placement Social worker and Special Recruitment Project Social worker).

2) and 3) In-house Fostering and SGO Strands - Lead RK

- 13 Special Guardianship Orders ('SGOs') have been granted since September 2011.
- 4 children matched to long term foster carers since September 2011.
- One foster carer approved by Fostering Panel November 2011.
- 6 Private SGO Assessments completed and approved by Fostering Panel; awaiting Court dates (not

Looked After Children).

- Assessments in progress :-
 - 7 in-house unconnected foster carers being assessed.
 - 6 in-house connected foster carers being assessed (Friends and Family).
 - 2 Regulation 24 in-house connected foster carers are being assessed (Friends and Family).
 - 3 Special Recruitment Project SGO Assessments of long term foster carers (6 children).
 - One Private SGO Assessment.
- 17 new potential foster care applicants from marketing campaign.

4) Tracking of LAC data, Care Planning, Placement and Costs Strand - Lead FB

Action from 02/12/11 - Benchmark Looked After Children profile to be completed by Project Manager.

- Completed, presented to SMT 22/12/11, amended and signed off by Clair Pyper 28/12/11.

Action from 02/12/11 - Care Planning and Placement Tracking cycle of updating to commence.

- This has commenced and Strand meeting being arranged to agree processes and reporting.

5) Finance Strand - Lead BO (now IB)

- Finance are monitoring closely the FPS Gold Project budget and related spend to date.

6) Commissioning Strand - Lead DB

- Recruitment of two placement Social Workers (one in post – one to start).
- Induction for new social worker.
- Chase up and resolution of outstanding placement approvals.
- Draft care monitoring procedure and form.
- Preparation for issue of new individual placement agreements during January 2012.
- Independent Fostering Agency ('IFA') tender (contract to be implemented from April 2012).

7) Adoption In-house/purchased Strand - Lead CC

- 3 adopters approved since October.
- 2 adoption matches for Slough children since October.
- 1 adoption order since October.
- 3 Slough adopters matched with non Slough children since October where no Slough children were suitable.
- 8 adopter enquiries since October.
- 3 applicants on November Information session.
- 2 applicants on November preparation course.
- 5 initial visits carried out since October.
- 13 adopter assessments being undertaken - 2 sets are the foster carers of Slough children who they wish to adopt.
- 7 Slough children in adoptive placements awaiting adoption order.

8) Special Recruitment Strand - Lead CC

Action from 02/12/11 - Information day for special recruitment project arranged for the 10th December.

- Leaflets and posters designed, printed and distributed as above.
- Advertising campaign on schedule as above.
- Booklets printed and sent to enquirers.
- 21 enquiries made since October.
- Information session held on 10/12/11.
- 4 home visits carried out to prospective applicants and CRB disclosures applied for.

9) Supported Lodgings Strand - Lead JN

- Appointment of temporary social worker to begin work on supported lodgings scheme.
- Met with Recruitment and Retention Officer SM to look at how to target recruitment for this scheme.
- Temp social worker has begun to research local schemes available – internal and external providers.

10) Care Planning Strand - Lead KD

- New role of Group Manager for Looked After Children and Care Leavers commenced 05/12/11.
- Care Planning strand added to the FPS Gold project.

11) Marketing Strand - Lead SM

Action from 02/12/11 - Advertising campaign on local over ground trains and buses to run throughout December 2011.

- 50 Bus Rears across Uxbridge and Aldershot from 05/12/11 to 01/01/12.
- 300 train interior panels across First Great Western from 05/12/11 to 01/01/12.
- Guardian Magazine – there was a small ad' placed in the magazine on Saturday 3rd December.
- Big Issue – Big Issue ran a feature about children in care and we advertised (1/4 page) in the Christmas edition and the Review of 2011 edition.
- Thames Valley Chamber of Commerce and Segro have included a copy of the advert in their monthly newsletters.
- Westfield (Shopping Centre) and Slough Train Station, staff handed out leaflets, promotional bags and talked about the project to the public.
- Local Venues/Businesses, Most of the businesses along the Bath Road - Orange, Fiat, LG Electronics, Regus, Black and Decker, GSK, Blackberry RIM, Leaseplan – took leaflets/posters to display. Leaflets were also distributed to the following: Globe Business Park, Marlow - TNT post, Lexmark, Lex Vehicle Leasing Ltd. Asda and Tesco in Slough; Waitrose in Maidenhead, Hillingdon Leisure Centre and Montem Leisure Centre, Slough cinema.
- Schools, flyers were distributed in nine Maidenhead schools.
- Special Recruitment Project part time Marketing Officer's contract came to an end.
- FPS Gold Project Marketing Officer started.
- Use of media opportunities :-
Fostering and adoption featured prominently in the news in December: BBC Panorama's - The Truth about Adoption <http://www.bbc.co.uk/programmes/b019307z>.
The Fostering Network's announcement on the foster care crisis <http://www.fostering.net/media/2011/crisis-looms-foster-care-in-2012>.
Government announcement on adoption.
<http://www.guardian.co.uk/society/2011/dec/22/adoption-system-changes>
FPS used these events to start our social media activity (Twitter) through our dedicated Communications Officer. The Family Placement Service team also provided a foster carer as a spokesperson for the Today programme (BBC Radio 4).

Key activities / milestones scheduled for **next** period:

Key messages/target audiences

We have started to separate out the different key messages and audiences for the different services so that appropriate materials can be produced in 2012.

Strand 1 Recruitment of Staff - Lead JP

- JP to follow up on references once received.
- Decision to be made about fixed term supported lodgings post.
- Decision to be made about fixed term recruitment and retention post.
- Start dates to be agreed for fixed term posts and induction plans to be in place.
- Business case regarding pay scales for new employees to be agreed through requests for more experienced workers to be paid above the bottom level of pay scale to reflect their level of expertise SMT requesting further information.

Strand 2 and 3 In-house Fostering and SGO (both connected and unconnected) - Lead RK

- February Foster panel - 2 fostering assessments to be presented for approval.
- Fostering Preparation Group - Scheduled for 4th, 11th and 18th February.
- Suitability for prep group 17 units - 10 couples - 7 single prospective foster carers.
- If further enquiries mean more applicants then a second Fostering Preparation Group will be run.

Strand 4 Tracking of LAC data, Care Planning, Placement and costs - Lead FB

- Now that the benchmarking data has been completed and analysed, Strand 4 will meet to design and implement the monthly cycle of data gathering, updating and reporting.
- Two staff to meet on a weekly basis to confirm all placement movements/changes and review cost predictions for data update. Commissioning and Contracts Manager will also attend on a monthly basis to look at any commissioning issues.

Strand 5 Finance - Lead BO (now IB)

- Strand Lead changed to IB.
- IB will continue to monitor actual spend and commitments against the FPS Gold Project and FPS core service budgets.
- Strand 5 will meet after the Strand 4 meeting to design and implement the monthly cycle for tracking financial outcomes relating to individual children.

Strand 6 Commissioning - Lead DB

- The new capacity in the Placement Commissioning Team will enable an audit of placement approvals and contracts for all existing LAC and Care Leavers placements.
- Issue of new individual placement agreements to providers for individual children ahead of new IFA tender starting 1 April 2012.
- Preparation of provider database using *ContrOCC* (financial database) and collation of vacancies information.
- Integration, training and induction of Placement Commissioning Team.

Strand 7 Adoption In-house/purchased - Lead CC

- Adoption matches for 3 children being presented at January 2012 adoption panel (1 within Berkshire consortium and 2 with Voluntary Adoption Agency).
- 5 prospective adopters put forward for January 2012 information session being run by Windsor and Maidenhead.
- 3 prospective adopters put forward for February preparation course being run by Windsor and Maidenhead.
- 7 prospective adopters due to be presented for approval in the next 4 months.

Strand 8 Special Recruitment Project 5 years and over - Lead CC

- 10 initial home visits to new Special Recruitment Project (SRP) applicants scheduled in January 2012.
- Family finders allocated to children within the FPS Service will meet on 18th January to discuss the identified children for the SRP and agreeing any issues and actions.
- DVD and profiles of children 5 and over and sibling groups to be produced.
- 3 day preparation course to be organised beginning of February 2012.
- 1 assessment of a potential SRP carer to commence in January 2012.
- Childcare experience to be organised for some of the other applicants using experienced Slough foster carers to support them.

Strand 9 Supported Lodgings - Lead JN

- Research to be completed on local supported lodgings schemes in Slough and other areas including voluntary and private sector:-
 - Local hostel accommodation with support.
 - Semi-supported accommodation.
 - Supported lodgings.
- Project team to establish the level of need for supported lodgings.
- Arrange to meet Reading Fostering Manager to discuss their supported lodgings scheme.
- Project team to gather information regarding the external placements currently purchased for 16 + young people.
- Project team members to attend 16+ Team meeting.
- To update Slough supported lodgings policy.

- To update enquiry form for Family Placement service to reflect the needs for supported lodgings carers.
- To review the Slough supported lodgings information booklet.

Strand 10 Care Planning - Lead KD

- Draft LAC and 16+ Team Action Plan to be circulated for comments. Key themes :-
 - Management oversight including supervision and recording improvements.
 - Case transfers to LAC Service from Duty now immediately following Initial Assessment since restructure of SW teams 05/12/11.
 - Progressing Care Plans.
 - Reviewing all children with Section 20 Legal Status.
 - Reviewing all children in Care Proceedings mapping timelines.
 - Ensure Parallel Planning for all children from second Statutory Childcare Review.
 - Life story work and adoption files to commence from Statutory Looked After Review.
 - Increase children and young people's involvement in their own care planning.
 - Improvement of quality of Pathway Plans for all LAC and care leavers.
 - Use the information gathered to inform the work on sufficiency.

Strand 11 Marketing - Lead SM

- Run training session with Family Placement Service and Placement Commissioning Team focusing on agreeing key messages and shared approach to initial enquiries.
- Develop a system for recording and analysing response to marketing initiatives and conversion rates from enquiries to successful approval.
- Family Placement Service Enquiry Form to be redesigned.
- Write design brief for new adverts/materials for use in 2012 to focus on specific (and different) target audiences/services. Includes agreeing key messages.
- Organise communications meeting between Children's Social Care operational staff and, Marketing and Communications Manager and Communications Officer responsible for family placement services to ensure that we can maximise potential marketing opportunities.
- Identify potential 'champions' i.e. carers and staff who are willing to talk about their experiences for media use.
- Design case study template for use in the media.
- Work closely with the Slough Family Information Service to promote the FPS Gold campaign.
- Press release articles Slough Observer and the Slough Express 06/1/12.

Key issues of risk / obstacles to progress:

Project Management

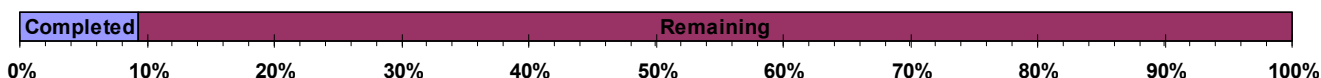
- Succession planning for project management from April 2012.
- Success of advertising campaign yet to be assessed.
- Recruitment to all fixed term project posts not yet complete.
- There is strong possibility that not every one attending Fostering Preparation Group will progress onto next stage of assessment, based on Slough and national experience.
- Possible difficulties in gathering data from social work staff due to time constraints/caseload commitments in line with reporting deadlines.
- Capacity issues in performance team.
- If the recruitment campaign is very successful, capacity of existing workers to take on more assessments.
- Changes of the child's allocated social worker hinders progressing the permanency plans.
- Applicants-may not be suitable.
- Delayed CRB checks returns.
- Limited capacity in the Communications Team may prevent full use of marketing opportunities such as Twitter.

Recommendations for CMT:

1. None

Public Health Transition Programme			Project SPONSOR	Jane Wood	
Wards affected: All			Project MANAGER	Tracy Luck	
	Timeline	Budget	Issues & Risks	OVERALL STATUS	Date of update report
Current period	GREEN	GREEN	AMBER	GREEN	06/01/2012
<i>Previous month</i>	GREEN	GREEN	AMBER	GREEN	02/12/2011
Project start date:	08/08/2011		Anticipated Project end date:	30/04/2013	
Has this highlight report been agreed and authorised by the Project Sponsor? Yes <input checked="" type="checkbox"/> No (draft) <input type="checkbox"/>					
Key activities completed / milestones achieved in <i>this</i> period:					
<ol style="list-style-type: none"> 1. Transition from LINKs to <i>HealthWatch</i> policy paper drafted. 2. Update report on public health transition for Health Scrutiny Panel (1 February) drafted. 3. Resourcing of project support agreed. 4. Local Strategic Partnership wound up and Shadow Health and Wellbeing Board ('HWB') meeting. 					
Key activities / milestones scheduled for <i>next</i> period:					
<ol style="list-style-type: none"> 1. Agree support from Help and Care re: development of <i>HealthWatch</i> (start date postponed to April 2013). 2. Development of Joint Health and Wellbeing Strategy. 3. Outline Public Health Transition Plan to be prepared by DPH by 27 January. 4. Shadow HWB to meet 23 January including to agree sub structure. 5. Project Manager's recruitment to commence. 6. Community engagement role to be developed and recruitment to commence. 					
Key issues of <i>risk / obstacles to progress</i>:					
<ol style="list-style-type: none"> 1. Resource to take forward the project. 2. Inability of stakeholders to commit time and resource to progress the project. 3. Possibility of lack of consensus on models of working and planning structures. 4. Lack of awareness of issues and proposals by wider stakeholder group. 5. Lack of detailed information from existing provision to inform decisions re: transition arrangements and planning. 6. Public Health budget transfer disadvantages Slough. 					
Recommendations for CMT:					
<ol style="list-style-type: none"> 1. Early identification/consideration of resources required to provide delivery capacity/capability to the shadow HWB. 					

