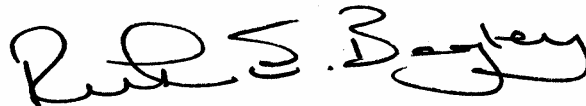


Date of issue: 27th January, 2008

MEETING	OVERVIEW & SCRUTINY COMMITTEE (Councillors Grewal (Chair), Basharat, Coad, Davis, Dodds, Haines, Matloob, Munkley and Walsh)
DATE AND TIME:	THURSDAY, 5TH FEBRUARY, 2009 AT 6.30 PM
VENUE:	COUNCIL CHAMBER, TOWN HALL, BATH ROAD, SLOUGH
DEMOCRATIC SERVICES OFFICER: (for all enquiries)	KEVIN BARRETT (01753) 875014

NOTICE OF MEETING

You are requested to attend the above Meeting at the time and date indicated to deal with the business set out in the following agenda.



RUTH BAGLEY
Chief Executive

NOTE TO MEMBERS

This meeting is an approved duty for the payment of travel expenses.

AGENDA

PART I

<u>AGENDA</u> <u>ITEM</u>	<u>REPORT TITLE</u>	<u>PAGE</u>	<u>WARD</u>
	Apologies for absence.		

AGENDA
ITEM

REPORT TITLE

PAGE

WARD

CONSTITUTIONAL MATTERS

1. Declarations of Interest.

(Members are reminded of their duty to declare personal and personal prejudicial interests in matters coming before this meeting as set out in the Local Code of Conduct).

2. Minutes of the Last Meeting held on 15th January, 2009. 1 - 8

SCRUTINY ISSUES

3. Revenue Budget Strategy 2009-10 and Future Years. (TO FOLLOW)

4. Housing Revenue Account (HRA) Budget Adoption and Annual Rent Setting 2009-10. 9 - 20

5. Performance and Financial Monitoring for 2008/09. 21 - 42

6. Forward Agenda Plan. 43 - 44

7. Date of Next Meeting.

Thursday, 26th February, 2009.

8. Exclusion of the Press and Public.

It is recommended that the press and public be excluded from the meeting during consideration of the item in Part II of the agenda as it involves the likely disclosure of exempt information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority and employees of the authority, as defined in Paragraph 4 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended).

PART II

9. Revenue Budget Strategy 2009-10 and Future Years. (TO FOLLOW)



Press and Public

You are welcome to attend this meeting which is open to the press and public, as an observer. You will however be asked to leave before the Committee considers any items in the Part II agenda. Special facilities may be made available for disabled or non-English speaking persons. Please contact the Democratic Services Officer shown above for further details.

This page is intentionally left blank

Overview & Scrutiny Committee – Meeting held on Thursday, 15th January, 2009.

Present:- Councillors Grewal (Chair), Basharat, Coad, Davis, Dodds, Haines (until 6.40 p.m.), Matloob, Munkley and Walsh.

Also present under Rule 30:- Councillors Parmar, Stokes and Swindlehurst.

PART I

55. Declarations of Interest.

The Chair, Councillor Grewal, declared a personal and prejudicial interest in agenda item 3 (Castlevue Scrutiny) and stated that he would vacate the chair for that item and leave the meeting.

Councillor Munkley sought clarification from Officers as to whether he would again need to declare a prejudicial interest in the same item as he had when the matter was previously discussed at the meeting on 4th November, 2008. He was advised that circumstances were identical to those at the November meeting and that he should declare a prejudicial interest and leave the meeting whilst the item was discussed. He accordingly did so. He did however request that his objection to his having to leave be placed on record for the reasons previously indicated.

Councillor Haines similarly declared a prejudicial interest and requested that his objection to the requirement under the Code of Conduct for him to leave the meeting be placed on record.

56. Minutes

The minutes of the meetings of the Committee held on 4th and 24th November, 2008 were approved as a correct record and signed by the Chair.

57. Scrutiny of 'Castlevue' Issue - Further Consideration

Councillor Grewal vacated the chair and left the meeting. Councillor Basharat took the chair for this item. Councillors Haines and Munkley also left the meeting prior to the commencement of this item.

The Deputy Borough Solicitor reminded the Committee that it had not been possible for Officers to fully respond to some of the questions submitted by Councillor Stokes on this matter due to the loss of two files on the Castlevue site by the Council's consultants, Drivers Jonas. However, the files had been located on 12th January, 2009 and passed back to the Council later that day. Given the large amount of information within those files and the fact that the Officer responsible for preparing responses was involved in a sustainability audit this week, it had not been possible to prepare replies in time for this meeting. Accordingly, Officers were recommending that the item be deferred

Overview & Scrutiny Committee - 15.01.09

until a later meeting to enable full responses to be prepared from the information contained within the recovered files.

It was moved by Councillor Basharat and seconded by Councillor Matloob that further consideration of this matter be deferred until the meeting of the Committee taking place on 26th February, 2009 so as to give Officers sufficient time to prepare responses to the relevant questions submitted by Councillor Stokes. This proposal was put to the vote with three Members voting in favour and three against. The Chair used his casting vote in favour of the motion.

Councillor Stokes was given the opportunity to address the Committee and expressed concern at the loss of the files and suggested that the way in which Council files were handed over to other parties should be examined. The Strategic Director of Resources stated that the consultants had fully accepted that they were in possession of the files and that they had mislaid them. Councillor Stokes advised that he may not be able to attend the meeting on 26th February.

Councillor Coad requested that her objection to the Committee's decision to defer this matter be placed on record as she would be unable to attend the meeting on 26th February and given that three Members were debarred by having declared a prejudicial interest, she did not believe that proper scrutiny of this matter would take place.

Resolved - That this matter be deferred until the meeting taking place on Thursday, 26th February, 2009 to enable Officers to prepare further responses to previously asked questions, based upon information contained within the recovered files, and that the Committee decide at that meeting whether any further scrutiny of this matter is required.

(Councillors Grewal and Munkley rejoined the meeting.)

58. Performance and Financial Reporting for 2008/09

The Strategic Director of Resources introduced his report highlighting the Council's overall performance from delivery of service to financial management. The report focused on performance management, the revenue and capital monitoring position and central debt management.

The Director drew particular attention to the findings of the Annual Performance Assessment (APA) process for Adult Social Care Services which had received a three star "excellent" rating in respect of both the delivery of outcomes and the capacity for improvement. This was the fourth year that the Council had achieved three stars for this service but it was the first year that a judgment of "excellent" had been achieved in both delivering outcomes and capacity to improve, reflecting an improvement on the previous year. This was the highest rating that could be achieved. It was noted that the star rating and performance judgments contributed to the Council's Comprehensive

Overview & Scrutiny Committee - 15.01.09

Performance Assessment (CPA) rating and would continue to do so under the new Comprehensive Area Assessment (CAA) performance framework. However, from 2009 onwards, the Adult Social Care “capacity to improve” judgment would only be reflected in the Council’s CAA rating and not the APA rating.

Members raised a number of issues on the report:-

- Members welcomed the achievement of the Adult Social Care Service in receiving such an excellent judgment and the Director explained the work that had taken place both corporately and within the Department to achieve improvements over the result in the previous year.
- In respect of debt recovery, several Members asked for clarification of the Council’s attitude to individuals in debt because of the current financial situation and sought assurances that the Council took a sympathetic approach where families were in real hardship through loss of employment etc. The Strategic Director explained that where payments were missed, the first letter was sent within 14 days with a further two letters following. Before any formal legal action was taken, arrangements were made for Officers to meet informally with the individuals involved to talk through any problems they may be having and, where possible, put arrangements in place for debt counselling, access to advice services and arrangements for the repayment of the debt over a longer period. However, the authority had a duty to collect all outstanding debts although, where it was deemed to be appropriate, a sympathetic approach was taken.
- A Member asked whether there were a number of persistent non-payers of Council Tax. The Director responded that there were a small number that fell into this category and these debts were pursued, if necessary, over a number of years. However, in overall terms, the Officers were striving to improve in- year Council Tax collection rates given that Council Tax made up 45% of the authority’s income. He explained that, in the current year, the Council had achieved the highest ever in-year collection of Council Tax and this was all the more significant given the fact that Slough’s population was extremely fluid as compared to some other authorities. A number of measures had been put in place to improve collection including paperless direct debit, a review of the letters sent out to individuals so that they were easier to understand, and the introduction of informal meetings with debtors before formal Court action was taken. However, there was still work to be done to improve the collection rate even further.
- Members sought further information on the year on year position in respect of the collection of debt and the Director undertook to provide a more detailed report to the next meeting. He did however comment that the provision for bad debts made within the budget was quite low.
- Information was sought as to whether some businesses within the town were struggling to pay business rates on empty properties and what attitude the Council took in such circumstances. The Director commented

Overview & Scrutiny Committee - 15.01.09

that Officers were speaking to a number of business ratepayers who were in financial difficulties but, at the end of the day, business rates were collected on behalf of central government and if the authority did not collect them, it fell back on the ordinary Council Tax payers to meet any shortfall. However, where appropriate, discussions took place with businesses having cash flow difficulties to attempt to assist them.

Resolved - That the report be noted.

59. CPA to CAA – Implications for Overview and Scrutiny

The Interim Assistant Director (Policy, Performance and Scrutiny) and the Scrutiny Officer made a presentation to the Committee outlining the current Comprehensive Performance Assessment (CPA) framework introduced by the Audit Commission in 2002, explaining that it measured how well the Borough Council delivered services to local people and its community. However, from April 2009 onwards, the CPA would be replaced by the Comprehensive Area Assessment (CAA) which would look at the local area in totality, focusing on local issues, partnership working and the challenges faced by an area such as crime, community cohesion and sustainability. The aim of the CAA was to create a more joined-up approach so that service delivery was more relevant to local people. The key principles of the CAA were:-

- Relevance to the quality of life so that local targets and priorities sat alongside national ones.
- Area and outcome focus so that outcomes in an area were assessed as opposed to just the processes.
- Constructive and forward looking so that there was an overall assessment of risk and not just a reliance on past performance.
- Joint participation by all key sector representatives to draw on the views of local people and not just how the Borough Council was performing in its own right.

Officers explained the way in which the CAA would be assessed and commented that whilst the government had consulted on its proposals, its final framework had not been published and it was therefore as yet unclear exactly how the CAA would operate in practice. However, it was clear that one of the key evidence bases would be in respect of Scrutiny and, in particular, how Scrutiny worked within the area and the resulting Scrutiny reports. Ultimately, the more robust the approach to Scrutiny and the better the practice, the better this would contribute to the CAA rating. The first CAA results would be published in November, 2009 but it was yet unknown as to when Slough's assessment would take place.