Safeguarding Improvement Board			Project SPONSOR	Clair Pyper	
Wards affected: All			Project MANAGER	Keren Bailey	
	Timeline	Budget	Issues & Risks	OVERALL STATUS	Date of update report
Current period	AMBER	GREEN	AMBER	AMBER	10/01/2012
<i>Previous month</i>	AMBER	GREEN	AMBER	AMBER	07/12/2011
Project start date:	June 2011		Anticipated Project end date:	2013	



Has this highlight report been agreed and authorised by the Project Sponsor? Yes No (draft)

Key activities completed / milestones achieved in **this** period:

- Cabinet Report 23/01/12 to update Members on progress with the Improvement Plan.
- Education and Children's Services Scrutiny Report 24/01/12 to update Scrutiny Panel on progress with the Improvement Plan.
- Improvement Plan and summary are available on SBC intranet under Education and Children's Services.

Theme 1 - Social Care Practice

- The new Quality Assurance Framework is being implemented on a phased basis, and there are early indications of change in practice and performance standards. Senior Managers are monitoring the implementation of required standards including the Risk Assessment Framework and Supervision policy.
- 'Initial Assessments completed and authorised within the timescales' continues to show a strong upward trend from October through to December.
- Work on 'Core Assessments completed within timescale' will be much slower to show sustained improvement as it is monitored as a rolling average over the period of a year and only improvement over a sustained period will cause the overall figures to change significantly. Weekly monitoring shows an upward trend from October as a result of changed processes and practice guidance.
- The programme of internal audits is continuing each month with results being used for remedial action where necessary. The external and internal audits programmes have shown signs of improvement in reviewing cases, recording cases, child visits, including child focus, the quality of new assessments and the quality of planning.
- This has fed into the immediate needs training programme for Assistant Team Managers ('ATMs') which will focus on management oversight, supervision and performance management and improvement.
- Short term changes to team structures are now in place and these arrangements are being monitored and evaluated to ensure that team structures and workloads reflect demand patterns and required improvements. This has been designed to ensure that we use practitioner and managers skills and expertise and build on the good practice that exists in some parts of the service.
- A new web based procedure manual is being developed.
- Application for further sector support funding for coaching and mentoring social workers and managers to improve social work practice was submitted on 9th January.

Theme 2 - Capability and Capacity

- Recruitment to posts in the interim structure has been completed.
- Recent work to recruit permanent social workers drew a large number of applications from inexperienced or newly qualified social workers which could have unbalanced the team skills and experience mix. Senior managers therefore decided to continue with experienced agency workers for the remaining period of the short term structure.
- The longer term structure has been agreed and work will start in January to put this into place from April

2012.

- Professional standards and competencies for social workers have been brought together in the Professional Capability Framework (PCF) which has now been agreed. This will be used to inform recruitment processes, appraisal and performance systems, talent identification and management, and learning and development. Job descriptions will be written to incorporate the requirements of the Social Work Reform Board before further recruitment takes place.
- Education and Children's Services (ECS) Senior Management Team (SMT) have agreed a Leadership Development Plan to be developed for ECS linked to a culture change programme starting with leaders and managers and expanding to all staff across the directorate.
- A summary of Improvement Plan has been written and published on the intranet to help staff engage with improvement activity and progress updates are being published.

Theme 3 - Quality Assurance and Performance Management

- The Local Children's Safeguarding Board (LSCB) has agreed the multi-agency audit programme.
- The Local Safeguarding Children's Board (LSCB) development day was held on 6th January 2012 where a new structure for the LSCB and operating arrangements was discussed
- Work on the implementation of recommendations for the LSCB review has started.
- The interim report from the Sector Support project on Performance Management has been discussed with the ECS Senior Leadership Group who have considered how they can increase their focus on improving outcomes for children, young people and their families and carers.
- Initial workshops have been run by the sector support project on Performance Management, further workshops will run for all managers and practitioners in the w/c 9.1.12 and the outcomes fed into final recommendations from the Sector Support Project.
- Performance reports have been reformatted and tailored to reflect new team structures.
- Short term improvement work has been agreed with the Safeguarding Service Manager to focus on the production and use of reports for Child Protection Conferences and Reviews whilst the sector support review on the IRO function is pending.

Theme 4 - Early Intervention and Prevention

- Partners in the Early Intervention and Prevention Sub-Group agreed to spend some time with the Early Response Hub to increase their understanding of how it operates and increase their engagement with the process.
- Initial preparation for the half day strategic event (planned for 18th January 2012) has started with the help of Sector Support.
- The use of additional sector support days has been agreed and it is possible that some supplementary time may be agreed.
- Stage 1 of the consultation on Early Response Hub has been completed. A Hub flow chart has been updated and simplified on the advice of partners.
- New guidance on the functioning of the Early Response Hub has been produced with advice from Social Care and is about to be re-circulated.
- Early Response work has been communicated in the Directorate newsletter and a more detailed communication is about to be sent to Directorate staff and partners following the consultation with partners.

Theme 5 - Leadership, Governance and Finance

- The Improvement Plan has now been made available to all Elected Members and staff following agreement for its release from the Improvement Board. The Plan and summary are on SBC Insite.
- A weekly newsletter is now being issued to ECS staff and there has been positive feedback from staff and input to the newsletter.
- The Senior Management Team in Education and Children Services (ECS) is focusing on performance in key areas every fortnight. Senior Managers continue to receive fortnightly reports and triangulate this with other information with a clear request for action plans where performance indicators are causing concern.

- The Children and Young Peoples Plan has been formally agreed at the Children's Partnership Board (CPB).
- Clear remits for the IB, LSCB and the CPB are being agreed as the LSCB review is near completion and the review of roles and functions of CPB started.
- Planning for the future structure and its implementation continues.
- Regular analysis of project risks and identification of mitigating actions is in place.

Key activities / milestones scheduled for **next** period:

Clear milestones for specific aspects of the work are contained in the Improvement Plan and will be included in this GOLD project update as soon as detailed delivery plans are finally agreed.

Theme 1 - Social Care Practice

- Work will start to review job descriptions and to recruit staff to revised job descriptions, carry out succession planning and handover, and create an induction and training programme ready for the new structure.
- Further work to phase in the implementation of the Quality Assurance Framework, improve practice on reflective and analytical case work and supervision, work between child protection conferences to prevent planning drift for children on Child Protection Plans, and reinforcement of the use of the risk assessment framework.
- Introduction of team plans to incorporate actions from the Improvement Plan, accompanied by staff appraisals and personal development plans reflecting the Improvement Plan for each member of staff.
- Testing to ensure the changes that have been made are embedded.
- Further development of the web based procedure manual.

Theme 2 - Capability and Capacity

- The first draft of the Corporate Workforce Strategy will be discussed by the Corporate Management Team in January 2012.
- Leadership Development Plan to be developed for ECS linked to a culture change programme starting with leadership roles and explained to all staff across the directorate.
- Develop forward plan for communications including workshops, performance review days and a staff forum.
- Scope and plan the steps required to introduce the professional capacity framework (PCF) initially for recruitment and subsequently for appraisal and development purposes.
- Ensure the immediate needs training plan is aligned to the PCF and other local and national frameworks. Begin work towards commissioning the highest priority elements and reviewing existing elements of the immediate learning and development plan.
- Continuing discussions with the lead officer for ECS to agree priority, learning objectives, required outcomes and evaluation measures for each subject. Continue planning for the selection of target audience, ensuring attendance and embedding the learning.

Theme 3 - Quality Assurance and Performance Management

- The sector support work on the Independent Reviewing Officer (IRO) service has been scoped, but the start date has been delayed until January because the sector support lead was involved in the Ofsted announced inspection of Safeguarding and Looked After Children in his own borough.
- Findings from the January workshops with practitioners and managers will be used to further inform the sector support input on the Performance Management Framework.
- Reinforcement of messages about the use of the supervision template and audit by end February to check use.

Theme 4 - Early Intervention and Prevention

- Half day strategic event to engage partners in the implementation plan for the Early Intervention

Strategy planned for 18th January 2012.

- Focus on engagement of partners and their contribution to the Early Response Hub.
- Review of thresholds for eligibility to include early intervention services.

Theme 5 - Leadership, Governance and Finance

- The Children's Partnership Board review continues.
- Work to plan and implement the new structure including consultation with staff (planned for February 2012).
- The Children and Young Peoples Plan will be considered by the ECS scrutiny panel on 24th January 2012.
- Further work on communications with staff and development of an engagement plan for key stakeholders.
- Medium Term Financial Strategy Paper completed for discussion with the Improvement Board on 10/01/12 showing previous, current and future years spend on safeguarding and looked after children, and SBC commitment to future expenditure.

Key issues of risk / obstacles to progress:

The Improvement Board (IB) has now agreed the project risks. The Project Board monitor those risks and report the outcomes of this to the IB together with any mitigating action. There is a risk that staff sickness is delaying some areas of implementation and this is being closely monitored.

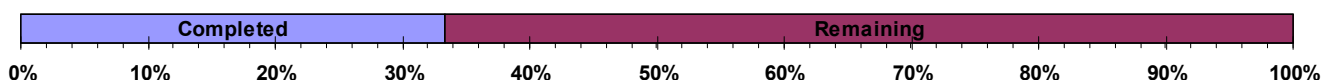
The key obstacles to progress have been identified as shown below. These have been discussed by the Project Board and are being resolved:

- Clarity over the timeline for future restructure and what the new structure will look like. This is critical for work under Theme 1 to improve social care practice, and Theme 2 that will facilitate making this operational.
- Capacity remains a concern and we have put in a proposal to secure additional support for improving front line practice through coaching and mentoring using additional funding from sector support.
- The requirements to test and check that changes are embedded means that the Improvement Plan may have to be amended to reflect that initial changes have been made (for example, a new framework setting out the required practice standards) but that it will take time for the changes in practice to become embedded.
- There has been a lack of suitably experienced and sufficiently skilled social workers available for permanent recruitment. Therefore highly skilled and experienced agency staff have been employed to ensure that the interim structure has the right mix and level of skills to function properly.
- The level of partner contacts continues to be high, in particular from the police. More referrals are now being diverted to the Early Response Hub and away from children's social care. However, partner input is needed in resource allocation and agreement of thresholds for early intervention to ensure that the local authority shares the responsibility for early intervention through the Early Response Hub and that families receive the right level of intervention at the right time.

Recommendations for CMT:

- N/A

School Places In Slough			Project SPONSOR	Clair Pyper	
Wards affected: All			Project MANAGER	Robin Crofts	
	Timeline	Budget	Issues & Risks	OVERALL STATUS	Date of update report
Current period	GREEN	GREEN	AMBER	AMBER	01/01/2012
<i>Previous month</i>	<i>GREEN</i>	<i>GREEN</i>	<i>AMBER</i>	<i>AMBER</i>	<i>01/12/2011</i>
Project start date:	2008		Anticipated Project end date:	2020	



Has this highlight report been agreed and authorised by the Project Sponsor? Yes No (draft)

Key activities completed / milestones achieved in **this** period:

1. Marish Primary has opened an additional reception class after installing a relocated modular classroom block that was no longer required at Parlaunt Park Primary.
2. Montem Primary has admitted an additional reception class and early planning has started on adding an infant annex at the school.
3. Works continuing on site at Littledown School to create new primary special school places for 2012.
4. Planning has started on phase 2 (junior annex) for the expansion of Priory School.
5. Capital budget allocations for school buildings for 2012-13 confirmed.
6. DfE has confirmed Slough's capital underspend for 2010-11 will not be clawed back as it is fully committed to the Parlaunt Park Primary project.
7. Meeting held with the Governing Body and agreement in principle received from the first secondary school planning to expand for 2013-14.

Primary Expansion Summary

	Demand for Reception	Availability of Permanent Reception Classes	Bulge classes	Total permanent new Reception places created
	Number of classes (headcount)			Number of classes (reception places)
May-07	52 (1545)	55 (1647)		
May-08	55 (1656)	56 (1677)		+ 1 (+ 30)
May-09	56 (1669)	56 (1677)		+ 1 (+ 30)
May-10	61 (1833)	59 (1767)	2 (60)	+ 4 (+ 120)
May-11	65 (1953)	65 (1947)	2 (60)	+ 10 (+ 300)
Sep-11	73 (2170) Further demand expected due to late applications	74 (2207)		+ 19 (+ 560)

Key activities / milestones scheduled for **next** period:

1. Meetings of the School Organisation Group and Slough Association of Secondary Heads (SASH) are arranged to further develop the expansion programme.
2. Seek approval from the Capital Strategy Board for phase 2 (junior annex) of the Lynch Hill Primary expansion and the new secondary school expansion.

Key issues of risk / obstacles to progress:

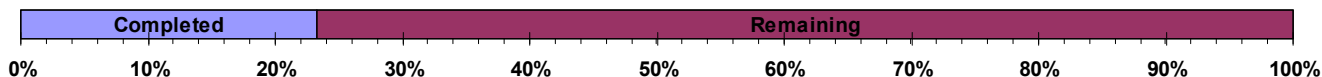
1. All pupils continue to be offered a school place although there are emerging pressures in a number of year groups, including primary, secondary and special school places. Places are available out-of-borough in secondary schools and applicants may be eligible for transport. This is not an option for primary places so new expansion projects can be required at short notice.
2. In order to ensure every secondary pupil secures a school place in future, the first new secondary school places should be in place for 2013-14. This will require early agreement on the proposed project allowing it to move forward without delay.

The demand for school places and the supply of school places is extremely fluid and depends on a number of factors. These include the number of applications received, which varies on a weekly basis, and the number of places vacated as families move their children. It is complicated by movements of pupils in and out of Slough and changes in parental preference for specific schools. There are also underlying trends linked to birth rates and inward migration. The process of placing children is ongoing and the objective is to maintain a small surplus of places so that supply just exceeds demand. Close monitoring of all these factors should allow this.

Recommendations for CMT:

None

Slough Local Asset Backed Vehicle ('LABV')			Project SPONSOR	Julie Evans	
Wards affected: All			Project MANAGER	John Rice	
	Timeline	Budget	Issues & Risks	OVERALL status	Date of update report
Current period	GREEN	GREEN	GREEN	GREEN	06/01/2012
<i>Previous month</i>	<i>GREEN</i>	<i>GREEN</i>	<i>GREEN</i>	<i>GREEN</i>	<i>01/12/2011</i>
Project start date:	19/09/2011		Anticipated Project end date:	31/12/2012	



Has this highlight report been agreed and authorised by the Project Sponsor? Yes No (draft)

Key activities completed / milestones achieved in **this** period:

- 1 Soft market development completed.
- 2 New Web Portal installed and live – used to issue all OJEU documents.
- 3 HCA to Prepare Gateway 0 report for HCA Board to scope their involvement in the project.
- 4 OJEU Notice, PQQ and MoI issued 01/12/11 at 12.00.
- 5 Bidders Day delivered – 43 attendees from 33 organisations with all main companies involved in LABVs represented.
- 6 79 separate companies expressed an interest in the Notice via Web Portal.
- 7 Return of PQQ – 09/01/12.
- 8 ITPD and evaluation matrix scoped. ITPD Volumes 1-3 drafted. Volume 4 discussed and draws from 1-3.
- 9 Critical issues meeting for ITPD arranged 09/01/12 with Project Director, BB and PM.
- 10 Project Board arranged for 23/01/12. Future monthly meetings – dates being organised or agreement on 23/01/12.
- 11 Updated Project plan enhanced (attached).



LABV Project Plan 06
01 12.mpp

Key activities / milestones scheduled for **next** period:

Please refer to Project Plan.

1. Selection of long-listed bidders (6) by 31/01/12.
2. Issue Invitation to Participate in Competitive Dialogue ("ITPD") 01/02/12.
3. Issue decline letters to other tenderers.
4. Commence dialogue.

Key issues of **risk / obstacles to progress**:

1. EU procurement implications: *The Council's specialist legal advisors will advise on all EU procurement/compliance issues and how the risks of a potential procurement challenge can be mitigated.*
2. Setting up a LABV will require dedicated resource throughout the procurement and over the life of the LABV: *Throughout the procurement process the Council will have the opportunity to consider the level of resources required.*
3. Not securing the agreement of Council to proceed and high start-up costs that will be abortive if the Council decides not to proceed at any stage: *The Council will have the opportunity to consider at each stage of the procurement whether to proceed with a LABV or not. If progress is made but the Council subsequently decides not to proceed there will be abortive costs to the Council incurred up to that point. There may also be some reputational risk.*
4. Identifying sites for development at the commencement of the LABV process through Council reports and

the procurement process can raise community expectations for delivery; but also potential objections to the developments before the business case, timing and details of the development project have been created: *The Council will adopt a transparent approach to the inclusion of projects in the LABV. A robust information strategy will be used to provide full information on the time taken to establish the LABV; the need for projects to be time phased to reflect the commercial relevance and also the Council's priority for regeneration projects; and that the normal planning processes and consultation will be used as projects develop.*

5. Potential for conflict between the Council as a partner in a LABV, the statutory objectives of the local planning authority, and any future changes in political priority: *Sites selected for initial development by the LABV have been informed by planning policies and guidelines. Whilst this situation does not presume planning permission, neither do the projects suggest development would be unrealistic. Maintaining political priority will be assisted by a transparent process and following the establishment of the LABV ensuring the delivery of key commercial and community projects.*

6. Short term increase in the cost of the Capital Programme due to the delay associated with creating a LABV: *Planning significant regeneration projects for medium term delivery. Robust management of the Capital Programme by Members and Officers to ensure major capital investment is delivered within the LABV.*

7. Potential market saturation with demand outstripping supply of suitable joint venture partners: *Soft market testing to be undertaken in preparation for the procurement process.*

8. Not being able to secure the right joint venture partner following procurement: *It is envisaged that a competitive dialogue procurement procedure will be used. This process will allow the Council to set the selection and award criteria in order to secure the right joint venture partner. It will also provide the opportunity for the Council to define the proposed working relationship for the LABV.*

9. Joint venture partner "cherry picking" commercial sites for development rather than community sites: *This will be tested fully during the procurement process. The partnership business plan will define the objectives of the Council/LABV and the priorities for development. The partnership business plan (that will be updated over the life of the LABV) will require approval by the LABV Board, of which Council will be a 50% partner.*

10. Duplication of work / counter-productive work between Council staff and LABV staff: *The appropriateness of transferring some or all of the Asset Management Team will require further consideration. The Council will need to retain access to high level skills for supporting it in its decision making process as a 50% partner in the LABV, including the approval of Site Development Plans. Proposals will be developed and informed by the procurement process.*

11. Council capacity to match the capacity of the joint venture partner to serve on the LABV Board and make day to day operational decisions: *The Council will need to carefully consider the skills and availability of Members and/or Officers to represent the Council on the LABV Board. The Council's specialist legal advisors will provide training for representatives on the LABV Board in corporate governance matters including how to deal with potential conflicts of interest. Strategic decisions will be reserved to the Council (not the LABV Board), as a 50% partner in the LABV (e.g. approval of all business plans and material contracts that either govern or affect the LABV, expenditure over certain thresholds and appointment of key personnel to the LABV).*

12. Conflict of interest between elected Members / Officers and their role on the LABV Board: *The LABV will be a separate body, distinct from the Council. The prime responsibility for those appointed to the LABV Board will be to further the interests of the LABV (and this could sometimes be different to the interest of the Council). Those appointed to the LABV Board will need to deal with their interest as a partnership Board member when issues relating to the LABV come up at formal Council meetings, where the individual Board member(s) will need to consider if there is any conflict of interest. Elected Members currently have to consider the Code of Conduct requirements to declare personal and prejudicial interests. This may include leaving meetings and potentially the consideration of strategic decisions relating to the LABV. Specialist legal advice will be obtained to address the issue of conflicts of interest and responsibilities on the LABV Board.*

13. Requires defined development pipeline to maximise success and investment opportunities: *At the outset of the procurement the Council will identify the development opportunities for the LABV in the short, medium and long term. The partnership business plan (approved by the LABV Board) will set out priorities for development on a rolling 3 or 5 year basis to maximize success and investment opportunities, balanced against the objectives of the Council and LABV.*

14. May not achieve best value due to the property market and funding market: *The long term nature of the*

arrangement and opportunity for the private sector to phase developments including “batching” will seek to mitigate against this risk.

15. Higher rewards need to be balanced against sharing in re-development costs: It is expected that the Council will take a share in development risk in order to maximise the opportunities for development profit/reward. This will be further tested during the procurement.

16. Significant deadlock and breakdown of the LABV: It is expected that the parties act reasonably in their decision making and in doing so, approve the relevant business plans and development proposals, provided the parties are satisfied and objectives are met to avoid unnecessary deadlock. If deadlock arises at the LABV Board level, the Board members themselves will try to resolve the deadlock within a reasonable time frame. If they cannot do so, the deadlocked matter will then be referred to senior representatives of the LABV Partners. If the LABV Partners cannot resolve the deadlocked matter, then a project would not proceed. Where there is deadlock that would prevent the LABV continuing, the legal arrangements will contain the power for one LABV Partner to either buy out the other LABV Partner at an agreed valuation or to call for the winding up of the LABV.

Recommendations for CMT:

1. To note the progress.

Thames Valley Transactional Services Project			Project SPONSOR	Roger Parkin	
Wards affected : All			Project MANAGER	Phil Hamberger	
	Timeline	Budget	Issues & Risks	OVERALL STATUS	Date of update report
Current period	GREEN	GREEN	GREEN	GREEN	05/01/2012
<i>Previous month</i>	<i>GREEN</i>	<i>GREEN</i>	<i>GREEN</i>	<i>GREEN</i>	08/12/2011
Project start date:	01/02/2011		Anticipated Project end date:	01/04/2012	
<p>Completed: 80% Remaining: 20%</p> <p>0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%</p>					
Has this highlight report been agreed and authorised by the Project Sponsor? Yes <input checked="" type="checkbox"/> No (draft) <input type="checkbox"/>					
Key activities completed / milestones achieved in this period:					
<ol style="list-style-type: none"> 1. All project documentation was collated and held in a central location for audit purposes. 2. Briefings were given to unsuccessful suppliers and no challenge was received. 3. Commenced staff briefings with the preferred supply. 4. Detailed implementation planning has commenced. 5. Ongoing staff briefings introducing them to the preferred supplier and providing updates on progress to date. 6. Ongoing engagement with Unions - through DCF reporting on project progress. 7. Commenced engagement between the preferred supplier and the retained organisation via a briefing at Senior Leadership Team. 					
Key activities / milestones scheduled for next period:					
<ol style="list-style-type: none"> 1. Finalise all contract details and get the contract signed on 18/01/12. 2. Finalise asset register. 3. Finalise implementation plan. 4. Commence implementation. 5. Finalise TUPE list. 6. Agree joint communications strategy. 7. Agree joint risk register. 8. Continue staff briefings and 1-2-1's. 					

9. Continue Trade Union briefings.

Key issues of risk / obstacles to progress:

1. Staff disruption and concern about TUPE transfer process. This risk continues to be a high priority for the project team as we move towards contract award. As such, this risk is regularly reviewed as part of the communications action plan for this project.

To mitigate this risk the project team continue to ensure that there is ongoing dialogue with staff informing them of progress and this will increase following award of the contract. The SBC Implementation Plan includes as a priority a joint communication plan in partnership with the successful supplier to enable early staff engagement to take place. Activities will include:

- Ongoing staff Briefings on the TUPE process and the impact on staff.
- Surgeries with the Berkshire Pensions office to advise individual staff.
- Questions and Answer sessions with both the final supplier and Transactional Services Management Team.
- Additional site visits if deemed necessary.
- HR Surgeries if required.

The first of these briefings took place with all staff on 13th December 2011 and Team Briefings commenced on 14th December. 1-2-1 meetings with staff who requested them took place during December and early January and further meetings are being arranged.

2. Desired levels of service are not achieved. Clear specification and service credits have been discussed and agreed by the project team. These have been included as part of the ISFT Specification which was released 21st October. This has also been further embedded within the evaluation criteria for the ISFT and direct conversations with the suppliers at Competitive Dialogue have further informed the desired standards of service required. The KPIs are forming part of the contract.

3. Engaging with a private sector partner for the provision of customer services inherent with risk. Legal Services continue to be fully engaged with the procurement process to protect the council's interests and have been involved to ensure that there is a robust contract in place with either supplier.

4. Project fails to meet the timescales. Rigorous project management methodology is adhered to; service experts are fully engaged which allows various milestones to be achieved to target. The project has in place a high level project plan which continues to be monitored and reported to CMT monthly. The Project team ensure that the timetable continues to offer leverage and flexibility without compromising the project to ensure that each stage is completed with full engagement with all key stakeholders and provides the necessary processes to make an informed choice which will benefit the council. The timetable remains on target and it is anticipated that the contract will start on time on 2nd April 2012.

5. Unsuccessful procurement of a partner. The Project team adopted a flexible and creative approach to secure a suitable partner whilst ensuring that the overall objectives of this procurement were not compromised. The preferred supplier has indicated that they are very keen to undertake this work.

6. The risk of challenge. The project team have conducted a robust process which should mitigate the risk of successful challenge. All potential suppliers were offered feedback during the ALCATEL period and detailed feedback was given to those who requested it. As a result no challenge was received.

Recommendations for CMT:

1. CMT note the progress made to date on the project.
2. Support and fully endorse the importance of engagement with the retained organisation.

7. Performance scorecard update

This report describes the Council's latest performance for the period to 31st December 2011 as measured by the basket of indicators used in the Corporate Balanced Scorecard.

The summary below provides an update on the Council's key Performance indicators as at 31st December 2011, and should be read in conjunction with the Scorecard attached as Appendix A to this report.

7.1. Key People Measures

All People Measures are provided by Human Resources department, and this is reported on a quarterly basis. As such, the data referenced in this section of the scorecard remains the same as presented previously, relating to the period up to and including 30th September 2011. Data for the final quarter of 2011 is currently being collated and verified, and will be reported at a future date.

7.2. Key Volume Measures

SBC's reputation and that of the area as a whole can be enhanced by positive news stories in the local media. In 2011-12 to date there have been a total of 174 press releases issued, and CMT are encouraged to facilitate the release of positive news stories. The same period has seen 526 press enquiries and at least 1,196 press articles. Of the press coverage assessed by SBC Communications team in December, the majority (57.1%) was deemed to be either 'positive' or 'very positive'. Across the entire 2011-12 year to date (April-December 2011), the majority of press coverage has been positive or very positive (58.8%) and only 11% of coverage has been negative in tone.