On completion of the presentation, Members raised the following issues in the subsequent debate:-

Overview & Scrutiny Committee - 15.01.09

- A Member commented that it would be essential for Scrutiny to engage further with the public in Slough and asked how this would be achieved. Officers responded that it would be up to the Committee and Panels to take the opportunity to become more involved in community issues and a number of initiatives were already under way to heighten the profile of Scrutiny in the town including articles in the Slough Citizen and the establishment of a Scrutiny e-mail address for resident participation and special scrutiny engagement meetings. Further ways were being examined of heightening Scrutiny's profile.
- The current star rating system would not be retained although it was understood that there would in the future continue to be a grading of between 1 and 4.
- Members expressed concern that, as the CAA provided an overall assessment of the town rather than simply the Council's performance, there was a danger that poor performance by one or more partners would bring down the overall score and there may be little the authority could do to rectify this. Accordingly, unlike with the CPA, the outcome of the CAA would not be entirely within the Borough Council's own hands and some of the individual indicators would relate specifically to other agencies. The comment was made that there would be a strong reliance on the Local Strategic Partnership (LSP), Slough Focus, to lead the various partners in ensuring that, through the Local Area Agreement, all partner agencies were working towards a common goal to ensure that the CAA indicators were as positive as possible.
- A Member asked whether the IT that had been put in place by the government in respect of the new CAA was working satisfactorily. Officers commented that they understood that there were some current concerns in respect of loading data. In addition, the Borough Council was having to look at its own performance management systems to ensure that they were ready for the new assessment regime.
- In response to a question, it was confirmed that a number of discussions had already taken place with partner agencies in the town to ensure that they were fully aware of the new requirements and had taken them into account in respect of their own performance management systems.
- It was also noted that monthly update meetings were taking place between the LSP and the Government Office for the South-East who were actively involved in the preparation for the CAA.
- A Member asked whether the government was providing briefings and workshops for local authorities on the CAA and whether any funding was being provided for training of Officers and Members. It was noted that a number of events were being organised for Officers who would then be expected to brief their Members but that no additional funding was being provided.

Overview & Scrutiny Committee - 15.01.09

- Concern was expressed by Members at the way in which the new arrangements would work in practice, given the strong focus on collaborative working across a number of agencies. Officers commented that it would presumably be one of the roles of the LSP to provide the local lead in this area although further clarification would hopefully be forthcoming when the government published the final framework documentation.
- A Member present under Procedure Rule 30 expressed very serious concern at the validity of the inspection regime generally, particularly in view of the recent 'Baby P' case where the agencies involved in his care had all received excellent inspection reports. He expressed the view that the current inspection regime was largely a paper-based exercise and failed to give a true reflection of the situation on the ground and that the results could be too easily manipulated by authorities. It was to be hoped that the CAA would be a more robust procedure.
- Members referred to the situation with the CPA whereby one poor score in a key area could bring down the overall score and asked whether this anomaly would be rectified under the CAA. Officers responded that a great deal of lobbying on this issue had taken place but it was yet to be seen whether this would be successful.

Resolved - That the presentation and the current position be noted and that a further update on the CAA be presented to the Committee at its meeting on 16th April, 2009.

60. Forward Agenda Plan

The Committee noted its agenda plan for future meetings.

Given the recent announcement by the government that it given the go ahead for a third runway and sixth terminal at Heathrow Airport, the Chair sought the views of the Committee as to whether it wished to undertake any scrutiny of this given the huge implications for Slough. He suggested that a representative of the British Airports Authority be invited to the Committee to answer questions on the proposals. Other Members present suggested that, given the large measure of opposition to the proposals, a more balanced scrutiny exercise should be undertaken with representation from opposition groups also invited to attend. Following debate, it was suggested that a representative of BAA be invited to attend one meeting with representation from the 3M Group and the Strategic Aviation Special Interest Group (SASIG) invited to the following meeting so that a balanced view could be taken, focusing on the implications for Slough and measures that could be taken by the authority to mitigate the effects of the proposals.

Resolved - That the forward agenda plan be noted and that an item be included therein in respect of the implications for Slough of a third runway and sixth terminal at Heathrow Airport with

Overview & Scrutiny Committee - 15.01.09

representatives from BAA, the 3M Group and SASIG invited to future meetings.

61. Annual Report of Scrutiny

The Scrutiny Officer circulated a suggested timetable for the production of the Annual Report of Scrutiny for 2008/09 and this was agreed.

62. Committee Pre-Meetings

Several Members referred to the pre-meeting held immediately prior to the Committee meeting for the purpose of discussing agenda item timings, etc. and expressed the view that they were not in favour of them.

Chair

(Note: The Meeting opened at 6.30 p.m. and closed at 8.20 p.m.)

This page is intentionally left blank

SLOUGH BOROUGH COUNCIL

REPORT TO: Overview & Scrutiny Committee **DATE:** 5th February 2009
CONTACT OFFICER: Neil Aves: Assistant Director, Housing
(For all enquiries) (01753) 875527
WARD(S): All

PART I
FOR CONSIDERATION

HOUSING REVENUE ACCOUNT (HRA) BUDGET ADOPTION AND ANNUAL RENT SETTING 2009-2010

1 Purpose of Report

This report proposes the revision of the 2008-09 current year HRA budget estimates to take account of changes in the Government's funding regime which were announced after adoption last year, proposes a base budget for 2009-2010 and the annual rent and service charge rise to tenants as dictated in the government's subsidy determination.

2 Recommendation(s)/Proposed Action

- 2.1 That Scrutiny & Overview committee provide their comments and observations prior to the following recommendations being placed before Cabinet -
- (a) That the revised estimates for 2008/09 and the estimates for 2009/10 be approved. Para 5.1 – 5.10 refer
 - (b) That the rent increase for 2009/10 be set according to the national rent restructuring formula, equivalent to an average increase of 6.32%. Para 5.11 to 5.12 refer
 - (c) That heating, utility and ancillary charges are increased by 5%, the September RPI figure used in rent setting. Para 5.9 refers
 - (d) That service charges are increased by 2.5% in accordance with budget estimates. Para 5.8 refers
 - (e) That garage rents increase in accordance with adopted policy by 5%, the September RPI figure used in rent setting. Para 5.7 refers
 - (f) That the growth items identified in paragraphs 5.20 to 5.22 amounting to £1,175,000 in 2009/10 approved.
 - (g) That the management fee for People 1st (Slough) be set at £5,465,250 for 2009/10 with a further £100,000 set aside in the HRA as a provision for possible increased salary costs from the equal pay and job evaluation process. Para 5.6 refers
 - (h) That the HRA Business Plan projections be approved as shown in Appendix 2.

3 **Community Strategy Priorities**

- **Celebrating Diversity, Enabling inclusion**
- **Adding years to Life and Life to years**
- **Being Safe, Feeling Safe**
- **A Cleaner, Greener place to live, Work and Play**
- **Prosperity for All**

By adopting a prudent medium term financial strategy for the Housing Revenue Account the Council and People 1st have created a business plan which sustains council housing for the foreseeable future. By reducing expenditure and reinvesting in areas of concern for tenants, residents and members alike, People 1st and the council's retained housing services can contribute to each of the community strategy priorities.

4 **Other Implications**

(a) Financial

The proposed HRA budget was prepared in accordance with CIPFA guidance and accounting best practice. Budget proposals will ensure balances are maintained at an appropriate level and adequate funding is available to deliver an effective housing service both directly and through the People 1st (Slough) ALMO, in accordance with the HRA Business Plan

(b) Risk Management

This report introduces new levels of rent, fees and service charges across the Housing Revenue Account in accordance with legislation, best practice and government guidance. Budgets have been constructed in accordance with CIPFA accounting rules and the medium term HRA business plan uses a nationally accredited business model to predict income and expenditure in future years.

Estimates of income particularly from shop and garage rents have been reviewed in the light of the current economic climate but estimates of key inflation indices over the next year may be inaccurate leading to unexpected budget pressures. However the HRA currently holds sufficient balances to manage such issues should they arise.

Longer term there is uncertainty regarding the future funding of council housing while the government undertakes a review of the whole subsidy regime. Results of this are likely to be announced as part of the Comprehensive Spending Review (CSR) in 2010.

(c) Human Rights Act and Other Legal Implications

There are no legal or human rights implications to this report.

(d) Race Relations Amendments Act Implications

This report relates to all tenants and leaseholders occupying current or former council homes. Rent fees and charges are set in accordance with government guidance and relate closely to each persons individual circumstances and usage. Where individuals are of limited means benefit advice, debt and welfare counselling is

available and accordingly the proposal will not disproportionately affect any section of the community as defined under the above legislation.

5 **Supporting Information**

HRA Budget Estimate 2008-09

- 5.1 The Housing Revenue Account (HRA) estimates have been revised on the basis of an analysis of expenditure and income to date and projections forward for the remainder of the year undertaken. The opening balances on the HRA as at 1 April 2008 stood at £5.4m this compares to an estimated surplus this time last year, when the budget was set of £3.2m. Additionally an in year surplus of £1.4m is projected for the current year 2008/09 compared to an estimated £0.5m. Annex 1 provides more details of where the variations have occurred.
- 5.2 The difference between the 2008/09 projections and the original estimates can be explained by the following issues:
- (a) The HRA has seen an increase in income from leaseholders due to the full year effect of changes in the charges for caretaking and cleaning introduced in 2007/08.
 - (b) Rental income from shops, garages and aerals is now closely managed by both the council and Colliers CRE resulting in greater income above the estimated levels used to set the 2007/08 and 2008/09 budgets
 - (c) Right to buy sales have continued to reduce and are at a much lower figure than that assumed in previous projections resulting in significant increases in rental income.
- 5.3 Members may recall that last year the final subsidy determination from CLG was not released until mid January 2008 and this meant that key information was not available until the very last minute, thereby significantly hampering the budget setting process.
- 5.4 The accounts also show that the management fee paid to People 1st (Slough) has been reduced by £587k. This is not a funding cut but rather reflects the fact that the company now receives income directly from Supporting People to cover the provision of the supported housing service rather than through the management fee.

Housing Revenue Account Base Budget 2009-2010

- 5.5 For the coming year, HRA expenditure has been updated for a pay award provision and other inflationary pressures. Provision has also been made for equal pay / job evaluation issues (excluding People 1st (Slough)). Provision had also been made for higher than RPI increases in energy costs compared to the current contracted prices. The housing repairs budget has been increased by 2.5% to allow for the inflationary increase to be applied in April 2008. In the current economic climate it is difficult to make an accurate estimate of inflation and this may need to be amended in a later report if it proves to be significantly different to the true figure.
- 5.6 In accordance with the management agreement the management fee payable to People 1st (Slough) for managing the stock on behalf of the council has been increased to reflect the increase in management allowance received in the subsidy determination. After the significant cuts which were imposed last year, this year sees a real increase of 4.88%.

- 5.7 While garage rents will be increased in line with council policy of the RPI figure used within the subsidy calculation (5%) an allowance has been made to reflect the likely downturn in the numbers of garages being rented through the economic downturn. Similarly estimated income from shop rents has not been inflated as we are likely to see an increase in void units within the commercial portfolio. That said, at the current time only three shops are currently void within the 86 units and of those, Colliers CRE expect to sign up a new tenant within the next month.
- 5.8 Tenant service charges have been assumed to increase in line with the estimates for costs and have therefore been increased by 2.5%. Service charges to tenants and leaseholders are constantly under review to align actual charges per block with the level of service received and therefore cost per block. Currently caretaker and cleaning routines are being reviewed in the light of customer feedback and once the revised charges are available consultation with tenants and leaseholders will be undertaken and any new charges implemented for tenants in 2010/11 in line with rent restructuring guidelines to enable protection on increases, if relevant, to be provided.
- 5.9 Currently £166k is recovered from tenants for heating costs. The estimate for 2009/10 for electricity and gas is £506k but this also includes communal areas. It is recommended that a review be undertaken similar to the cleaning charges where actual block usage of energy is identified and required charges to recover the costs is calculated. A future report will be produced for consideration on the level of charges to be made. It should be noted that currently the tenants receiving these charges are under paying for fuel use and therefore being subsidised by other tenants. In the mean time it is recommended that charges be increased by 5% in line with September RPI figure used for rent setting purposes.
- 5.10 In proposing the annual housing revenue account budget this year, the report is significantly briefer than in the past as along with other authorities, the council has received a favourable settlement and rather than identify cuts and efficiency savings this report can instead concentrate on new service provision and new investment to take account of backlogs in repair and maintenance requirements which occurred when past settlements failed to deliver sufficient funding to run an satisfactory service. This year the management and maintenance allowances have increased by 5.2% and 7.0% respectively. This is much higher than anticipated this time last year and is as a result of cost and crime indices changes as used by CLG in the formulae. This represents real additional cash into the housing service and this report goes on to identify how this funding will be utilised.

The 2009-1010 Annual Rent Increase

- 5.11 Since 2002/03 councils have been expected to increase rents in line with the government's rent restructuring policy. Each tenant has a target rent as calculated by the formula and annually the target rent is increased by $RPI + \frac{1}{2}\%$. The RPI figure used is the rate as at September and for 2009/10 this figure is 5%.
- 5.12 Therefore each tenant will have a rent increase matching the $RPI + \frac{1}{2}\%$ increase plus a proportion of the difference between this and the target rent. The incremental increase used is based on the target date for rent convergence. Until 2008/09 this stood at 2011/12 but moved to 2016/17 for the current year. This year to limit the scale of the formula based rent increases the government has put back its rent convergence date (the date when all council, ALMO and housing association rents

will be identical) to 2023/24, fifteen years time so that rents this year will rise by 1/15th of the difference rather than 1/8th.

- 5.13 By applying this formula the average rent rise across the stock would be 6.32%. This is the amount that the government expects the rent to increase by and it uses this figure in calculating the level of subsidy that the council is required to pay back to the treasury (currently around £7.5 million). Thus while the council can decide to set a rent at a lower increase than 6.32%, this would result in a real loss in income and budgets would need to be reduced accordingly.
- 5.14 Furthermore reducing rental income this year would not only result in a loss of income in 2009/10 but also in 2010/11 and indeed beyond this date until the difference can be caught up because in the end through the rent convergence policy tenants will be required to pay the higher figure at some point in time. With RPI likely to be very low or even negative by this time next year future rent rises will be reduced and the council will be unable to recover the 'lost' rent from a lower rent rise agreed in this year.
- 5.15 While considering setting lower rental increases it should be remembered that currently 57% of rental income is paid through the housing benefit system so any reduction in the rent increase will benefit the DWP and Treasury more than our tenants.
- 5.16 The Board of People 1st (Slough) when considering this report felt that with inflation currently at a lower rate than the 5% used in the rent restructuring formula and many tenants struggling with household bills that the rent increase should be capped at 4.99%. This was approved by a narrow vote in favour of the recommendation.
- 5.17 Officers have considered this proposal and should Cabinet wish to consider this option, they are advised that a rent increase of 4.99% would cost the HRA £338,000 in lost income in 2009/10 and £1,014,000 in total. Over the same period the rental payments saved by tenants would amount to £476,000 while the DWP would gain £578,000 over 4 years in reduced benefit payments.
- 5.18 While £476,000 sounds like a significant sum of money, over four years this would equate on average to less than 79p per week reduction in rent to those either on partial or no housing benefit and would do nothing at all for the poorest tenants whose rent is funded by the DWP. Every tenant would however see the significantly reduced levels of investment in new and enhanced levels of service.
- 5.19 In light of the fact that the HRA will suffer a loss on income in excess of the benefit to tenants it is recommended that the council implement the rent increase in line with the rent restructuring formula calculations i.e. an average rent increase of 6.32%. This will be in line with the vast majority of councils nationally and locally. However, it is recommended that the additional income raised over and above a 4.99% increase is ring-fenced to set up an environmental improvement fund as identified in paragraph 5.22 (g).

Service Growth Bids 2009-2010

- 5.20 The increase in management fee identified in paragraph 5.6 will allow a number of service development items for People 1st (Slough) to be undertaken. Following a star-chamber process the Board of People 1st have approved a number of funding bids based around the main themes of:

- (a) Improved tenant and resident participation
- (b) Improvement in service standards and working towards three stars at the next ALMO inspection
- (c) Dealing with ASB through better evidence gathering, use of professional witnesses and deployment of mobile CCTV cameras.

5.21 People 1st (Slough) is currently in the process of an equal pay and job evaluation process in line with the council. This is to ensure compliance with statutory regulations. There is likely to be an additional cost arising from this review. It is therefore recommended that a sum of £100,000 be set aside from the HRA to be paid to People 1st (Slough) in the event of additional cost arising in 2009/10. If costs should be lower than this then the residual amount will be added back to the HRA working balance. If cost should be higher then People 1st (Slough) will need to come back to the council to request further funding if required.

5.22 Additionally, the Assistant Director of Housing and the management team of People 1st (Slough) have jointly identified a number of service improvements within HRA budgets as follows:

Growth Bid	Value of investment
(a) The reinstatement of the resources available for the internal decoration scheme to elderly tenants.	£200,000 p.a. ongoing
(b) The reintroduction of an assisted gardening scheme for those tenants assessed to be unable to do the works themselves.	£20,000 p.a. ongoing
(c) Pre-Tenancy training for prospective tenants to inform and educate them regarding their obligations and levels of expected conduct as well as the services provided for them by People 1 st and the Council to enable tenants to maintain their tenancy in the longer term.	£20,000 initially in 2009 and then ongoing subject to pilot study.
(d) An asbestos survey to communal housing stock to be carried out in line with legislation and good practice	£75,000 in 2009
(e) In compliance with the changes in fire legislation, carry out risk assessments for all communal spaces within blocks of flats	£12,000 in 2009
(f) An additional visiting officer in the council's allocations team to undertake pre-approval home visits thereby speeding up the letting process and reducing void turn-round times.	£20,000 in 2009

<p>(g) The establishment of an Environmental Improvements Budget. This would be used to fund a number of known issues such as,</p> <ul style="list-style-type: none"> i. drainage, flash flooding and gully issues, ii. outstanding tree works to communal areas iii. provision of estate notice boards and signage, iv. resolution of parking issues through off street parking, v. investment in garage sites including construction of new garages in areas of demand, vi. and other grounds maintenance issues 	<p>£838,000 in 2009/10 and 2010/11.</p> <p>Then £200,000 p.a.</p>
--	---

HRA Business Plan Projections

- 5.23 The HRA has been projected over 30 years in line with government guidance. However, due to the nature of housing subsidy and constant changes to the system, only the short to medium term can be treated with some degree of certainty. The projections should be looked at in light of the current national review of council house funding currently being undertaken by CLG.
- 5.24 The last HRA projections were showing a HRA in serious decline with in year deficits and declining balances. During the 2008/09 budget process a number of reductions in expenditure were made to ensure that the HRA was sustainable in the short to medium term. In addition it was identified that additional savings would be required in future years.
- 5.25 It can be seen from Annex 2 that the latest projections for the HRA are of a more healthy nature. In year surpluses (including interest earned) are now forecast for the next 7 years compared to deficits previously. In addition the level of balances exceeds that previously forecast due to a substantial under spend against budgets in 2007/08. There are a number of reasons for the rapid turn around in the HRA's projected fortunes as follows:
- a) The previous projections allowed for a pessimistic view on the increase in management and maintenance allowances which in effect fund actual expenditure. This was based on constant changes to the formulae and data feeding into the formulae which each year worked against Slough. However recently there has been more consistency in the process and a more realistic projection can be made.
 - b) Government changes to the calculation of rent used within the subsidy calculations resulted in more rent being kept by the authority than had been allowed for within the original projections.
 - c) In the 2008/09 subsidy determination CLG changed the way that compensation was made for the effect of rent increase limitations for tenants. The previous subsidy was stopped and no replacement was allowed for in the determination. This subsidy amounted to £450k in 2007/08. Subsequently it was announced that the subsidy would be reintroduced but a year in arrears. This was not allowed for in the previous projections.

- d) The HRA has seen an increase in income from leaseholders due to changes in the charges for caretaking and cleaning introduced in 2007/08. This had not been accounted for in the 2007/08 and 2008/09 HRA estimates.
- e) Right to buy sales have continued to reduce and are at a much lower figure than that assumed in previous projections.
- f) The savings made in 2007/08 and 2008/09 have also aided this improved position.

5.26 The recommendations above in paras 5.5 to 5.22 regarding the base budgets, growth items and guideline rent increase need to be modelled. Appendix 2 shows the effect of the above recommendations.

5.27 The HRA is projected to have moderate in year surplus until 2014/15 (including interest on balances) and an overall surplus until 2021/22 when balances are taken into account. In reality savings will be required from 2015/16 when in year deficits are projected to occur.

5.28 Although balances are considerably higher than the minimum required of £1.4m it is recommended that they be left at this level due to the high level of uncertainty that currently exists:

- a) Low levels of RPI inflation could lead to problems in setting the required rent levels in 2010/11 as many tenants could hit the RPI + ½% + £2 per week limit in effect giving a rent increase of only £2 per week when government have intimated that a higher increase will be made in guideline rents used for subsidy purposes. This lost income would be recompensed by CLG but a year in arrears.
- b) A national review is currently being undertaken that could easily have negative consequences for Slough as much as beneficial gains.
- c) The results of the equal pay / job evaluation process with People 1st (Slough) allowed for in the estimates could be insufficient and additional funding from the HRA may be required to cover back dated or future ongoing costs.

5.29 The Business Plan projections give the council a period of relative stability in the medium term with moderate in year surpluses and healthy balances. This should allow the council to deal with any unknown or unexpected challenges that may occur in the coming years. If anything of a catastrophic nature should occur the council will have a good level of reserves to deal with the problem or can reduce the commitment made to the environmental fund. It should also be noted that the majority of the People 1st (Slough) growth identified earlier is of a one off nature and is therefore non recurring.

5.30 One further risk is that while the reduction in right-to-buy sales has increased rental income, it has meant that the stock has stabilised in terms of its size but far greater levels of capital investment will be required as the decent homes programme will have to fund the improvement of an additional 250 homes from within a fixed budget. By 2012 this may mean that the HRA is required to contribute significant sums of revenue funding in the region of £2,000,000 to the capital programme in order to meet the governments targets.

6 **Comments of Other Committees**

The proposals contained within this report have been considered by the Finance Sub-committee and Management Board of People 1st who act as the Council's agents in relation to management of the HRA and their comments are contained within the body of the report.

7 **Conclusion**

Changes to the way that government funds council housing together with the challenging but timely savings targets adopted last year have meant that the HRA Business Plan is now sustainable into the medium term and has sufficient balances to allow significant new expenditure to clear historic backlogs of under investment.