SBC continues to receive a steady stream of Freedom of Information requests and press enquiries. Between April and December 2011, a total of 644 logged Fol applications have been made – an average of 72 every month; this represents an increase of some 14% on the same period for 2010-11, and has obvious impacts on staff time. A very large proportion (286 or 44.4%) of these 644 logged Fol requests have been made to the Resources and Regeneration directorate. A further 132 (20.5%) relate to the work of the Community and Wellbeing directorate, and 107 (16.6%) to that of Education and Children's Services. Directorates are encouraged to regularly review the subject matter of Fol requests being made of them, and to consider if a more proactive management of the public release of information (for example through targeted press releases or publication on the borough's website) could result in a more time-efficient process for employees and public alike.

SBC's website continues to receive a large number of visits (a peak of 95,269 in October, which reduced to 67,306 in December) and this underscores the value of the current redevelopment work on our website. The 67,306 visitors to our website in December made 205,232 visits and viewed 573,408 pages between them. December saw a total of 1,851 online payments; this results in a significant cost-reduction for processing these transactions, and represents excellent access for the public.

The number of Housing Benefit ('HB') and Council Tax benefit ('CTB') claimants continues to rise at a rate in excess of the national increase. This has implications for both the resource required to process and pay claims and adverse implications for the future projections of council tax income levels. Comparative data released by the Department for Work and

Pensions indicates an increase compared to one year ago of c. 310 HB claimants and c.60 CTB claimants. Improving employment and income opportunities for local residents remains a core priority for Slough Borough Council and its partners.

Children's social care services continue to face an increased demand, and this is being tackled through a variety of initiatives including the 'Safeguarding Improvement' and 'Looked After children's placements' gold projects. During April to December 2011 children's social care has dealt with a total of 6,472 contacts (an increase of 25% on the same period in 2010) and 1,406 referrals (an increase of 3% compared to the same period one year previously). The number of looked after children in the care of the local authority remains higher than historic figures (at 189) as does the number of children subject to child protection plans (at 200, this has increased by 74% - 85 additional children – compared to December 2010). Note however that the number of looked after children when expressed as a rate per 10,000 resident child population remains below the England average.

Adult social care faces a similar pressure of increased demand – between April and December 2011 there have been 148 adult safeguarding referrals made which required a strategy meeting to be convened. This represents an increase of 33 (or 29%) on the numbers received in the same period of 2010.

The period April to December has seen 303 homeless cases determined, with 94% of decisions issued with 33 days. This represents a significant increase in volume of presenting cases over the corresponding period for the previous year (236 cases) *and* an improvement in speediness of decisions (from 91.3%).

7.3. Key Quality Measures

The period of April to December 2011 saw a total of 527 logged complaints across the council – a fall of almost 25% from the total (701) in the corresponding period one year previously. Provided that all complaints are being adequately recorded, then this represents considerable improvement in the quality of services delivered and in the public perception and satisfaction with the council. SBC is reiterating the importance of handling complaints according to established borough procedures. Complaints in the final quarter of 2011 were distributed across council directorates as follows:

Resources and Regeneration	74,	54%
Customer and Transactional Services	38,	28%
Community and Wellbeing	13,	9%
Education and Children's Services	9,	7%
Chief Executive's division	2,	1%

This distribution appropriately reflects the volumes of service contacts and types of service provided by each directorate. All directorates have experienced a reduction in complaint numbers compared to the previous quarter. Alongside this, the number of complaints which escalate to the final stage has reduced, indicating effective and early resolution of the issues.

Within Children's social care, there is evidence of improvement. By the end of December, the proportion of Initial assessments completed within timescales had increased to 69.6% for the whole of the previous 12 months – this increase is due to particularly improved performance in the most recent period. (48.1% of such initial assessments had also been approved by a manager within timescales – a further assurance of improving quality as well as speed). Whilst

this level remains slightly lower than one year ago, current improvement activity is achieving the desired results, with 86% of the initial assessments completed *during* December meeting timescales. Similarly, with Core assessments, a greater proportion are being authorised by managers within timescales, and in-month performance is significantly better than the rolling year value yet shows – for those completed *during* December, 58% achieved timescales (significantly better than the 30.3% achieved in December 2010). There are therefore early signs of sustained remedial action, and early indications of a curve being turned.

Alongside this activity significant improvement can be evidenced since April 2011 on the proportion of children becoming subject to a child protection plan for the second or subsequent time. We are now within the nationally agreed zone of 'best practice' on this measure (at 12.4%).

An internal programme of regularised case auditing has commenced, with 16 individual children's files having been audited in October, 18 in November and 38 in December. This exercise will now be repeated every month, and a quarterly report on audit findings prepared in early 2012. Initial findings are being communicated to staff to ensure appropriate remedial activity is undertaken, as part of the overarching Safeguarding Improvement Plan and associated strands of work. This auditing activity sits alongside supervision and management review of case recording and practice in efforts to improve social work practice and the audit results are being fed into the training plan. Audits are showing signs of improvement in case recording, response to referrals, the quality of new assessments and outcome-focused child protection plans. Further work is continuing to drive up the management oversight, preventing drift in care planning and enabling progress with child protection plans.

All statements of special educational need prepared in 2011-12 have been issued within statutory timescales. Council support continues to be delivered to local schools in measures to improve performance and compliance with expected standards. There are now only 3 primary schools in special measures or with notice to improve.

Whilst numbers of missed bin collections remain very low as a proportion of the average monthly total of collections (193,517), the average number missed shows a marginal increase on the corresponding period one year ago: for domestic refuse, a monthly average between April and December of 48 missed bins compared to 44 for the same period in 2010, and for recycling bins an average between April and December of 39 missed bins compared to 37 for the same period in 2010.

7.4. Key Inspection Results

2011 has seen a number of published inspection reports of council services. Both inspections of Slough's Children's Centres have assessed provision as good; adult social care provision has been verified to meet all essential standards; looked after services were validated as adequate; safeguarding was assessed as inadequate. The Youth Offending team was found to require moderate improvement in safeguarding and substantial improvement for managing risk of harm. The Food Standards Agency audit of SBC produced no simple overall judgement, but identified multiple strengths and some recommendations for further action, which are being progressed.

All service areas subjected to external scrutiny react to the inspection findings, and work to address any identified service improvements, incorporating this activity in normal business improvement planning and generally within existing resources.

The council's response to the 2011 Ofsted inspection of safeguarding and looked after children's services and the Improvement Notice issued by the Secretary of State is well documented, with all inspection recommendations being addressed and monitored by the Improvement Board. The service area has received additional funding and increased internal and external support to enable sufficient improvements to service delivery.

The Youth Offending Team has similarly implemented service improvement activity to address the issues of concern raised in its inspection of 2011, and progress is reviewed and scrutinised on a regular basis by the Youth Offending and Youth Justice Boards.

The Housing Benefits service inspection in 2009 was one of a short-lived and disputed inspection cycle conducted by the Audit Commission which assessed only 61 local authorities before being abandoned. One-third of councils were assessed as 'poor zero star' performers. Due to the quality of service improvement planning already underway at the time of the inspection, and to the responsiveness of the council to inspectors' findings, Slough was judged to have 'promising prospects for improvement', and has indeed addressed the inspection recommendations and improved the service provided.

The Housing Benefits service is amongst those transactional services which are shortly to be out-sourced to an external provider. This is accompanied with a series of contractual obligations to the new supplier that it is performance managed to meet agreed performance standards.

7.5. Key Outcome Measures

The Slough vision for the overall population outcomes we and our partners seek to achieve is now enshrined in the refreshed Sustainable Community Strategy, and the underlying performance indicator framework and action planning is in progress.

Crime rates (cumulative values from 1st April 2011) continue to be lower than the corresponding period one year ago:

- All crime: a rate of 83.87 recorded offences per 1,000 population (below the 97.51 of one year ago, i.e. a 14% decrease).
- Violence against the person: a rate of 5.97 recorded offences per 1,000 population (below the 7.44 of one year ago, i.e. a 20% decrease).
- Serious sexual offences: a rate of 0.83 recorded offences per 1,000 population (below the 1.05 of one year ago, i.e. a 21% decrease).
- Serious acquisitive crime: a rate of 18.94 recorded offences per 1,000 population (below the 23.34 of one year ago, i.e. a 19% decrease).

Unemployment rates in December (as measured by the JSA claimant rate) remain at 3.8% - a value just lower than the national average (3.9%) but remaining above the average for the South East (2.6%).

This year continues to see fewer households in temporary accommodation (81 in December 2011 compared to 94 in December 2010), and most annual school achievement results show improvement.

Slough continues to secure long-term permanent futures for looked after children: In the year to December 2011, 20 looked after children have been secured permanent alternative families

through adoption or special guardianship orders; this equates to a value of 15.6% for indicator PAF C23, which represents significant improvement on the position one year ago of 6.8%.

The Full Performance Scorecard is provided as Appendix A.

8. Financial Reporting

8.1. The Council's net revenue budget for 2011/12 is £105.1m.

8.2. The Housing Services agreed net operating budget for 2011/12 is a surplus of £87K.

9. Projected Outturn Position as at 31st December 2011

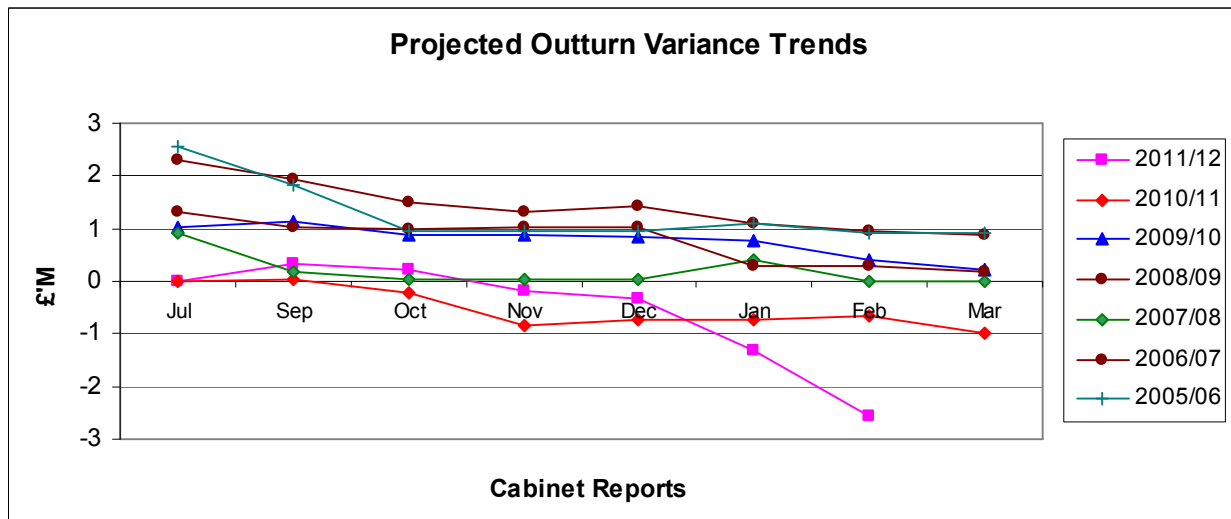
9.1. There is currently a forecast under spend for the 2011/12 General Fund at the end of period nine of £2.578m. This is a reduction in net expenditure of £1,255K since the previous month.

9.2. For the Housing revenue account there is currently forecast under spend against budget of £116K.

9.3. The position is summarised in Table 1, on the following page, and detailed in Appendix B.

Table 1 - Projected as at 31st December 2011

Directorate	Base Budget	Current Net Budget	Actual YTD	Projected Outturn	Variance Over/(Under) Spend C = B - A
	£'M	£'M	£'M	£'M	£'M
Community and Wellbeing	39.139	41.411	24.207	40.391	(1.020)
Education and Childrens Services	27.789	31.576	22.856	30.485	(1.091)
Customer and Transactional Services	5.206	5.925	60.173	5.996	0.071
Resources and Regeneration	33.257	34.656	25.985	34.152	(0.504)
Chief Executive	0.657	1.094	1.153	1.049	(0.045)
Corporate	0.266	0.266	0.299	0.277	0.011
Total Cost of Services	106.314	114.928	134.673	112.350	(2.578)
% of revenue budget over/(under) spent by Services					-2.24%
Treasury Management	3.017	3.017	0.000	3.017	0.000
Contingencies, Earmarked Reserves and Trading Accounts	4.233	(3.329)	(4.295)	(3.329)	0.000
Early Intervention Grant	(7.140)	(7.246)	(5.435)	(7.246)	0.000
Council Tax Freeze Grant	(1.187)	(1.197)	(1.077)	(1.197)	0.000
New Homes Bonus Grant	(0.130)	(0.454)	(0.454)	(0.454)	0.000
Local Services Support Grant	0.000	(0.612)	(0.459)	(0.612)	0.000
Sub Total	(1.207)	(9.822)	(11.720)	(9.822)	0.000
Total General Fund	105.107	105.107	122.954	102.529	(2.578)
% of revenue budget over/(under) spent in total					-2.45%



10. Month on Month Movement in Variances

- 10.1. Community and Wellbeing** net controllable Revenue budget for 2011/12 is now £41.411m. This has reduced by £3k after the final virement of budgets related to the transfer of the Caretakers function to the Resources Directorate.

The projected total net expenditure after taking into account all known commitments and the latest projected savings is £40.392m.