8 **Appendices**

1 - HRA Budget 2008/09 and 2009/10

2 - HRA Business Plan Projections

9 **Background Papers**

'1' -

'2' -

	BUDGET 2008-09 £	Revised BUDGET 2008-09 £	BUDGET 2009-10 £
<u>INCOME</u>			
Dwellings Rents (net of Voids)	-25,472,840	-25,576,590	-27,090,540
Shops	-658,620	-630,930	-567,840
Garages	-517,740	-528,400	-499,340
Other Rents, Wayleaves & Income	-483,850	-459,180	-459,180
Tenant Service Charges	-1,142,150	-1,100,820	-1,128,340
Heating Charges	-133,350	-165,700	-174,810
Leaseholder Charges	-112,750	-845,000	-500,000
Supporting People	-595,000	-29,850	-29,850
Housing Defects Act Subsidy	-23,870	-8,960	0
	-29,140,170	-29,345,430	-30,449,900
<u>EXPENDITURE</u>			
Management Fee	5,760,350	5,172,910	5,465,350
Lettings	603,940	600,060	716,180
Hostels	128,350	126,160	129,510
Environmental / Grounds Maintenance	594,030	591,970	1,450,050
Utilities	395,100	409,180	522,550
Other Management General	1,316,680	1,317,590	1,128,160
Housing Repairs	5,546,000	5,546,000	5,904,660
Depreciation	4,738,000	4,721,790	4,841,380
Negative Housing Subsidy	8,680,020	7,823,430	7,528,840
Increase in Provision for Bad/Doubtful Debts	100,000	100,000	100,000
	27,862,470	26,409,090	27,786,680
<u>NET COST OF SERVICE</u>	-1,277,700	-2,936,340	-2,663,220
Capital Charges - Interest & Debt Management	87,900	206,400	670,400
Amortised Premiums & Discounts	1,372,270	1,371,270	1,372,270
Interest Receivable	-644,820	-18,880	-12,880
Expected Return on Pension Assets	0	-8,300	-8,300
<u>NET OPERATING INCOME / EXPENDITURE</u>	-462,350	-1,385,850	-641,730
Brought Forward Working Balance	3,186,000	5,354,000	6,953,850
Surplus / Deficit for year(-)	-462,350	-1,385,850	-641,730
Interest on Balances	-210,000	-214,000	-278,000
Balance C/Fwd	3,858,350	6,953,850	7,873,580

Note – the above figures include provision for a 6.3% average rent increase and all service development bids.

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	2008.09	2009.10	2010.11	2011.12	2012.13	2013.14	2014.15	2015.16	2016.17	2017.18	2018.19	2019.20	2020.21	2021.22	2022.23
Dwelling rent income	-25,576	-27,091	-28,140	-29,712	-31,352	-33,062	-34,030	-35,028	-36,055	-37,110	-38,197	-39,315	-40,464	-41,646	-42,863
Service charges	-2,140	-1,831	-1,804	-1,804	-1,803	-1,803	-1,802	-1,801	-1,801	-1,800	-1,800	-1,799	-1,798	-1,798	-1,797
Non dwelling rents	-1,090	-1,027	-1,055	-1,084	-1,114	-1,145	-1,176	-1,208	-1,241	-1,275	-1,310	-1,346	-1,383	-1,421	-1,460
Housing Subsidy	7,816	7,521	8,283	8,977	11,302	12,523	13,154	13,691	14,247	14,822	15,431	16,059	16,708	17,377	18,068
Garages	-528	-499	-513	-527	-541	-556	-571	-587	-603	-620	-637	-655	-673	-692	-711
Income	-21,518	-22,927	-23,229	-24,150	-23,508	-24,043	-24,425	-24,933	-25,453	-25,983	-26,513	-27,056	-27,610	-28,180	-28,763
Management Fee	5,173	5,470	5,668	5,870	6,080	6,298	6,523	6,756	6,997	7,245	7,495	7,753	8,020	8,297	8,582
Retained HRA	3,037	3,946	3,987	3,499	3,630	3,766	3,907	4,054	4,206	4,364	4,528	4,698	4,874	5,057	5,247
Bad Debt Provision	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Repairs & Maintenance	5,546	5,905	6,100	6,328	6,566	6,812	7,067	7,332	7,607	7,892	8,188	8,495	8,814	9,145	9,487
Depreciation	4,722	4,841	4,960	5,081	5,205	5,331	5,461	5,594	5,730	5,869	6,012	6,158	6,307	6,460	6,617
Expenditure	18,578	20,262	20,814	20,879	21,581	22,306	23,058	23,836	24,640	25,470	26,323	27,205	28,115	29,058	30,034
Net Cost of Services	-2,940	-2,665	-2,415	-3,271	-1,927	-1,736	-1,367	-1,097	-812	-513	-189	149	505	879	1,271
Interest charges & DME	1,576	2,043	2,465	2,886	1,725	1,725	1,725	1,725	1,725	1,725	1,725	1,725	1,725	1,725	1,725
Interest income	-19	-13	-13	-13	-13	-13	-13	-13	-13	-13	-13	-13	-13	-13	-13
Operating income / expenditure	-1,383	-635	37	-398	-215	-24	345	615	900	1,199	1,523	1,861	2,217	2,591	2,983
(Surplus) / Deficit	-1,383	-635	37	-398	-215	-24	345	615	900	1,199	1,523	1,861	2,217	2,591	2,983
Reserve brought forward	5,354	6,952	7,865	8,142	8,866	9,436	9,837	9,886	9,666	9,153	8,320	7,131	5,555	3,561	1,112
Notional interest (enter)	-214	-278	-315	-326	-355	-377	-393	-395	-387	-366	-333	-285	-222	-142	-44
Reserve carried forward	6,952	7,865	8,142	8,866	9,436	9,837	9,886	9,666	9,153	8,320	7,131	5,555	3,561	1,112	-1,826

This page is intentionally left blank

SLOUGH BOROUGH COUNCIL

REPORT TO: Overview & Scrutiny Committee
2009

DATE: 5th February

CONTACT OFFICER: Andrew Blake-Herbert, Strategic Director of
Resources
(For all enquiries) (01753) 875300
Roger Parkin, Strategic Director of Improvement &
Development (01753) 875207

WARD(S): All

PART I
FOR CONSIDERATION

PERFORMANCE AND FINANCIAL REPORTING FOR 2008/09

1 Purpose of Report

This report highlights the Council's overall performance from delivery of service to financial management. This month the report focuses on performance management, debt recovery, Human Resources 2nd quarter information, the revenue monitoring position and the capital monitoring programme to December 2008.

2 Recommendation(s) / Proposed Action

That the following aspects of the report be noted:

- i. Performance
- ii. Debt Recovery
- iii. Human Resources
- iv. Financial performance – revenue
- v. Financial performance – capital

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.

Performance and 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 Other Implications

(a) Financial

These are contained within the body of the report.

(b) Human Rights & Other Legal Implications

While there are no Human Rights Act implications arising directly from this report, the Authority is required to set and maintain an adequate level of balances. The Council operates within a legislative framework in the recruitment, employment and management of its workforce. The provision of workforce information ensures that our performance in areas can be monitored at a strategic level across the organisation.

Housing and Council Tax Benefit administration is governed by detailed statutory requirements.

All counter fraud enquiries and operations are carried out in compliance with the Human Rights Act, the Regulation of Investigatory Powers Act, Police and Criminal Evidence Act, and the Criminal Procedures and Investigations Act. The procedures developed from this legislation have been validated by the Council's Legal section

5 Supporting Information

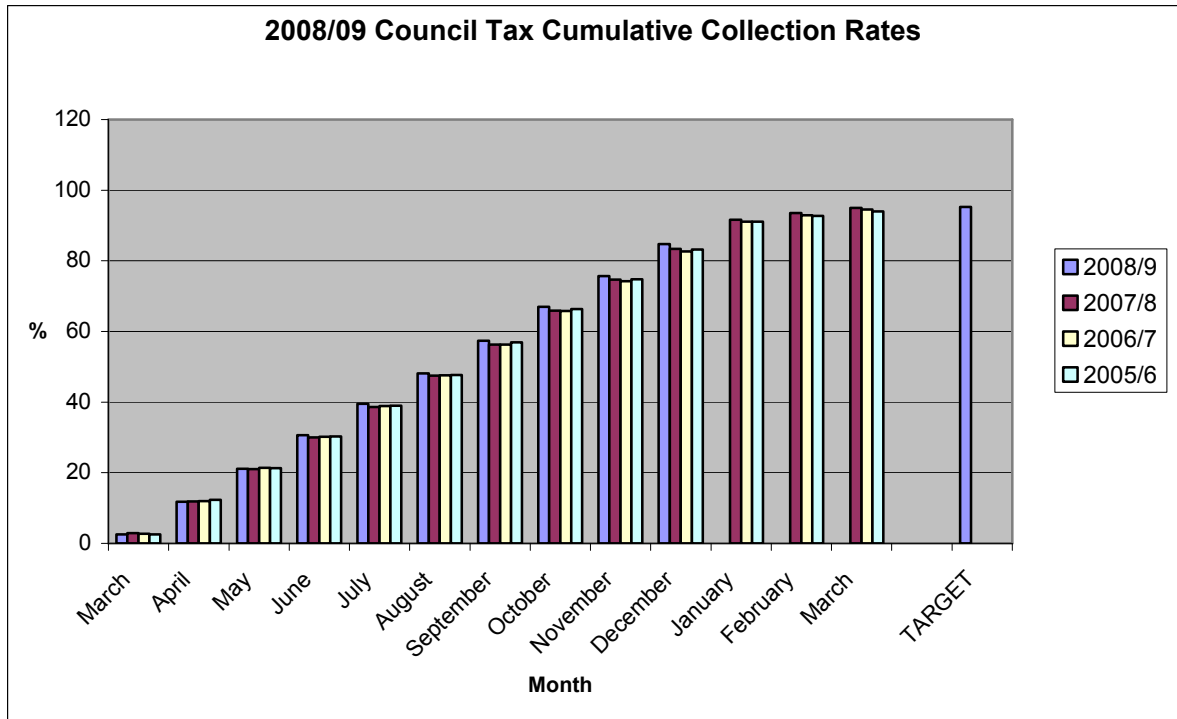
Performance Management

- 5.1 The new National Indicator Set (NIs) replaces the previous Best Value Performance Indicators. The LAA (Local Area Agreement) indicators have been selected from the National Indicator Set and agreed by GOSE. The agreed list was published at the end of May. The Council will be assessed against its performance against all 198 indicators through the Use of Resources Assessment.
- 5.2 At the point of sign-off in June 2008, a number of LAA targets (12) remained incomplete. As such there were elements of individual targets (baselines and incremental targets over the three-years) which still had to be negotiated and agreed. This was due to a number of factors including insufficient information being available at that stage (including the absence of Place Survey data [available in February 2009], the absence of data stemming from the TellUs survey [released in December 2008] and the series of definition related updates for those indicators originally designated as place holders.
- 5.3 Based on discussions held at the LAA Refresh/Review Development Group the following 3 indicators have been identified as being particularly vulnerable to the recession and will be subject to renegotiation with GOSE, these indicators are:
1. NI 16 Serious acquisitive crime
 2. NI 20 Assault with injury crime rate
 3. NI 152 Working age population claiming out of work benefits

- 5.4 Officers are currently collating the data for the third quarter performance against the National Indicator set for future reporting purposes. Information will also to be provided regarding the performance against the LAA and local indicators targets.
- 5.5 The Council wide Balanced Scorecard will be produced quarterly to inform Members of the Councils overall performance in critical service areas.
- 5.6 It is intended to use this report to highlight areas where performance may need improvement and proposed corrective measures to address such issues. Officers are currently aligning the budget setting and business planning process and a revised approach to service planning is currently being introduced across the Authority.

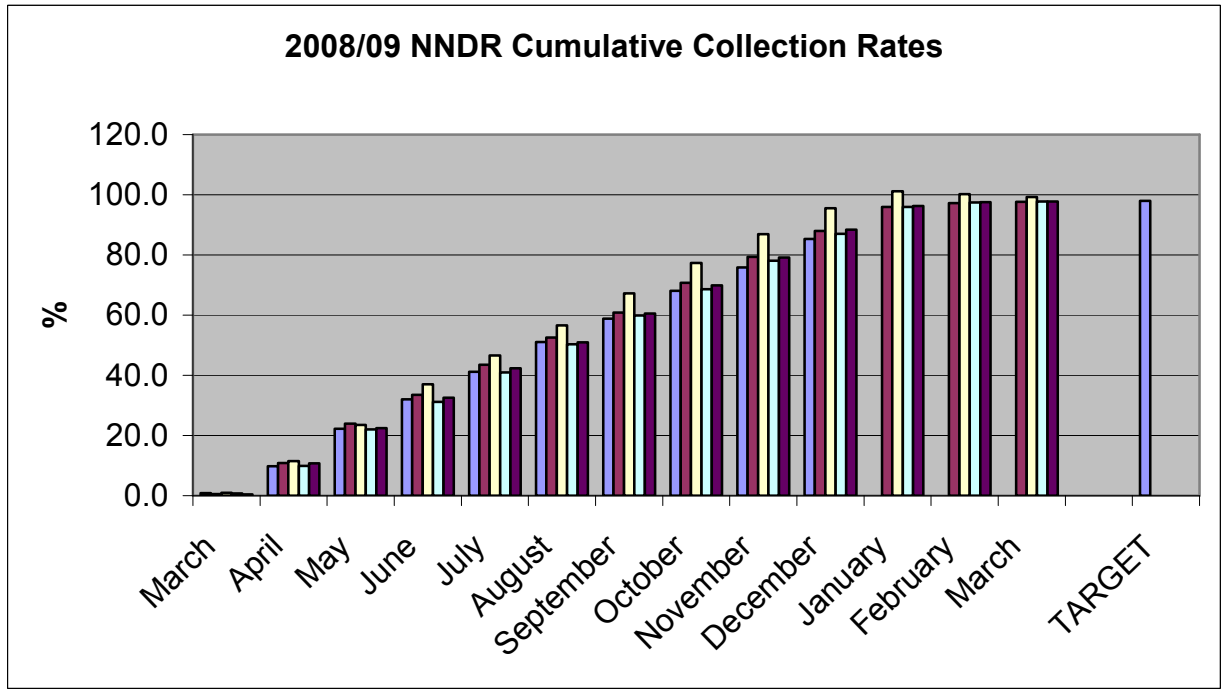
Debt Recovery

- 5.7 As we work through the second half of 2008/09, this report will give a monthly update of the Council's overall debt position, focusing on Council Tax and Business Rates collection, and the Accounts Receivable Ledger.
- 5.8 Council tax collection is showing an improved position for this time of year compared with previous years, coming in at 84.7% by the end of December 2008. This year's performance is the highest single in year collection rate, so if this trend continues will result in an improved final position, although the current world economic situation may impact on individuals ability to pay



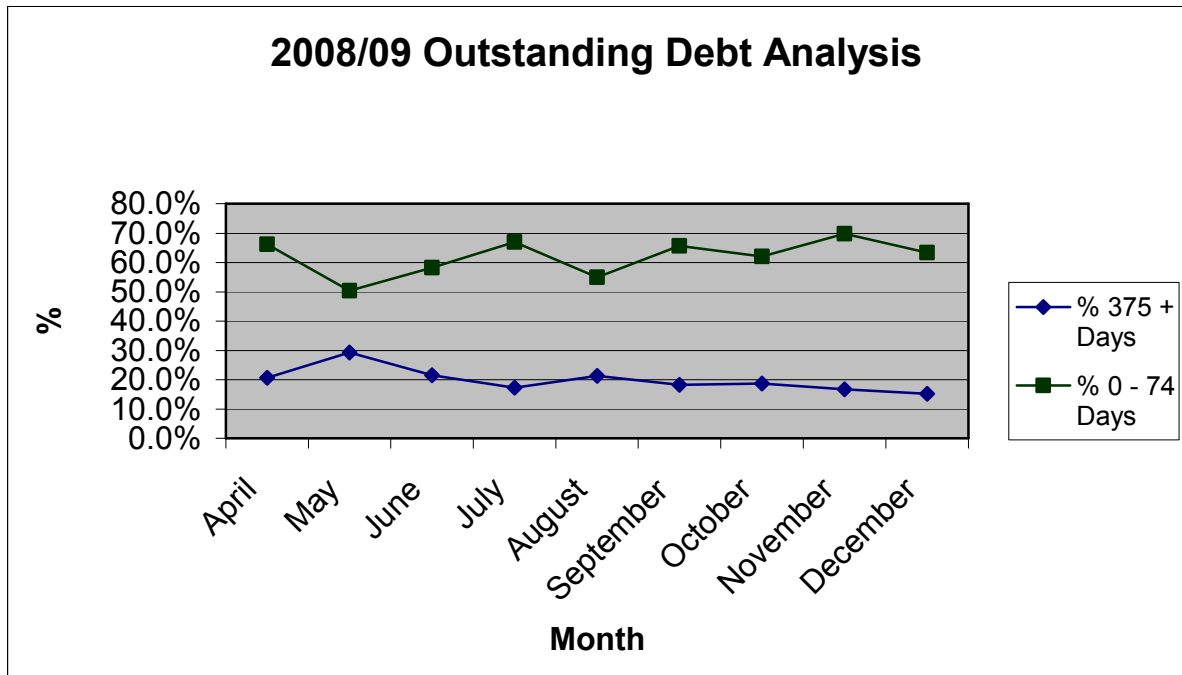
5.9 NNDR collections continue to slowdown this period, as compared with the previous two years. This may be due to resistance to the change in legislation for 2008/09 regarding the payment of full rates for empty premises.

5.10 This has resulted in the amount of net collectable debt increasing by £13m from the previous year. This continues to place a significantly increased burden on the team and officers are reviewing the actions that can be taken to try and turn this situation round.



5.11 With respect the Accounts Receivable system, the Council currently has outstanding debts of £5.4m at the end of December.

5.12 Of this, approximately £3.4m is less than 74 days overdue representing 63.4% of the total outstanding debt and approximately £824k is older than 375 days representing 15.2% of the total outstanding debt.



Human Resources

- 5.13 The Council collects vital HR information in support of the development of policies, practices, systems and approaches to: be an employer of choice; be a learning organisation; and ensure employee well-being and safety as well as influencing the development of management capability and capacity. In addition the results are used for external benchmarking and BVPI purposes.
- 5.14 Appendix B of this report sets out the HR quarterly statistics for quarter 2, 1st July – 30th September 2008. The figures are based on council employees only, and therefore exclude school employees.
- 5.15 It should be noted the establishment of the Resources and Improvement and Development Directorates has led to a number of services coming together under these new directorates and known changes have been built into the development of this quarter's statistics. This means that it is more difficult to make meaningful comparisons against previous years at directorate level as it is no longer possible to compare like with like. It is also recognised that staffing structures will be developed further over the coming months and that changes are likely to arise which will further distort staff groupings making comparison with previous years even more difficult.
- 5.16 On occasion it is necessary to make a retrospective adjustment to any particular quarter's statistics after preparation and reporting to ensure that delayed returns are incorporated to maintain accurate statistical information. This may lead to slight variation between figures reported at a particular point in time and subsequent references.
- 5.17 In relation to this quarter's statistics areas to particularly note include:
- 5.18 **Turnover** is 0.7% lower for quarter 2 (2.5%) compared with the same quarter last year (3.2%). This may be because of the continued restraint in making appointments, to non critical posts. If turnover trends continue unchanged throughout the year it is projected that there will be a 1% decrease in turnover compared to last year.
- 5.19 Further information is being provided in respect of leavers. Information regarding voluntary leavers (used to calculate turnover) is now being supplemented by further information on all leavers by showing terminations for reasons other than voluntary resignation.
- 5.20 **Sickness Absence** – Sickness levels per FTE are 0.6 days lower than for quarter 2 last year with a projection of 1.4 days less for the year subject to sickness levels remaining unchanged. Absences attributable to infection continue to be highest cost of sickness absence whilst stress absence remains under review. The HR Business Partners in conjunction with Managers have continued to target areas of high sickness absence through greater occupational health referral and also through formal reviews as part of the sickness absence procedure. The Council has sourced an Interim Occupational Health provider Health

Management Ltd (HML) with effect from 1st January 2009 to ensure a seamless transaction following the previous (Vitality) provider's withdrawal from the Occupational Health market. A tender process to select a new provider will follow.

- 5.21 **Workforce Profile** – The number of staff from BME backgrounds has continued to rise with this quarter showing a rise of 0.6% (to 39.7%) of those declaring ethnicity spread across the categories. The gender breakdown of the staff has remained relatively stable at 70:30 in favour of females which is typical of local government nationally. The number of staff declaring a disability has continued to rise to 5.9% from 5.7% last Quarter. Our staff age profile shows no significant changes to the age and services profiles, with 27.2% of staff in the 40-49 age category and 27.3% of staff having worked for the Council for between 6 and 10 years.
- 5.22 The workforce profile continues to show year on year improvements towards being representative of the community that the Council serves, however, in viewing these figures it is important to be mindful that in many categories small numbers are being recorded and one person starting or leaving can make a dramatic positive or negative change.

Financial reporting

- 5.23 The Council's 2008/09 net revenue budget is £98m. This excludes the schools' budget of £89m which is funded through the Dedicated Schools Grant.
- 5.24 A number of the Council's services are demand led services for which budgets for 2008-09 have been set on known placements and client activity at a point in time. Clearly these areas are subject to constant review as client levels change and thus subject to pressures that are not directly controllable. As we work through the winter quarter there is likely to be an impact in particular around Adult Social Care services.

Projected Outturn Position at 31st December 2008

- 5.25 There is currently a projected overspend by Directorates of £260k, a reduction of £150k from that reported to Cabinet on 19th January 2009
- 5.26 Corporate pressures stand at £1.7m making a total projected overspend of £1.11m. The Projected Outturn position is analysed in Table 1 below.