However earmarked reserve requests of £302k in favour of the Drugs & Community Safety and £487k for the Transformation Grant will be made at the end of the year. The Drug & Community Safety request is result of a plan to ensure that this grant which can only be used for Drug Treatment is available next year to assist with the expected reduction in grant resources in 2012/13. This will ensure that essential front line services can be maintained whilst commissioning plans are adjusted to cope with the reduced funds. The Transformation Grant was unexpectedly received late in the budget making process this year. These funds will now be spent over the next 2 years to accelerate the progress of the significant change programme within the social care division, which will deliver significant savings whilst restructuring services in line with the personalisation agenda. If approved, this will make the final variance for the Department £231k (0.6% of the budget).

This is a movement of +£39k since last month and is due to increased pressure on the Adult Social Care and PC&P divisions and offset by savings on Culture & Skills and Public Protection.

- 10.2. Education and Children's Services** net controllable budget for 2011/12 is £31.576m, and the projected total net expenditure is currently £30.310m. Members will recall that there are significant net pressures within the Directorate. The forecast pressure on looked after children placement budgets has been addressed through the use of corporate contingency (£600k) and initiatives within departmental budgets. In addition, the Safeguarding Improvement Plan (£167k) has been funded from additional corporate contingency. This month, there are additional significant savings Early Years (£161k) and from Youth (£313k) of which a request is made to carry forward £175k.

- 10.3. Commercial and Transactional services** is currently forecasting an over spend position of £71k. This represents a positive movement of £106k from that reported last month.

- 10.4. Resources and Regeneration's** Annual budget has decreased by £102,000 to £34.756m following allocation of funding in respect of Finance staff moving to Customer & Transactional services.

Forecast for the year is now £34.152m which is £504,000 under the revised budget after assigning £300,000 to Member priority projects in Transport & Planning. All programmed works are under discussion with contractors to identify potential available capacity to carry out these priority works in 2011/12.

The Directorate is examining budgets and contingencies on a continuous basis to identify all opportunities for savings and/or mitigation of known pressures. All service

changes being considered for next year are also being examined with potential in year savings being identified.

Discussions with contractors continued on proposed inflationary increases and levels of service within.

- 10.5. The Chief Executive's** directorates' net controllable budget for 2011/12 is £1,094k and the current projected under spend position is £45k.
- 10.6. The Corporate service** area is forecasting an £11k over spend at this point in time in relation to prior years' pensions costs.
- 10.7. Treasury Management** reports a breakeven position.
- 10.8. The Housing Revenue Account** balances are forecast to be £9.936m at year end which is £688,000 higher than budget and includes an improvement of £201,000 in net operating income since last period.

Transformation activities have been evaluated and £127,000 of contingency has been released accordingly. Further slippage in Planned maintenance activity has been identified and £74,000 has been assigned to the 2012/13 programme.

Self- Financing continues to be high on the agenda with the 30 year business plan in progress. Borrowing costs / timescales are being examined to inform a revised treasury management policy.

11. Emerging Issues / Risks

Introduction

It should be noted at this point that the 2011-12 PPRG process is in progress and therefore savings will be identified to be delivered in the current financial year. These savings are not reflected in this report.

Directorate Specific

11.1. Community and Wellbeing

The department has to implement savings to the value of £3.3m in 11/12. The budget management performance of the Department is entirely dependent on the successful delivery of vast majority of these savings. These savings are monitored very closely and where possible the financial impact included in this monitor. The successful implementation of these savings remains the department's biggest risk.

11.2. Education and Children's Services

As Members will be aware, legal and regulatory requirements in relation to Safeguarding vulnerable children and young people in Slough have consistently impacted adversely and resulted in budget pressures in Children and Families. The increasing numbers of children looked after, high cost of residential placements and high usage of independent external fostering together define a significant and continuing financial risk.

Considerable emphasis has been placed on financial prudence this year as was the case last year. Steps have been taken to under spend on some budgets to offset the major

pressure within Social Care, particularly related to high cost placements. Some of these under spends have not been realised until the third quarter of this financial year.

A long term strategy, based on recruitment and increasing use of internal foster carers and adoptive families alongside an “Early Intervention” strategy, should lead to a reduction in pressure on the social care front line by increasing services for vulnerable families in Slough. However experience elsewhere suggests that, assuming demographic social trends in Slough do not continue as at present, a full scale strategic shift may take up to 3 years to mature and realise significant savings.

By adopting a robust and focussed project management approach, this timescale may be reduced. Cabinet on 17 October approved investment of £826k in a number one-off projects to address the budget pressure.

The Early Intervention strategy is being reviewed as part of the sector led support offer related to the delivery of the Improvement Plan.

In the interim, the directorate is continuing to review all budgets in order to identify any further budget optimisation opportunities so that services are delivered within the available funding envelope in 2011-12.

There are some significant areas of development still in transition across the directorate including the implementation of the Integrated Youth Support Service (IYSS), possible staffing structure changes in Children and Families and the review of education services. Detailed work on these is in progress but until finalised an accurate assessment of their financial position cannot be completed.

In addition to this, a draft Improvement Plan of work required in response to the Ofsted Inspection has now been approved by the Minister. The financial impact of the additional work has been reflected in this report as described above.

The Directorate is also currently working alongside schools in the review of the centrally retained elements of the Dedicated Schools Grant (DSG) which is expected to result in some significant changes in the way some services are shaped and delivered. It is unclear at this stage what impact this may have on services funded by the Local Authority.

Like all councils, Slough is managing the challenge of delivering services within reducing funding envelopes over the next 3 years. The PPRG process is now in progress and proposals have been agreed through PPRG to deliver savings against previously reported targets. Further work is in progress to deliver additional corporate and directorate savings in 2012-13 and beyond.

11.3. Customer and Transactional Services

The main risk for Customer and Transactional Services is to deliver the implementation of recent outsourcing decision contract awarded to Arvato Bertelsmann. Future savings are predicated on the successful integration and handover.

In addition to the above it is imperative that the Council tightly monitors its Benefits subsidy position with regard to the minimisation of overpayment errors made by the authority.

£278k of redundancy costs within Directorate. Should be met from central contingency budget but yet to be confirmed.

£384k of ALMO income. Currently no recharge mechanism in place to recover costs of service provision by the Directorate to the Housing team.

Subsidy and benefit payments reconciliation process was reviewed. Outturn is closely monitored but remains a high risk area.

11.4. Resources and Regeneration

The economy remains a key risk for the Directorate particularly the current rate of inflation.

A number of highways properties that had been leased to Co-op Homes were handed back in December 2009. Redevelopment plans and timescales are being examined by Housing services to determine if short term lets are feasible to offset the current loss of rent to the Authority. All miscellaneous properties owned by the authority are also being examined with a view to transferring these to Housing services prior to Self Financing being implemented in respect of social housing.

Timing of savings in Property Services is being evaluated as closure of the Town Hall was delayed from the end of March until the end of May for the Town Hall Annexe and from the end of September to the end of December for the Old Town Hall. This is particularly relevant in respect of business rates as the regulations for dispensation have been tightened in recent years.

Levels of waste collected are currently higher than anticipated and this may lead to additional costs over budget.

Transformation activities continue across the directorate.

Asset valuations and timing of planned disposals is being examined to determine the timing effect of creating a LABV in 2012/13. Additional professional fees may be incurred in advance of the set up of this fund.

All of these risks will be closely monitored and the impact clearly identified and reported as and when it is necessary.

11.5. Chief Executive

No specific risks noted.

11.6. Housing Revenue Account

The settlement payment for self financing has been re-estimated in the "shadow" determination at £137m which is a £10 – 12 million increase from the previous calculations. This is mainly due to the inflation estimate increasing from 2.5% to 3.5% (See rent increase in emerging opportunities for mitigation) and the discount rate being reduced from 7% to 6.5% (As per the announcement in September borrowing rates from the PWLB have been reduced specifically for this event) in the financial model. Overall effects are being examined as part of the revised 30 year business plan.

Recent Government announcements include possible changes to the right to buy scheme designed to increase sales. This will have ramifications for the business plan going forward and rent income projections are being reworked accordingly

Should the Britwell regeneration scheme fail to agree a realistic partnership with private contractors potentially around 100 properties would be added back to the housing stock and subsequently be included in the final figures to central government thus increasing the burden on borrowing costs. Demolition in these circumstances may proceed and a separate rebuild of dwellings examined. Use of additional right to buy receipts is also being examined as part of this scenario.

These properties would remain uninhabitable with a further pressure on revenue with loss of rental income and costs for demolition and clearing, and security.

12. Emerging Opportunities

Directorate Specific

12.1. Community & Wellbeing

The Department of Health has announced the release of funds from PCT to Local Authorities designed to improve relieve pressure on hospital beds. This department will receive about £350k in revenue support and further sum for Disabled Facilities Grant. This will provide a challenge for the department to design and implement a programme that will deliver the benefits prescribed by the PCT. But it may also present an opportunity to improve services to local residents and help to relieve pressure on stretched budgets.

12.2. Education & Children's Services

SMT are continuing to consider additional one-off and recurring budget optimisation opportunities in order to manage the budget.

12.3. Customer and Transactional Services

The department will look to exploit additional opportunities through the implementation of the partnership arrangement with Arvato Bertelsmann.

12.4. Resources and Regeneration

Discussions with neighbouring councils and our contractor Enterprise Ltd are taking place to develop cost reduction initiatives.

Value added tax treatment for Trade waste sales has been challenged and the national position taken by local authorities has been accepted by Her Majesties Revenue & Customs. A tax refund including interest of £350k - £400k is now expected. Accounting Treatment for this refund is being examined with our advisors to determine the way forward in respect of potential refunds to clients.

Contractual discussions with Enterprise Limited include initiatives to maximise the profit share in the contract whilst maintaining or improving unit costs in all operations.

All miscellaneous dwellings in the Authority are being examined with a view to let them as temporary accommodation and offset existing risks of rent loss wherever possible.

Recruitment to replace agency staff is high on the agenda for the directorate and recent appointments particularly in Transportation have been encouraging and savings in employee costs have been forecast accordingly. All service areas are working with HR to achieve recruitment to established posts.

Transformation activities continue across the Directorate including the establishment of Transactional services and the contract for an external partner.

12.5. Housing Revenue Account

Rent restructuring is based on RPI indexation as at 30 September each year. This was approx 5.6% in 2011 and the rent increase is therefore likely to be approximately 7% for 2012/13.

The borrowing limit for Housing is proposed at £178m and the business plan currently indicates that £160m will be utilised to implement Self-financing. Additional borrowing to support affordable homes development may therefore be available.

Improvements have been implemented to streamline the processing of rents into the financial system on a more timely and efficient basis. Entries are now being made weekly and with this information now easily available a more accurate profiling will be available for future Business plans. Additionally provision has been included to smooth the fluctuations precipitated by collection of the monthly / Quarterly invoices.

The Housing Management restructure is proving to be successful and has been fully implemented. Further efficiency savings may be made which will be reinvested in the community strategy priorities in areas where concerns have been raised by tenants and members when available.

13. Staffing Budgets

CMT will be aware that as part of the exercise to implement Job Evaluation and Harmonisation all staffing budgets were re-calculated from a zero base. This approach eliminated the existing staff turnover targets and provided directorate budgets with 99% of the total cost requirement under their control. This comprised 98% which was allocated directly to service budgets and 1% held by each director to manage any staffing pressures and changes as they arose. The remaining 1% is held centrally within contingency balances.

14. Capital Monitoring

The Capital Monitoring Report was presented to the Capital Strategy Board on 16th January 2012 showing the 2011-12 Capital Budget as £58,328k and spend to the end of December 2011 as £28,911k. Total projected spend for 2011-12 at the end of March 2012 is £45,275k. The analysis can be found in Table 2 below:

Table 2: Consolidated Capital Expenditure as at 31st December 2011

Directorate	Expenditure		Balance	2011-12	Slippage
	Budget	Actual		Projection	
Heart of Slough	16,122	8,736	7,386	14,456	1,666
Resources (excluding Heart of Slough)	9,607	3,761	5,846	6,951	2,656
Education & Children's Services	21,314	13,699	7,430	18,374	2,940
Community & Wellbeing	1,086	107	979	323	763
Customer & Transactional Services	500	428	72	495	5
Housing Revenue Account	9,699	2,180	7,519	4,676	5,023
Total	58,328	28,911	29,232	45,275	13,053

15. Inter- directorate Budget Virements

In accordance with Financial Regulations we report the following inter-directorate budget virements processed during December 2011.

Service Area		Amount	Reason
From	To	£	
Resources and Regeneration	Customer and Transactional Services	103,370	Transfer of staffing budgets for the Accounting Technician Team

16. Conclusion

The position as at the end of December 2011 leaves an overall headline under spend position of £2.578m against the General Fund revenue account.