Table 1 - Projected as at 31st December 2008

Directorate	Current Budget B	Projected Outturn C	Variance Over/(Under) Spend D = C - B	Variance Over/(Under) Spend Cab (19.1.09)	Movement
	£'M	£'M	£'M	£'M	£'M
Education and Childrens Services	25.63	25.10	(0.53)	(0.56)	0.03
Community and Wellbeing	31.17	31.63	0.46	0.46	0.00
Green and Built Environment	26.39	26.57	0.18	0.36	(0.18)
Central Directorates	24.46	24.61	0.15	0.15	(0.00)
Total Cost of Services	107.65	107.91	0.26	0.41	(0.15)
% of revenue budget over/(under) spent by Services			0.24%	0.38%	
Treasury Management	(1.63)	(4.63)	(3.00)	(3.00)	0.00
Contingencies & earmarked reserves	0.09	2.09	2.00	2.00	0.00
Corp pressures and savings	0.00	1.70	1.70	1.70	0.00
Area Based grant	(7.56)	(7.56)	0.00	0.00	0.00
Total	98.55	99.51	0.96	1.11	(0.15)
% of revenue budget over/(under) spent in total			0.97%	1.13%	

5.27 Full details of variances to budgets by Directorates are set out in Appendix B to this report.

Movement in Variances Month on Month

5.28 The Directorate of Education and Children Services are reporting an increase in their underspend of (£36k) to give a net under spend of (£530k). There are movements in variances across all their services but the most significant are:

- Children & Families – There has been an overall increase in expenditure of £108k, due to additional fostering and adoption placements made along with an emergency placement made this month;
- Raising achievements – Savings are expected due to the identification and reduction of discretionary spend along with the delay of non-critical office-type expenditure;
- Resources, Commissioning & Performance – Savings are projected in relation to a 2009/10 savings item being brought-forward and implemented during the current financial year;

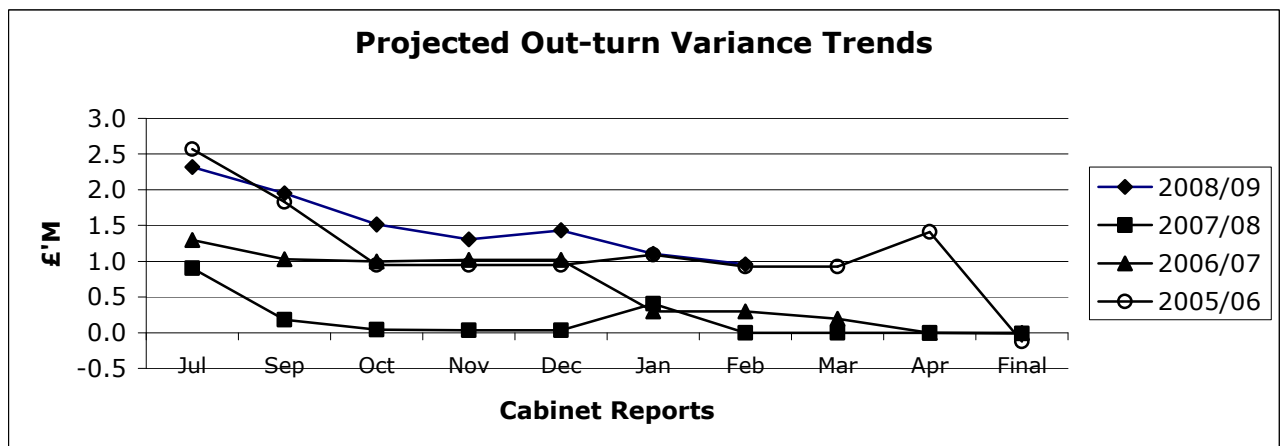
5.29 **Community and Well Being**, the Directorates overspend remains unchanged with pressures in the Adult Social Care area being partially offset by savings forecast in light of the moratorium on spending;

5.30 **Green and Built Environment** are showing a decrease in their overspend of £180k. This has been achieved by the reduction of staff costs and general running costs, the capitalisation of costs in relation to the new red bin scheme.

5.31 **Central Directorates** are reporting an overspend of £150k showing no change from the position reported last month.

5.32 **Treasury Management** is reporting an overall in-year saving of £3m. This is mainly due to the high money market rates to date. However, due to the reduction in base rates and expected further reductions in interest rates with result in a reduction of future investment income which will impact on the Council's ability to meet it's debt charges in forthcoming years. It would, therefore, be prudent to set aside at least £2m to help fund these costs so as not to impact on the overall revenue budgets. As previously reported £1m has been set aside as a contingency to meet any impairment costs of Heritable Bank.

5.33 Figure 1 below illustrates the trends in Projected Outturn reported to Cabinet since July 2005/06.



5.34 Directorates continue to work on their action plans to contain pressures by the year end. CMT has issued enhanced purchasing rules to reduce, if not eliminate, any non-essential spend between now and the end of March 2009. Savings options for 2009/10, as agreed with Members, have been re-issued for Officers to review and identify if any can be implemented in the latter months of 2008/09.

Virements

5.35 In accordance with the Financial Procedural rules, approval to virement requires the consent of officers and Members.

5.36 No virements were processed during December 2008.

5.37 The cumulative virement position by directorate as at the 31st December 2008 is given below:

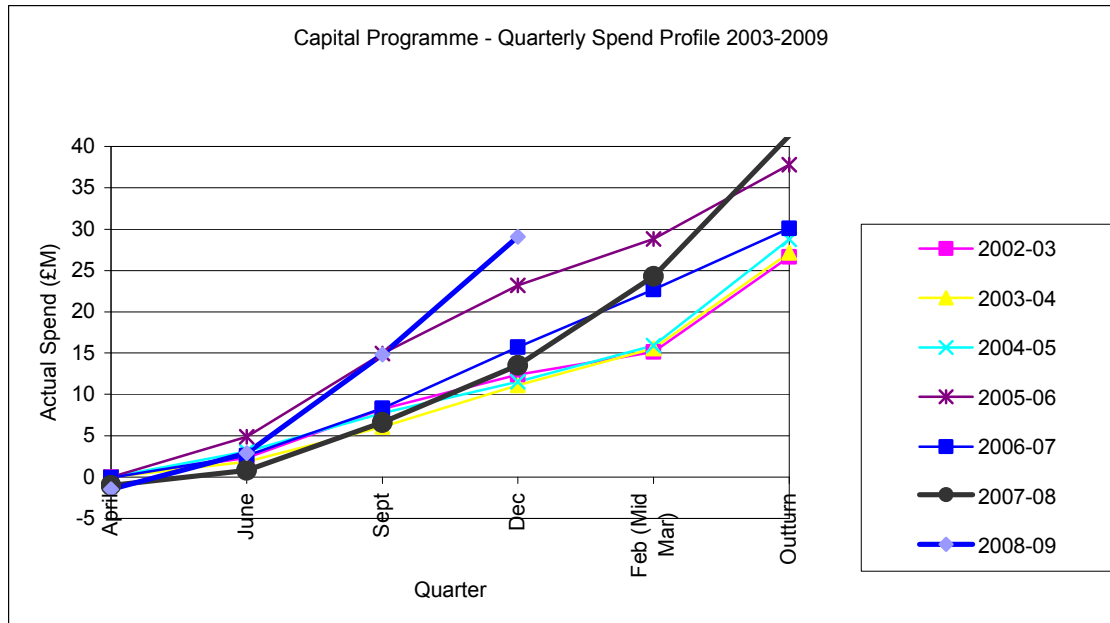
DIRECTORATE	VIREMENTS TO DATE (£)
Education & Childrens Services	(534,170)
Community & Wellbeing	(1,194,650)
Green & Built Environment	1,538,880
Central Directorates	5,135,970
Total Services	4,946,030
Contingencies, Reserves & Other	(4,946,030)
Total	0

2008-2009 Capital Programme Monitoring to December 2008

5.38 The actual capital spend to December 2008 is summarised below with details on the “High value/Priority” schemes shown in Appendix C.

These also show a profile of the budget and the level of capital budget committed to-date. The definition of committed budget is “where the contract has been let and the value of either goods or services will be delivered by 31st March 2009”. Prudential indicators as at December 2008 are set out in Appendix D.

5.39 The current level of committed budget for the General Fund account is 67% and for the HRA it is 83%. The actual spend to date is higher than average for this period in comparison to previous years as shown graphically below. The profiles of spend show that the majority of the expenditure will occur in the last half of the year. Usable capital receipts of £0.635 million for General Fund and £0.870 million for Housing have been received this year to date.



SUMMARY OF CAPITAL PROGRAMME 2008 /2009

Line	Summary	2008/2009	2008/2009				2008/2009	2008/2009	Variance	% Actual
		March 2008	March 2009	Budget Committed to Date	Variance to Provisional	% Committed To Budget	Budget Profile to Dec.	Spend per Oracle to Dec. 08		
		£'000	£'000	£'000	£'000	%	£'000	£'000	£'000	%
	EXPENDITURE									
	GENERAL FUND PROGRAMME									
1	Community and Wellbeing	2,566	2,637	1,405	1,232	53.3%	1,022	550	-472	53.8%
2	Education and Children's Services	14,542	19,279	15,654	3,625	81.2%	12,299	10,742	-1,557	87.3%
3	Green and Built Environment	10,614	10,287	8,397	1,890	81.6%	5,713	4,344	-1,369	76.0%
4	Green & Built Environment: Afford. Housing	2,223	2,207	1,230	977	55.7%	686	511	-174	74.6%
5	Resources/Improve & Development/C. Executive	12,738	9,205	3,500	5,705	38.0%	2,075	2,227	152	107.3%
6		42,683	43,615	30,186	13,429	69.2%	21,794	18,374	-3,420	84.3%
	HOUSING REVENUE ACCOUNT									
7	Housing Revenue Account	12,822	21,309	17,729	3,580	83.2%	11,761	10,731	-1,030	91.2%
8		12,822	21,309	17,729	3,580	83.2%	11,761	10,731	-1,030	91.2%
9	TOTAL CAPITAL PROGRAMME	55,505	64,924	47,915	17,009	73.8%	33,555	29,105	-4,450	86.7%
	SOURCE OF FINANCING									
	GENERAL FUND PROGRAMME									
10	Capital Grants & Contributions	10,052	14,175				8,565			
11	Capital Fund	0	2,574				0			
12	Prudential Borrowing	6,393	15,964				661			
13	Capital Receipts	26,238	10,902				9,148			
14		42,683	43,615				18,374			
	HOUSING REVENUE ACCOUNT									
15	Capital Grants & Contributions	0	91				0			
16	Revenue / Major Repairs Allowance	4,283	7,917				6,973			
17	Prudential Borrowing (Including ALMO)	8,539	10,385				3,758			
18	Capital Receipts	0	2,916				0			
19		12,822	21,309				10,731			
20	TOTAL FINANCING	55,505	64,924				29,105			

6. Conclusion

Members will receive a joint summary report covering Resources and Performance Management at each meeting in 2008/09.

Directorates continue to work on their action plans to contain pressures by year end including ensuring officers respond to action in the monitor email recently circulated by the Strategic Director of Resources.

7 Appendices Attached

- A** Human Resources 2nd quarter 2008/09 statistics
- B** Schedule of Directorate Variances to Budget 2008/09
- C** Capital – “High Value/ Priority” Schemes

8 Background Papers

- ‘1’ Finance Detailed working papers are held in Corporate Finance and the relevant departments.