Summary Variance Analysis

Directorate:	Customer & Transactional Services	Period – 9	December 2011
Main Variances			
Service Area	Total Variance £'000	Explanation	
	177	Variance reported last month	
Information Technology	(27)	Savings identified to mitigate SAVVIS costs	
Customer Service Centre	96	Additional costs of recruitment of 9 customer service advisors and recognition that budgeted unallocated savings will not be fully achieved	
Benefits, Council Tax and NNDR	(279)	Higher than budgeted admin grant to be received and some small additional savings	
Transactional Finance	41	Transfer of Accounting Technicians budget but supervisor post in establishment but excluded from budget	
Transactional HR and Payroll	(104)	Savings from two vacant posts. Costs of Payroll and Pensions Manager coded to Strategic Management	
Logistics Team	(29)	Recognition that two vacant posts will not be filled this year	
Strategic Management	197	Some Management Team budgets held elsewhere in directorate and need to be vired. Recognition that budgeted unallocated savings will not be fully achieved.	
	71	Total Variance	

Directorate:	Resources and Regeneration	Period - 9	December 2011
Main Variances			
Service Area	£'000	Explanation	
	(795)	Variance reported last month	
Management unit	(302)	Income £190k, Employee cost £103k, Efficiencies £9k	
Finance & Audit	0		
Professional Services	(12)	Employee costs	
Transport and Planning	202	Member priorities £300k, Concessionary fares (£50k), income (£50k), other £2k	
Strategic Housing	(10)	Supplies & Services	
Environment Services	317	Trade waste income £200k, waste disposal £117k	
Property Services	96	Commercial property	
	(504)	Total Variance	

Appendix B (Cont.)

Directorate:	Resources & Regeneration – Housing Revenue Account	Period - 9	December 2011
Main Variances			
Area	Variance £'000	Explanation	
	(116)	Total Variance	
Income	0	Britwell properties decant due to the planned Regeneration project	
Repairs & Maintenance	(74)		
Supervision & Management	(127)	Employee costs	
Special Services	0	Employee costs	
Housing Subsidy	0		
Depreciation & Impairment of Fixed Assets	0		
Increase/Decrease in Provision for Doubtful Debts	0		
Capital Charges	0		
Revenue contribution to the Capital programme	0		
	(317)	Total Variance	

Appendix B (Cont.)

Directorate:	Chief Executive	Period – 9	December 2011
Main Variances			
Service Area	Total Variance £'000	Explanation	
	(20)	Variance reported last month	
Chief Executive's Office	0		
Communications	0		
Policy	(25)	There is currently £20k unallocated spend at this stage. The under spend is provisionally offered as an in year saving. However, due to the unpredictable nature of the demands on this service it remains a possibility that this sum will be required.	
	(45)	Total Variance	

Directorate:	Community & Wellbeing	Period 9	December 2011
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Service Area	Variance £'000	Explanation																																								
Community Services and Adult Social Care	(115)	<p>This month: +£115k – Movement of +£52k this month due mainly to revised forecast for the Supported Living Service. This was previously expected to be closed with no ongoing costs. The latest review reveals that although one of the homes will close as planned there will be some extra costs continuing until the rest of the year to the value of £49k.</p> <table border="1"> <thead> <tr> <th>Service Area</th> <th>Budget £'000</th> <th>Outturn £'000</th> <th>Variance £'000</th> <th>Change £'000</th> </tr> </thead> <tbody> <tr> <td>Safeguarding and Governance</td> <td>216</td> <td>181</td> <td>-34</td> <td>-32</td> </tr> <tr> <td>ASC Mgmt & Business Support</td> <td>618</td> <td>539</td> <td>-79</td> <td>-9</td> </tr> <tr> <td>Access & Long Term I & S</td> <td>2,437</td> <td>2,290</td> <td>-147</td> <td>0</td> </tr> <tr> <td>Re-ablement & Directly Provided</td> <td>4,485</td> <td>4,482</td> <td>-3</td> <td>28</td> </tr> <tr> <td>Mental Health</td> <td>3,804</td> <td>3,907</td> <td>104</td> <td>15</td> </tr> <tr> <td>Commissioning Budgets</td> <td>16,087</td> <td>16,362</td> <td>275</td> <td>50</td> </tr> <tr> <td>Total</td> <td>27,647</td> <td>27,762</td> <td>115</td> <td>52</td> </tr> </tbody> </table> <p>Previous Variance: +£63k – Budget pressures due to Meals on Wheels, Residential & Gurney House savings not realised but offset by significant income gains and averting planned Learning Disability residential placement.</p>	Service Area	Budget £'000	Outturn £'000	Variance £'000	Change £'000	Safeguarding and Governance	216	181	-34	-32	ASC Mgmt & Business Support	618	539	-79	-9	Access & Long Term I & S	2,437	2,290	-147	0	Re-ablement & Directly Provided	4,485	4,482	-3	28	Mental Health	3,804	3,907	104	15	Commissioning Budgets	16,087	16,362	275	50	Total	27,647	27,762	115	52
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Culture & Skills	(211)	<p>This month: -£211k – New savings of -£26k due to reduced commitments on the Culture on Sports service.</p> <table border="1"> <thead> <tr> <th>Service Area</th> <th>Budget £'000</th> <th>Outturn £'000</th> <th>Variance £'000</th> <th>Change £'000</th> </tr> </thead> <tbody> <tr> <td>Lifelong Learning</td> <td>531</td> <td>527</td> <td>-4</td> <td>3</td> </tr> <tr> <td>Library Service</td> <td>2,180</td> <td>2,189</td> <td>8</td> <td>4</td> </tr> <tr> <td>Culture & Sports</td> <td>1,254</td> <td>1,139</td> <td>-115</td> <td>-22</td> </tr> <tr> <td>Employment & Enterprise</td> <td>247</td> <td>246</td> <td>0</td> <td>0</td> </tr> <tr> <td>Management</td> <td>195</td> <td>201</td> <td>6</td> <td>0</td> </tr> <tr> <td>Community Services</td> <td>285</td> <td>179</td> <td>-106</td> <td>-11</td> </tr> <tr> <td>Total</td> <td>4,692</td> <td>4,481</td> <td>-211</td> <td>-26</td> </tr> </tbody> </table> <p>Previous Variance: -£185k – Savings due to carried forward budget for Free Swimming plus savings in Community Services.</p>	Service Area	Budget £'000	Outturn £'000	Variance £'000	Change £'000	Lifelong Learning	531	527	-4	3	Library Service	2,180	2,189	8	4	Culture & Sports	1,254	1,139	-115	-22	Employment & Enterprise	247	246	0	0	Management	195	201	6	0	Community Services	285	179	-106	-11	Total	4,692	4,481	-211	-26
		Service Area	Budget £'000	Outturn £'000	Variance £'000	Change £'000																																				
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Personalisation, Commissioning & Partnerships	(410)	<p>This month: -£410k (before allowing for an earmark reserve request of £487k) – Movement of -£454k this month due to the fact the Transformation Grant budget will now not be spent in this year but will now be required for commitments over the next 2 years. This Grant was not expected to be received this year and was only announced very late in the budget planning process.</p> <table border="1"> <thead> <tr> <th>Service Area</th> <th>Budget £'000</th> <th>Outturn £'000</th> <th>Variance £'000</th> <th>Change £'000</th> </tr> </thead> <tbody> <tr> <td>Voluntary Organisations</td> <td>649</td> <td>605</td> <td>-44</td> <td>0</td> </tr> <tr> <td>Contracts & Procurement</td> <td>229</td> <td>194</td> <td>-34</td> <td>0</td> </tr> </tbody> </table>	Service Area	Budget £'000	Outturn £'000	Variance £'000	Change £'000	Voluntary Organisations	649	605	-44	0	Contracts & Procurement	229	194	-34	0																									
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Supporting People	3,507	3,668	161	-71																																						
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Total	5,208	4,798	-409	-454																																						
Public Protection	(456)	<p>This month: -£456k (before allowing for Earmarked reserve request of £302k) This underspend is due to lower commitments against the external funding for the Drug and Alcohol Team. This funding for this service is expected to be reduced by up to 30% next year hence the request for the earmark reserve. The monthly – Movement of – £21k – is due to lower staff costs.</p> <table border="1"> <thead> <tr> <th>Service Area</th> <th>Budget £'000</th> <th>Outturn £'000</th> <th>Variance £'000</th> <th>Change £'000</th> </tr> </thead> <tbody> <tr> <td>Management</td> <td>307</td> <td>373</td> <td>11</td> <td>2</td> </tr> <tr> <td>Drugs & Community Safety</td> <td>730</td> <td>787</td> <td>-438</td> <td>-20</td> </tr> <tr> <td>Neighbourhood Enforcement</td> <td>0</td> <td>0</td> <td>-37</td> <td>-12</td> </tr> <tr> <td>Food Safety & Business Support</td> <td>293</td> <td>178</td> <td>6</td> <td>2</td> </tr> <tr> <td>Licensing</td> <td>2,639</td> <td>2,798</td> <td>-8</td> <td>-7</td> </tr> <tr> <td>Trading Standards</td> <td>-30</td> <td>-59</td> <td>9</td> <td>15</td> </tr> <tr> <td>Total</td> <td>3,939</td> <td>4,077</td> <td>-456</td> <td>-22</td> </tr> </tbody> </table> <p>Previous Variance: -£434k - This is due to lower commitments on the Drugs & Community Safety Service due to lower commissioning costs and lower than budgeted staffing costs on the Neighbourhood Enforcement Service.</p>	Service Area	Budget £'000	Outturn £'000	Variance £'000	Change £'000	Management	307	373	11	2	Drugs & Community Safety	730	787	-438	-20	Neighbourhood Enforcement	0	0	-37	-12	Food Safety & Business Support	293	178	6	2	Licensing	2,639	2,798	-8	-7	Trading Standards	-30	-59	9	15	Total	3,939	4,077	-456	-22
Service Area	Budget £'000	Outturn £'000	Variance £'000	Change £'000																																						
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Total	3,939	4,077	-456	-22																																						
Procurement	(58)	<p>This month: -£58k – Movement – £1k – Largely unchanged from last month.</p> <table border="1"> <thead> <tr> <th>Service Area</th> <th>Budget £'000</th> <th>Outturn £'000</th> <th>Variance £'000</th> <th>Change £'000</th> </tr> </thead> <tbody> <tr> <td>Procurement Team</td> <td>211</td> <td>188</td> <td>-23</td> <td>1</td> </tr> <tr> <td>Carbon Energy Management</td> <td>48</td> <td>13</td> <td>-35</td> <td>0</td> </tr> <tr> <td>Total</td> <td>259</td> <td>201</td> <td>-58</td> <td>1</td> </tr> </tbody> </table> <p>Previous Variance: -£59k – Savings arising from the delay in new staff joining this team plus most of funds carried over from 10/11 is now no longer needed.</p>	Service Area	Budget £'000	Outturn £'000	Variance £'000	Change £'000	Procurement Team	211	188	-23	1	Carbon Energy Management	48	13	-35	0	Total	259	201	-58	1																				
Service Area	Budget £'000	Outturn £'000	Variance £'000	Change £'000																																						
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Central Management	0	<p>This month: - On Target. Movement - No changes, this month.</p> <table border="1"> <thead> <tr> <th>Service Area</th> <th>Budget £'000</th> <th>Outturn £'000</th> <th>Variance £'000</th> <th>Change £'000</th> </tr> </thead> <tbody> <tr> <td>Total</td> <td>352</td> <td>352</td> <td>0</td> <td>0</td> </tr> </tbody> </table> <p>Previous Variance: - On Target</p>	Service Area	Budget £'000	Outturn £'000	Variance £'000	Change £'000	Total	352	352	0	0																														
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Total	352	352	0	0																																						
TOTAL	(1,020)																																									

Directorate:	Education and Children's Services	Period 09
Change in Variance this month		
Service Area	Change £'000	Explanation
	0	Variance reported last month
	(480)	Variance reported last month
Children and Families	(1)	<p><u>New this Month:</u> The Looked After Children (LAC) budgets continue to be under severe pressure. This month's projections are based on the LAC cohort as at the end of December and projected end dates at that point in time. No forecast is included for any changes between the end of December and 31 March. Following finalisation of the Safeguarding Improvement Plan, review of additional support and capacity within existing budgets, the contingency budget to support the plan has been reduced to £167k. Changes arising from this have been reflected in the projections to the end of December.</p> <p><u>Children Looked After (CLA):</u> The projection for children looked after includes all known placements at the end of December based on planned end dates at that point in time. No forecast is included for any changes between the end of December and 31 March. Changes in the projection and explanations are continuing to be reported on a monthly basis until Directorate and finance officers are confident that robust forecasts can be made. The overall projection for CLA placements has increased by £1k <u>External fostering placements</u> – there is an additional projected overspend of £48k due to 4 new placements (£45k) and 4 extensions (£35k) offset by 5 clients who have left returning home (-£32k). <u>Internal Fostering placements</u> - a small pressure of £4k has been identified this month due to 5 new placements (£15k) offset against savings from 4 clients moving to residence orders (-£9k) and 2 clients returning home (-£2k). <u>Secure Accommodation</u> – A small pressure of £6k due to 2 new starters. <u>External Residential placements</u> – A saving of £53k due to a reduction in length of 7 placements. <u>Home from Home respite care</u> – A saving of £6k due to a lower level of spend on personal needs than anticipated.</p> <p><u>Previously Reported:</u></p> <p>Commissioning and Social Work: The Safeguarding Improvement Plan is funded by a Corporate Contingency of £167k, costs as follows; Group Manager post (£53k), additional IRO cover (£17k), the Local Safeguarding Board Audit Peer Review (£25k), the cost of the chair and safeguarding advisor for the peer review (£28k), the cost of a Performance Improvement and Quality Control Officer (£26k), audit project work (£13k), and deep dive audits (£5k).</p> <p>A pressure of £25k has been identified within the Contact Team due to</p>