Indicators..... at-a-glance (July - September 2008)

Workforce Profile as at 30th September 2008

Headcount	1749	FTE*	1372.3
Vacancies#	706	Disability	5.9%
BME**	39.7%	Non BME	60.3%
Female	70.9%	Male	29.1%

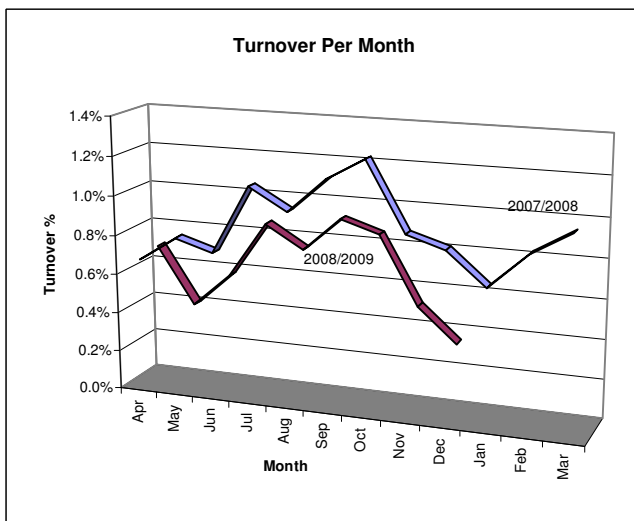
* FTE = Full Time Equivalent

** BME = Black and Ethnic Minorities (of those declaring)

Vacancies = Posts Vacant

The workforce profile continues to show an increase in its percentage of staff from BME groups, up again from last quarter to 39.7% having risen by 2.8% in the last 2 years (September 2006 36.9%). The Asian or Asian British ethnic category saw the largest percentage increase in staff. Staff declaring themselves to have a disability has risen again to 5.9%, up 1.6% from September 2006 (4.3%). There have been no significant changes to the age and service profiles, with 27.2% of staff in the 40-49 age category and 27.3% of staff working for the council between 6 and 10 years, both the highest percentage totals in their respective categories. See page 4 for further information.

Turnover

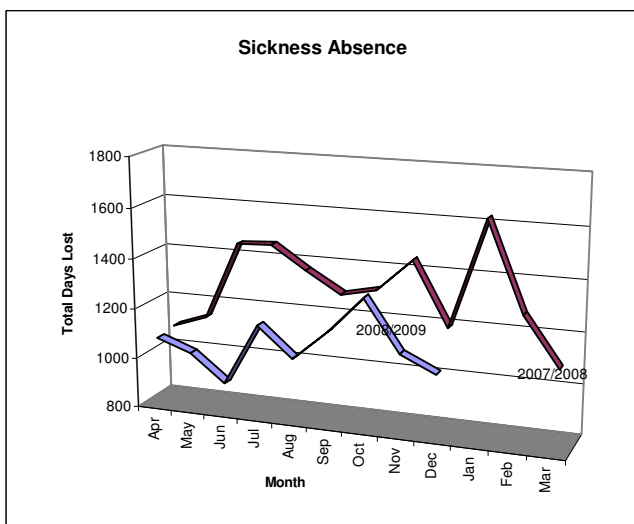


*2008/2009 9.8%
 Quarter 2 2008 2.5%
 2007/2008 10.8%
 Quarter 2 2007 3.2%

The chart opposite is showing a similar pattern to last year, however currently the projected yearly turnover is down on last years result by 1.0%. The turnover rate is calculated using the 'resignation' reason only in line with other local authorities. The quarter 2 result for 2008/2009 is 0.7% lower than the same period last year. Further details are given on page 2.

* Projection

Sickness

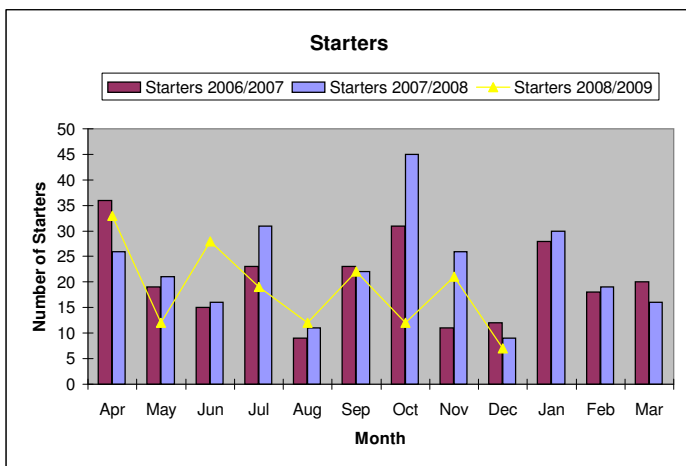


*2008/2009 10.6
 Quarter 2 2008 2.5
 2007/2008 12.0
 Quarter 2 2007 3.1

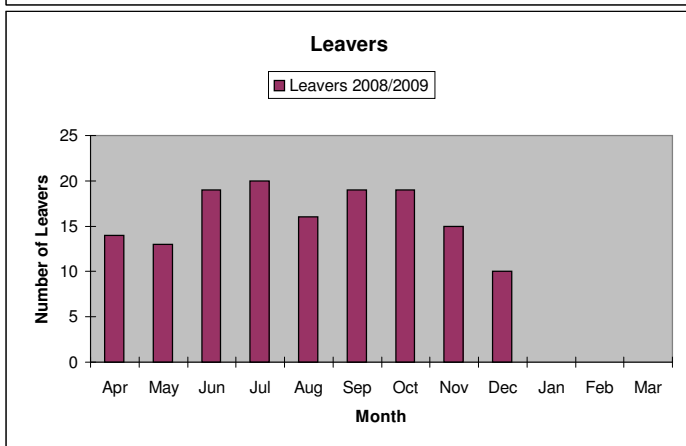
The chart opposite, shows the overall council sickness below the total sickness recorded for the same period last year, with the projected days lost per FTE currently showing 10.6, 1.4 days less than last years actual figure. The total cost of sickness this quarter was £256,825 with 3403.0 days lost. Sickness taken as 'stress' had the highest absence this quarter, losing the council £39,109 in salary costs. 26.2% of the total sickness was taken by staff earning less than £15,000. Further details of sickness are given on page 3.

* Projection

Starters & Leavers (July - September 2008)



The chart opposite shows the number of starters in August and September on a par with previous years, however there was a slight downturn of starters in July, making the quarterly total slightly down on previous years. In total there were 53 starters, with the majority of starters in September (22). Most starters were in Education with 23.



There were 55 leavers in quarter 2, evenly spread amongst the 3 months, with 44 leaving through resignation. Education lost the most staff at 23, with 42% of them leaving in September. Community & Wellbeing had the next highest number of leavers with 19, 78.9% citing resignation as their reason for leaving.

Termination Reason	Total
Resigned	44
Retirement (Ill Health)	0
Retirement (Age)	1
Other*	10

The table shows the majority of leavers were due to resignation, however 18% stated other reasons for leaving. Of these reasons, the most notable were: 4 end of contract and 3 dismissals.

* Other consists of the following reasons: Compromise Agreement, Death in Service, Dismissed, Early Retirement, End of Contract, Left without notice, Redundancy (Voluntary and Compulsory) and TUPE transfers.

Workforce by Directorate & Vacancy Level - September 2008

Directorate	FTE	Full Time	Part Time	Vacancy Level (Posts)
Chief Executive	3.0	2.0	1.0	3
Community & Wellbeing	221.0	190.9	31.1	230
Education & Children's Services	231.2	171.9	59.3	250
Green & Built Environment	101.5	97.8	3.7	102
Improvement & Development	20.2	18.0	2.2	21
Resources	94.8	89.3	5.5	100
TOTAL	671.7	569.9	102.8	706

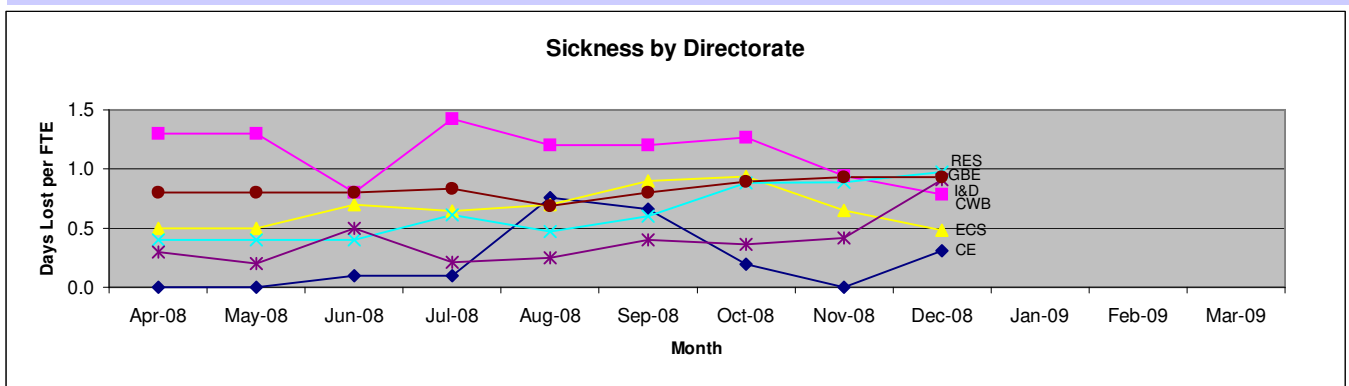
The vacancies recorded above are as reported to Human Resources by each directorate, and reflect the re-structure that took effect on 1st September 2008.

Sickness (July - September 2008)

Quarter 2

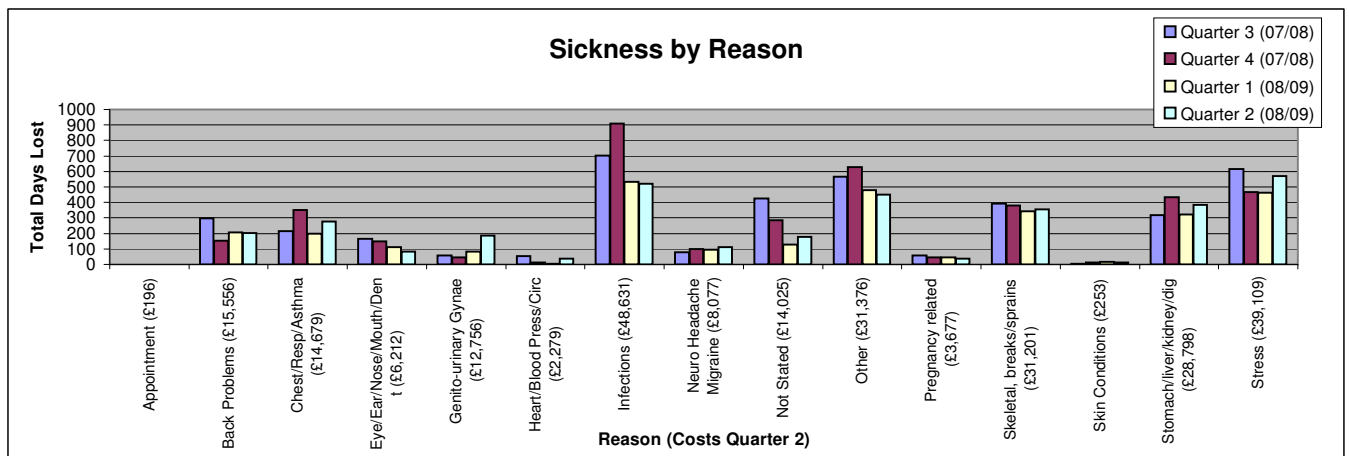
Directorate	Headcount	FTE	% of Workforce	Days Lost due to sickness	% of total days Lost	Days lost per FTE	Salary Cost of sickness
Chief Executive	26	25.0	1.8%	38.0	1.1%	1.5	£3,408
Community & Wellbeing	576	334.4	24.4%	1258.5	37.0%	3.8	£63,511
Education & Children's Services	463	377.2	27.5%	829.5	24.4%	2.2	£75,507
Green & Built Environment	239	226.1	16.5%	381.0	11.2%	1.7	£34,233
Improvement & Development	54	47.9	3.5%	39.0	1.1%	0.8	£4,550
Resources	391	361.7	26.4%	857.0	25.2%	2.4	£75,616
TOTAL	1749	1372.3	100%	3403.0	100.0%	2.5	£256,825

The number of days lost to sickness has increased by 379.0 days this quarter, increasing the number of days lost per FTE to 2.5 days, up from 2.2 in quarter 1. The salary costs lost to sickness has also risen by £34,208. Community and Wellbeing have the highest percentage share of days lost at 37.0%, and the most days lost per FTE at 3.8 up from 3.4. However the highest salary costs can be attributed to resources at £75,616 and Education & Children's Services with costs of £75,507. Overall, the Chief Executive's directorate has seen the largest increase in sickness in days lost per FTE up from 0.2 to 1.5.