		<p>additional costs in respect of rent and travel expenses.</p> <p>Children Looked After: The previously reported projection for children looked after included all known placements at the end of November based on planned end dates at that point in time. No forecast was included for any changes between the end of November and 31 March.</p> <p><u>External fostering placements</u> – projected overspend due to rising numbers of children and weeks of care being provided. <u>Internal Fostering placements</u> - all available internal foster places (55) are occupied so an underspend is projected on this budget. <u>External Residential placements</u> – projected overspend due to rising number and complexity of placements. <u>Secure Accommodation</u> - there is no budget provision as there has been little or no activity in recent years. However since 1 April there have been 5 short to medium term placements; 4 remand clients and 1 welfare client. <u>Pathways</u> A small overspend on the cost of personal need has been identified. Detailed work on the Family Placement Service Gold Project (sustainable looked after children) approved by Members during October has now started.</p> <p>Family Support Services <u>Residence orders</u> Additional costs have been identified within Section 17 and FAST, mainly due to clients moving from internal fostering to Special Guardianship, partially offset by a small saving on fees within Family Group conferencing/Family Placement service. Small underspends are projected for the Interpreting service (-£10k due to lower level of service usage) and Section 17 (-£20k due to a reduced level of activity).</p> <p>Other Children and Family Services: Less children than anticipated are being placed with prospective adopters. The financial impact in 2011-12 is two-fold (i) adoption allowances are projected to underspend and (ii) children remain in more expensive foster placements contributing to the external foster placement projected overspend.</p> <p>Changes in any type of CLA placement can and does have an impact throughout the system. In financial terms, this ripple effect is reflected in the spending pressures and explanations of changes in variances.</p>
Youth	(172)	<p><u>New this Month</u> Further savings of £313k have been identified in respect of the Youth Service. The consultation on the staffing restructure of the Integrated Youth Service has completed the first stage and is about to start the second stage; this involves redundancies for both full time staff and sessional workers who currently deliver universal services. Until the restructure is complete, new recruitment to services has not taken place on the scale anticipated and has also been delayed due to new government guidance and potential external commissioning. In addition there has been the early effect of actions put in place to achieve 2012.13 savings targets. £175k is being put forward as a carry forward request to fund redundancies emerging from these changes. The previously identified service charge pressure within YOT will now be contained within the service saving £34k.</p> <p><u>Previously Reported</u> Youth: The Integrated Youth Service (IYS) is being established during the current financial year as approved by Cabinet in March. Initially, £228k was set aside for transitional support. Costs arising from the</p>

		<p>transition, including staffing reorganisations, are now being accommodated within existing budgets. It is therefore now possible to offer up the transitional support budget £228k as a saving.</p> <p>YOT: A £34k pressure has been identified within the Youth Offending Team accommodation budget in respect of anticipated cost of new service charge.</p>
Inclusion	(154)	<p><u>New this Month:</u> Inclusion Strategy: A review of the staffing costs within Children with LDD has identified a saving of £50k, due to 4 staff vacancies offset by the cost of agency staff and 1 new leaver in February.</p> <p>Children with Disabilities: Additional costs of £55k due to complex needs of children accessing Breakaway. A £20k pressure has been identified within Direct Payments due to greater take up from clients. A £50k saving within Home Care due to a shift of clients towards Breakaway and Direct payments. A £70k saving is projected for external residential fees due to the delay of placement for 1 client pending court proceedings and in addition this client has now reached 18 years old and so the cost will be split with Adult Social Care. £59k savings within First Response (£30k) and Holding Hands (£29k) have been achieved through one of use of funding this year.</p> <p><u>Previously Reported:</u> Children with Disabilities: Recent developments suggest that there is now a strong likelihood of pressures on the Children with Disabilities budget during 2011-12 related to costly additional external placements which are becoming unavoidable. One external placement has now been made through the courts and another placement is proceeding related to safeguarding. The budget is being closely monitored.</p>
Raising Achievement	(216)	<p><u>New this Month:</u> Early Years: Additional savings of £161k have been identified as it has not been possible to recruit all of the staff required and due to some delays in the appointment process and the nature of the fixed term contracts ending on 31st March 2012, some applicants have withdrawn resulting in significant underspends for the remainder of this financial year. Alongside this, a review of Sure Start and its Children's Centres is pending which is leading to reservations and holding on spend until the review has given clarity for the future accentuating this underspend.</p> <p>School Improvement: Schools have allocated a substantial sum of money from Dedicated Schools Grant and Service Level Agreements for Governor support during this financial year. This is related to their commitment to school improvement and raising standards with the awareness that robust and challenging governance is an important component in achieving success in these areas. Consequently, this results in savings within the budget on school governance which amounts to £33k. This has been offset by a £23k pressure in relation to an employee severance payment within the Advisory Service.</p> <p>Home to School Transport: Further savings of £45k have been identified due to demand for the Spring term being lower than anticipated.</p> <p><u>Previously Reported:</u> Early Years; £363k of savings has been identified within Early Years, principally due to delays in recruitment and projects. The recruitment campaign for operational posts which was undertaken in September / October has been partially successful. There is a recruitment drive to fill</p>

		<p>remaining vacant posts until 31st March 2012. Invitations to tender are now under way for consultants to undertake work as part of the EYFS early intervention strategy and it is expected that this work will commence in January. £50k projected saving is due to a lower number of referrals for 2 year old early education places than anticipated. Work is ongoing to raise awareness with partner agencies to ensure that all eligible children are identified and referred.</p> <p>A saving of £32k has been identified within the salary budget due to the deletion of a post. Revaluation of the transport requirement for the new term has identified a saving of £30k within Home to School Transport.</p>
Strategic Management, Information and Resources	(68)	<p>New this Month: Further savings of £68k are projected across directorate support costs</p> <p>Previously Reported: In order to mitigate the impact of the additional pressures in the Children Looked After placement budgets, the staffing contingency budget (£120k) has been released. The release of this contingency at this point in the financial year could impact on the ability of the directorate to respond to any future pressures. In addition following continued close scrutiny of opportunities within all budgets in the Directorate, additional savings (£267k) have been identified within Directorate Support Costs. One-off grant funding opportunities (£232k), unallocated Early Intervention Grant (£300k) and a saving through keeping a post vacant (£15k) have been identified to support the pressures on the directorate's budget. A delayed recruitment to School Planning Officer post which became vacant in July saves £6k. Additional rental income received from Langley academy site controllers house totals £8k and there will be a £3k under spend on the repairs budget. Scaling back on targeted services in order to support reactive pressures around the placement of Looked After Children saves £58k. A saving of £16k based on the current level of liability for teacher's premature retirement payments is expected.</p> <p>Information, Performance and Review: The level of schools buy back for the provision of Education Management System (EMS) support has been greater than anticipated and has resulted in increased income of £40k. Additional IT expenditure anticipated (£30k) in respect of a new server and IT support. Staff vacancy savings of £29k within the Performance and Management Team, previously flagged up as an emerging opportunity subject to a review of the team, can now be flagged up as a one-off saving.</p>
	(1,091)	Total Variance

Key People Measures	Quarter 1			Quarter 2			Quarter 3			Quarter 4			Annual total / cumulative total or outturn	Good is:	Target	Direction	Comparative	Target	
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar							
Number of staff in establishment (headcount)	2011-12 (2010-11)	1,628 1,819	1,618 1,920	1,618 1,920	1,618 1,920	1,618 1,920	1,618 1,920	1,618 1,920	1,618 1,920	1,618 1,920	1,618 1,920	1,618 1,920	1,671	..	..	..	..	..
Number of staff in establishment (FTE - full time equivalent)	2011-12 (2010-11)	1323.5 1463.3	1324.2 1524.2	1324.2 1524.2	1324.2 1524.2	1324.2 1524.2	1324.2 1524.2	1324.2 1524.2	1324.2 1524.2	1324.2 1524.2	1324.2 1524.2	1324.2 1524.2	1,347.9	..	..	..	..	..
Number of vacant posts (at quarter end)	2011-12 (2010-11)	353 ..	364 ..	364 ..	364 ..	364 ..	364 ..	364 ..	364 ..	364 ..	364 ..	364 ..	..	ideally decreasing	..	..	..	..
Number of advertised job opportunities this period (FT versus PT)	2011-12 (2010-11)	59 FT versus 9 PT ..	tbc ..	tbc ..	tbc ..	tbc ..	tbc ..	tbc ..	tbc ..	tbc ..	tbc ..	tbc ..	..	..	..	..	..	..
Staff turnover rate - resignations only (%)	2011-12 (2010-11)	4.1% 1.3%	1.5% 2.0%	1.5% 2.0%	1.5% 2.0%	1.5% 2.0%	1.5% 2.0%	1.5% 2.0%	1.5% 2.0%	1.5% 2.0%	1.5% 2.0%	1.5% 2.0%	2.0%	10-15%	..	..	..	..
Average staff sickness rate including maternity leave (days lost per FTE)	2011-12 (2010-11)	2.8 2.3	2.5 2.7	2.5 2.7	2.5 2.7	2.5 2.7	2.5 2.7	2.5 2.7	2.5 2.7	2.5 2.7	2.5 2.7	2.5 2.7	..	Low	..	..	..	..
Proportion of staff who are of Black or Minority Ethnic heritage as a ratio of the proportion of resident working age population who are BAME - currently 32%. 1% of staff who are BAME	2011-12 (2010-11)	1.17 [43.3%] 1.13 [41.8%]	1.19 [44%] 1.13 [41.9%]	1.19 [44%] 1.13 [41.9%]	1.19 [44%] 1.13 [41.9%]	1.19 [44%] 1.13 [41.9%]	1.19 [44%] 1.13 [41.9%]	1.19 [44%] 1.13 [41.9%]	1.19 [44%] 1.13 [41.9%]	1.19 [44%] 1.13 [41.9%]	1.19 [44%] 1.13 [41.9%]	1.19 [44%] 1.13 [41.9%]	1.18 [43.6%]	>=1	>=1
100 staff with a declared disability	2011-12 (2010-11)	7.1% 7.0%	6.8% 6.9%	6.8% 6.9%	6.8% 6.9%	6.8% 6.9%	6.8% 6.9%	6.8% 6.9%	6.8% 6.9%	6.8% 6.9%	6.8% 6.9%	6.8% 6.9%	7.1%	tbc
Proportion of staff who are female as a ratio of the proportion of resident working age population who are female - currently 48%. (% of staff who are female)	2011-12 (2010-11)	1.41 [67.8%] 1.46 [70.2%]	1.44 [68.9%] 1.45 [69.5%]	1.44 [68.9%] 1.45 [69.5%]	1.44 [68.9%] 1.45 [69.5%]	1.44 [68.9%] 1.45 [69.5%]	1.44 [68.9%] 1.45 [69.5%]	1.44 [68.9%] 1.45 [69.5%]	1.44 [68.9%] 1.45 [69.5%]	1.44 [68.9%] 1.45 [69.5%]	1.44 [68.9%] 1.45 [69.5%]	1.44 [68.9%] 1.45 [69.5%]	1.41 [67.6%]	>=1	>=1

Appendix A: Slough Borough Council Balanced Scorecard
December 2011
Council wide

Key Volume Measures	Quarter 1				Quarter 2				Quarter 3				Quarter 4			Annual total / cumulative total or outturn	Good is:	Target	Direction	Comparative	Target	
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar										
Press releases issued in month (total across whole council)	16	17	23	25	16	21	16	22	18					174	--	..	..	..	..	..	..
Press enquiries received in month (total across whole council)	55	56	64	65	56	60	49	61	60					526	--	..	..	..	..	..	..
Press coverage monitoring: number of items and percentage rated as 'positive' or 'very positive' (total across whole council)	170 63.5%	159 58.5%	162 51.2%	179 59.8%	..	113 54.0%	131 64.1%	135 61.5%	147 57.1%					..	High & increasing	Higher %	✓	✓	✓	✓	✓	✓
Social media: unique visitors to SBC website	66,648	74,805	70,142	69,115	..	73,464	95,269	70,771	67,306					587,520	High & increasing	..	✓	✓	✓	✓	✓	
Social media: online financial transactions conducted	1,569	1,802	1,588	1,625	..	1,675	1,894	2,339	1,851					14,343	High & increasing	..	✓	✓	✓	✓	✓	
Social media: Followers on Twitter	219	254	..	299	..	547	587	633	676					..	High & increasing	..	✓	✓	✓	✓	✓	
Number of Freedom of Information requests made (total across whole council)	70	83	73	59	79	65	71	99	45					193	reducing	..	✓	✓	✓	✓	✓	
Number of Housing Benefit Claimants	11,250	11,280	11,450	11,510	11,500	11,540	11,520	tbc	tbc					644	reducing	..	✓	✓	✓	✓	✓	
Number of Council Tax Benefit Claimants	10,960	11,040	11,110	11,150	11,180	11,210	11,230	tbc	tbc					816	..	..	..	..	..	..	..
Number of contacts to children's social care per month	11,460	11,530	11,670	11,760	11,700	11,700	11,680	tbc	tbc					..	..	..	..	..	..	..	..
Number of referrals to children's social care per month	11,320	11,470	11,570	11,610	11,650	11,680	11,620	11,660	11,610					..	..	..	..	..	..	..	..
Number of children looked after by the council at month end	711	612	663	738	728	659	824	788	635					7,228	to reduce	to reduce	✓	✓	✓	✓	✓	
Number of children subject to Child Protection Plans at month end	444	555	591	774	546	576	563	529	619					1,900	reducing	to reduce	✓	✓	✓	✓	✓	
Number of problematic drug users in effective treatment at 7% above 2007/08 baseline, a strategy meeting per month	127	153	210	169	116	153	136	130	172					166	reducing	Lower	✓	✓	✓	✓	✓	
Number of homeless cases determined / percent of decisions issued with 33 days.	144	164	168	185	200	189	199	196	200					142	reducing	Lower	✓	✓	✓	✓	✓	
Number of adult safeguarding referrals leading to a strategy meeting per month	111	108	105	77	80	85	87	102	115					142	reducing	>= 7%	✓	✓	✓	✓	✓	
Number of housing service decisions issued with 33 days.	..	..	..	..	..	..	..	..	..					..	..	..	..	..	..	..	..
Number of adult safeguarding referrals leading to a strategy meeting per month	11	16	22	23	17	22	16	9	12					148	..	..	..	..	..	..	..
Number of housing service decisions issued with 33 days.	8	11	9	17	16	21	10	13	10					155	..	..	..	..	..	..	..
Number of housing service decisions issued with 33 days.	31 : 97%	32 : 91%	37 : 97%	35 : 94%	31 : 84%	44 : 91%	38 : 97%	19 : 100%	36 : 94%					303 : 93.9%	Low: high %	90% or above	✓	✓	✓	✓	✓	
Number of housing service decisions issued with 33 days.	17 : 88%	27 : 93%	31 : 87%	31 : 97%	34 : 100%	19 : 89%	21 : 81%	36 : 89%	20 : 90%					327 : 91.3%	36 : 92%	26 : 96%	29 : 93%	26 : 96%	36 : 92%	327 : 91.3%	36 : 92%	327 : 91.3%

Key Quality Measures	Quarter 1				Quarter 2				Quarter 3				Quarter 4			Annual total / cumulative total or outturn	Good is:	Target	Direction	Comparative	Target			
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Annual total / cumulative total or outturn	Good is:	Target							Direction	Comparative	Target
Number of complaints received (across the entire council)	45	54	78	52	100	60	55	48	35	54	41	..	527	..	..	..	..	..	..	..
(2010-11)	109	100	92	85	60	67	59	67	62	54	41	..	796	..	..	..	..	..	..	..
NI 59: % of completed Initial Assessments in the year-to-date completed within timescales (figures in brackets are % of IAs completed AND authorised in 10 working days)	70.1% (27.8%)	69.0% (27.6%)	66.7% (28.0%)	65.8% (29.3%)	65.1% (30.1%)	64.7% (31.7%)	66.0% (37.9%)	68.7% (43.5%)	69.6% (48.1%)	69.6% (48.1%)	68.7% (43.5%)	66.0% (37.9%)	76%	High & increasing	> =80%	✓	✓	✓	✓	✓				
(2010-11)	76%	76%	77%	77%	77%	76%	75%	74%	73%	73%	72%	70%	70%	High & increasing	> =80%	✓	✓	✓	✓	✓				
% of Initial Assessments completed in the month within timescales	69.2%	67.4%	53.3%	60.0%	62.1%	73.9%	88.8%	95.4%	85.8%	72%	63%	58%	..	High & increasing	> =80%	✓	✓	✓	✓	✓				
(2010-11)	..	..	..	..	..	..	..	..	72%	72%	63%	58%	..	High & increasing	> =80%	✓	✓	✓	✓	✓
NI 60: % of Core Assessments completed within timescales (figures in brackets are % of CAs completed AND authorised in 35 working days)	65.6% (24.1%)	63.4% (24.0%)	57.7% (25.1%)	54.8% (28.4%)	51.6% (30.6%)	48.5% (31.1%)	48.0% (33.5%)	48.8% (37.5%)	50.7% (41.4%)	50.7% (41.4%)	48.8% (37.5%)	48.0% (33.5%)	67.0%	High & increasing	> =80%	✓	✓	✓	✓	✓				
(2010-11)	85.1%	85.2%	86.1%	87.1%	87.1%	85.2%	84.7%	85.2%	80.4%	79.9%	77.0%	67.0%	67.0%	High & increasing	> =80%	✓	✓	✓	✓	✓				
% of Core Assessments completed in the month within timescales	61.4%	48.4%	38.1%	54.8%	41.3%	30.7%	53.6%	66.7%	57.9%	30.3%	55.0%	38.9%	..	High & increasing	> =80%	✓	✓	✓	✓	✓				
(2010-11)	..	..	..	..	..	..	..	..	..	..	..	..	..	High & increasing	> =80%	✓	✓	✓	✓	✓
NI 65: % of children becoming the subject of Child Protection Plan for 2nd or subsequent time	19.2%	16.8%	17.7%	15.0%	12.9%	11.5%	11.0%	10.6%	12.4%	12.4%	10.6%	11.0%	..	between 10-15%	10-15%	✓	✓	✓	✓	✓				
(2010-11)	14.5%	14.2%	13.7%	12.6%	14.3%	16.8%	20.8%	19.2%	15.8%	18.2%	17.5%	18.5%	18.5%	High & increasing	100%	✓	✓	✓	✓	✓				
NI 105: statements of Special Educational Needs (SEN) issued within 26 weeks	100% (5)	100% (9)	100% (11)	100% (9)	100% (11)	100% (13)	100% (9)	100% (9)	100% (13)	100% (17)	100% (17)	100%	92%	High & increasing	100%	✓	✓	✓	✓	✓				
(2010-11)	100%	90%	75%	100%	80%	100%	100%	88%	100%	100%	100%	100%	100%	sustained compliance	> 20	✓	✓	✓	✓	✓				
Number of Children's social care casefiles audited each month (internal audit programme from October 2011)	..	..	..	..	..	..	16	18	38	..	..	..	..	..	..	..	..	..	..	..
(2010-11)	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Number of primary schools in special measures or with notice to improve	6	6	5	4	4	4	4	4	3	3	3	6	6	Low (ideally zero)	0	✓	✓	✓	✓	✓				
(2010-11)	5	5	5	5	5	5	5	5	5	5	6	6	6	Low (ideally zero)	0	✓	✓	✓	✓	✓				
% of Adult safeguarding strategy meetings taking place within 5 days of referral per month	100.0%	75.0%	72.7%	82.6%	88.2%	68.2%	62.5%	55.6%	58.3%	60.0%	63.6%	73.3%	74.2%	HIGH	80%	✓	✓	✓	✓	✓				
(2010-11)	87.5%	72.7%	66.7%	82.4%	81.3%	52.4%	90.0%	69.2%	60.0%	100.0%	63.6%	73.3%	74.2%	HIGH	80%	✓	✓	✓	✓	✓				
% of people subject to adult safeguarding strategy meetings who report they felt safe after the intervention	tbc	tbc	tbc	tbc	tbc	tbc	tbc	tbc	tbc	tbc	tbc	tbc	tbc	High & increasing	tbc	✓	✓	✓	✓	✓				
(2010-11)	..	..	..	..	..	..	..	..	..	..	..	..	..	High & increasing	tbc	✓	✓	✓	✓	✓
Increase the % of successful treatment outcomes for problematic drug users	tbc	tbc	tbc	tbc	tbc	tbc	tbc	tbc	43%	tbc	tbc	tbc	tbc	High & increasing	tbc	✓	✓	✓	✓	✓				
(2010-11)	..	..	..	..	..	..	..	..	..	..	..	..	..	High & increasing	tbc	✓	✓	✓	✓	✓
Number of Missed Bins - DOMESTIC WASTE . Total collections expected = 193,517	52	44	47	49	51	49	52	49	39	40	46	53	43	Low	less than prev year	✗	✗	✗	✗	✗				
(2010-11)	59	46	32	35	46	41	46	53	40	41	43	39	43.6	Low	less than prev year	✗	✗	✗	✗	✗				
Number of Missed Bins - RECYCLING . Total collections expected = 193,517	41	37	38	46	42	36	44	36	33	33	44	36	39.2	Low	less than prev year	✗	✗	✗	✗	✗				
(2010-11)	44	37	34	38	31	38	41	45	29	43	39	43	37.6	Low	less than prev year	✗	✗	✗	✗	✗				

Key inspection results - all 'red' areas are subject to explicit improvement activity. See text report for fuller details.

Inspectorate	Section covered	Date	Results
Ofsted	Romsey Close Children's Centre	Sep-11	Overall effectiveness: Good. Capacity for improvement: Good.
Care Quality Commission	SBC Domiciliary Care	Aug-11	CQC Review of Compliance: service is "meeting all the essential standards of quality and safety"
Care Quality Commission	Respond Adult Respite Service Lavender Court Care Home	Jul-11	CQC Review of Compliance: service is "meeting all the essential standards of quality and safety"
Ofsted	Chalvey Children's Centre	May-11	Overall effectiveness: Good. Capacity for improvement: Good.
Ofsted	Children's safeguarding & LAC services	Apr-11	Safeguarding: Inadequate LAC services: Adequate
HMI Probation	Youth Offending Team ('YOT')	Feb-11	Safeguarding: 62% Moderate improvement required. Risk of harm: 54% Substantial improvement required.
Food Standards Agency	Audit of LA Inland Imported Food Control Arrangements	Nov-10	Likelihood of reoffending: 61% Moderate improvement required. No simplistic judgement made, but a number of strengths identified. See full report at: http://www.food.gov.uk/multimedia/pdfs/enforcement/sloughaudit2010.pdf
Ofsted	Lifelong Learning	Nov-10	Overall effectiveness: Good. Capacity to improve: Good.
Audit Commission	Benefits service	Nov-09	'Poor' service with 'Promising' prospects: Zero star

Economy and Skills

Health and Wellbeing

Housing

Regeneration and the Environment

Safer Communities

Key Outcome Measures

	Quarter 1				Quarter 2				Quarter 3				Quarter 4				Annual total / cumulative total or outturn	Good is:	Target	Direction	Comparative
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Target								
Crime rates per 1,000 population: All crime (Cumulative from April)	28.15	32.87	56.77	66.91	83.87	97.51	11.74	16.14	0.55	0.83	18.94	23.34	Low & decreasing	less than prev year	✓	✗					
Crime rates per 1,000 population: Violence against the person (Cumulative from April)	5.79	8.04	11.74	16.14	7.44	0.83	1.05	18.94	23.34	Low & decreasing	less than prev year	✓	✗								
Crime rates per 1,000 population: Serious sexual offences (Cumulative from April)	0.23	0.39	0.74	12.06	14.8	3.8%	3.7%	3.7%	4.0	4.9	3.3	3.8	3.5%	3.6%	3.6%	3.9%	Low & decreasing	less than prev year	✓	✗	
Crime rates per 1,000 population: Serious acquisitive crime (Cumulative from April)	5.97	7.3	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	Low & decreasing	less than prev year	✓	✗	
Public perceptions of Antisocial behaviour (survey) (2010-11)	tbc	tbc	tbc	tbc	tbc	tbc	tbc	tbc	tbc	tbc	tbc	tbc	tbc	tbc	tbc	tbc	tbc				
Unemployment: JSA Claimants as a % of resident population of area aged 16-64 (source: NOMIS)	3.8%	3.8%	3.6%	3.7%	3.8%	3.9%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	Low & decreasing	> SE average (2.6%)	✗	✗	
JSA Claimants per unfilled jobcentre vacancy (source: NOMIS)	6.9	8.4	4.9	5.0	4.0	4.9	3.3	3.8	3.8	4.4	3.3	3.8	3.5%	3.6%	3.6%	3.9%	LOW	< SE average (3.5) < GB average (5.6)	✓	✗	
PAF C23: % of CIA adopted from care or granted a special guardianship order	7.1	6.5	5.0	6.0	5.3	..	5.3	3.8	3.8	5.1	6.5	5.2	6.0	6.0	HIGH and >8%	>8%		✓	✓	✓	
Percentage of household waste recycled or composted	12.5%	11.8%	8.6%	8.2%	6.2%	6.4%	7.1%	6.3%	6.8%	6.8%	6.8%	6.9%	8.1%	8.1%	High	29% or more		✓	✓	✓	
Housing Services: Number of households in temporary accommodation	81	88	88	85	87	80	77	83	81	85	80	89	84	84	Avg = 83	Low	85 or less		✓	✓	✓
	96	98	97	94	94	94	94	94	94	94	94	94	94	94	Avg = 92	Low					
Key Outcome Measures (only available annually)	2007/08				2008/09				2009/10				2010/11				Good is:	Target	Direction	Comparative	
NI 75 Achievement of 5 or more A*-C grades at GCSE or equivalent including English and Maths	57.4%				59.3%				63.1%				68.1%				HIGH	65%	✓	✓	✓
Expected Levels of Progress from Key Stage 2 to Key Stage 4 in	..				75.8%				80.1%				79.6%				HIGH	80%	✗	✗	✗
Expected Levels of Progress from Key Stage 2 to Key Stage 4 in	..				71.7%				74.9%				79.4%				HIGH	77%	✓	✓	✓
NI 73: Achievement at level 4 or above in both English and Maths at Key Stage 2	69%				67%				71%				73%				HIGH	75%	✓	✗	✗
NI 93: Progress by 2 levels in English between Key Stage 1 and Key Stage 2	77%				78%				83%				83%				HIGH	85%	✗	✗	✗
NI 94: Progress by 2 levels in Mathematics between Key Stage 1 and Key Stage 2	71%				73%				79%				82%				HIGH	80%	✓	✓	✓
NI 72: Achievement of at least 78 points across the Early Years Foundation Stage with at least 6 in each of the scales in Personal	33.0%				46.3%				48.1%				62.0%				HIGH	49.5%	✓	✓	✓
NI 92: Narrowing the gap between the lowest achieving 20% in the Early Years Foundation Stage Profile and the rest	43.5%				36.9%				35.8%				29.9%				LOW	33.6%	✓	✓	✓

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