Salary Band	Total Days Lost	%
<£15,000	891.5	26.2%
£15,000 to £19,999	990.5	29.1%
£20,000 to £24,999	409.5	12.0%
£25,000 to £29,999	637.5	18.7%
£30,000 to £34,999	235	6.9%
£35,000 to £39,999	177.5	5.2%
£40,000 to £44,999	39	1.1%
£45,000+	25.5	0.7%

Sickness by salary band shows more than half the sickness taken this quarter was by staff earning less than £20,000 (55.3%). There was also a rise in sickness taken by staff in the salary band £25,000 to £29,999, up 6.3% on last quarter. 25.4% of the sickness taken in the <£15,000 salary band was for stress, 39.7% of the total absence taken for stress. In the salary band £25,000 to £29,999, 28.5% of the sickness taken was for stress, with 21.5% of sickness recorded as other or not stated. 44.6% of the sickness taken for salary bands between £35,000 to £45,000+ was for Infections.



Stress was the highest cause of absence in Quarter 2 losing 571 days at a cost of £39,109, up again on last quarter. 34 people accounted for the total stress days taken, Community & Wellbeing losing the most days with 260.5. Infections still remains the sickness reason with the highest loss of salary costs at £48,631. Genito-urinary has seen a rise in sickness this quarter up more than 100% over the quarter from 83.0 days to 187.5. 19 people accounted for this sickness total. There were also significant increases in sickness reported as 'chest/respiratory' up 39.7%, and 'heart/blood pressure' up from 3 days to 36.

Workforce Profile - Ethnicity, Disability, Gender, Age Group & Service Length

Profile as at 30th September 2008

Total Workforce (excluding schools)

Ethnicity Breakdown	30-Sep-08		Slough Census Comparator
	Total	%	
(a) White		59.2	63.7 (-4.5)
British	906	51.8	58.3 (-6.5)
Irish	26	1.5	2.1 (-0.6)
Any Other White Background	103	5.9	3.3 (+2.6)
(b) Mixed		2.3	2.3 (0)
White & Black Caribbean	13	0.7	0.9 (-0.2)
White & Black African	8	0.5	0.2 (+0.3)
White & Asian	11	0.6	0.7 (-0.1)
Any Other Mixed Background	9	0.5	0.5 (0)
(c) Asian or Asian British		26.4	27.9 (-1.5)
Indian	237	13.6	14.0 (-0.4)
Pakistani	168	9.6	12.1 (-2.5)
Bangladeshi	4	0.2	0.1 (+0.1)
Any Other Asian Background	53	3.0	1.7 (+1.3)
(d) Black or Black British		9.1	5.1 (+4.0)
Caribbean	72	4.1	2.9 (+1.2)
African	75	4.3	1.9 (+2.4)
Any Other Black Background	13	0.7	0.2 (+0.5)
(e) Chinese or Other ethnic Group		1.1	1.0 (+0.1)
Chinese	10	0.6	0.3 (+0.3)
Other Ethnic Group	9	0.5	0.7 (-0.2)
Non Disclosure	25	1.4	
Blanks	7	0.4	
Ethnic Minority employees (Headcount)	682		
Total Headcount (Full time and Part time permanent staff and staff on temporary contracts of >12 months as per BVPI guidance)	1749		

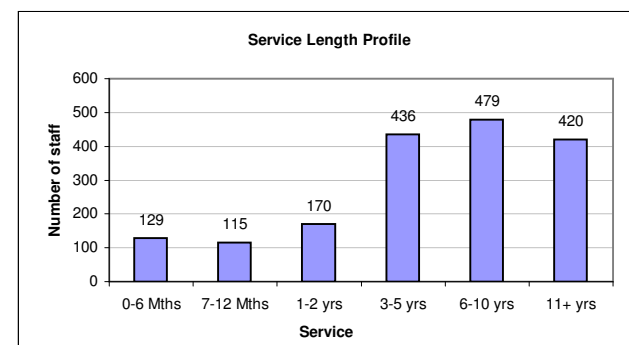
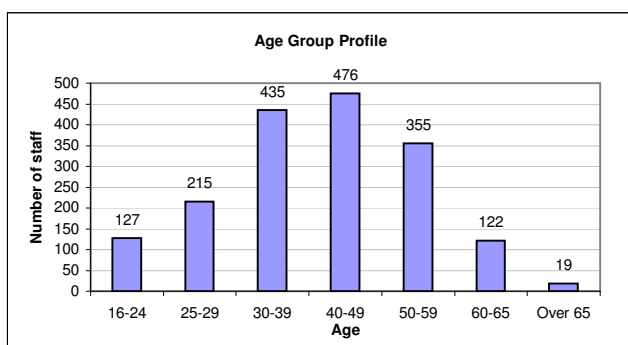
Ethnic Minorities represent 39.7% of those declaring ethnicity,
39.0% of total headcount

White represent 60.3% of those declaring ethnicity, 59.2% of
total headcount

Total non-disclosure of ethnic background 1.8% of total
headcount.

Gender Breakdown	30-Sep-08		Slough Census
	Total	%	
Female	1240	70.9	50.2 (+20.7)
Male	509	29.1	49.8 (-20.7)

Disability Breakdown	30-Sep-08	
	Total	%
Yes	103	5.9
No	1528	87.4
Non Disclosure	72	4.1
Blanks	46	2.6



The ethnic profile for the council has shown a further increase this quarter in staff from ethnic backgrounds, up from 39.1% in Quarter 1 to 39.7% in Quarter 2 (+0.6%). The most significant rises were in the Asian or Asian British group, up from 25.6% to 26.4% (+0.8%), with Indian, Pakistani and Other Asian group all showing rises in percentage share. Both White and Mixed ethnic groups saw losses in all categories this quarter. The number of staff not disclosing an ethnicity has dropped again, down from 2.6% in quarter 2 2007/2008 to 1.8% in the same quarter 2008/2009 (-0.8%).

Although the number of staff has changed, the gender breakdown has shown no changes in the percentage spread of male and female staff over the quarter. The number of staff declaring a disability has increased this quarter, up by 0.2% to 5.7% of the workforce, continuing the upward trend.

The age profile shows 27.2% of the workforce are aged between 40 and 49, whilst 8% are aged over 60 years. The service profile shows 76.3% of staff have worked for the council more than 3 years, with 24.0% of staff working more than 11 years.

Summary Variance Analysis

For the Period Ended: 31st December 2008

Education & Childrens Services

Pressures / Savings	Projected Variance £'000	Description
Children & Families	430	<p>This reflects an increase in the number of external residential placements during the first part of this year together with the part year withdrawal of health funding for one client resulting in a cost pressure of £130k. Also an adverse pressure exists as a result of legislative change in respect of increased liabilities for children in Foster care that want to pursue Further Education which extends the borough's financial commitment to their foster support beyond their 18th birthday until they are 21, together with an increase in the number of clients and extensions to placements within foster settings costs £200k.</p> <p>The Public Law Outline (PLO) will replace the existing Protocol for Judicial Case Management in Public Law Children Act Cases from 1 April 2008 which aims to reduce unnecessary delay and is designed to promote better co-operation between all the parties involved in care and supervision cases. A result of this is that there has been a dramatic increase in the demand placed upon the provision of Family Group Conferences which is expected to create a pressure of £50k.</p> <p>A continued trend of increases in demand led intervention to prevent children from becoming looked after evidenced from a previously raised issue regarding referral and assessment activity creates a pressure of £90k. Linked to this an increase in the number of foreign clients requiring support has produced a pressure in respect of the interpretation services being accessed at a cost of £40k.</p> <p>Clients leaving care qualify for financial allowance support for 3 years up until their 21st birthday (or 24th depending on whether they pursue FE). A detailed analysis of activity indicates that not all clients exercise this right following changes in their circumstance thus resulting in a cost reduction to the borough. The cost of providing supported lodgings for children leaving care is also expected to reduce this year following expectation that a publicity campaign to recruit carers will not take place until later this financial year. Together these 2 save £100k.</p>
Inclusion	(212)	<p>The requirement to support clients via direct payments has seen a reduction in the rate of growth that was previously experienced due to parental capacity saving around £40k. A reduction of 1 client from within a residential setting from a full year to a 3 month placement saves in excess of £40k. Other savings of £60k have arisen following the utilisation of DSG funds for additional management support and an extended period of unpaid leave for an employee.</p>
Raising Achievement	(381)	<p>An estimated under spend reflecting current school children take up linked to efficient procurement of contracts across Home to School, the successful sale of school crossing patrol services to schools and the application of grant funding to offset costs as a one-off in 2008-09.</p>
Resources, Commissioning & Performance	(363)	<p>Primarily as a result of successful negotiation to recover the costs of Capita EMS licences from schools saving £49k, the anticipated reduction in costs associated with both the Primary & Secondary Assessment centres, each of £50k, the expected underspend on the joint arrangement for Teachers Premature Retirement Costs of £23k and an underspend on the budget b/fwd to undertake school suitability surveys of £16k. Savings from the PFI c/fwd request following a reduction in services accessed and deliberate management action across several budget heads have contributed further savings of approximately £100k.</p>
	(526)	

Community & Wellbeing

Pressures / Savings	Projected Variance £'000	Description
Care Packages	666	This is due to overspends of £277k on residential care; £103k on nursing care and £197k on Direct Payments (all client groups), and offset by an underspend of £7k on Day, Home & Other Care.
Internal Residential Homes	278	These are additional costs being incurred by the Internal Residential Homes mainly due to the reprovision programme, and includes an overspend of £134k relating to Langley Day Centre which has not been closed/ changed in line with the 2008-09 Star Chamber decision.
Staffing and Other Budgets	(484)	This has a net underspend due to vacancies and includes a significant under spend of £160k relating to social work teams and other services in Business Resources & C&CE. This is partially offset by an over spend due to unbudgeted legal fees.
	460	

Green & Built Environment

Pressures / Savings	Projected Variance £'000	Description
Waste Disposal	(75)	Contractual dispute - disposal of fridges offset by trade waste income maximisation; Capitalisation of costs and early service impact of the red bin recycling scheme.
Slough Enterprise/APCOA	40	Contracts - index linked inflation uplifts, partly offset by reduction in works programme.
Concessionary Fares	274	Increased demand/Shortfall of government grant
Housing	248	L & Q Housing - contractual settlement
Staffing	(300)	Potential savings from staff vacancies (net)
Other Variances under £50K (net)	(12)	Wexham Nursery rent income; Chalvey Depot business rates; Flood Defence Levy; Alcohol intervention; Joint Strategic Planning Unit; highways rents; traffic management.
	175	

Central Directorates

Pressures / Savings	Projected Variance £'000	Description
CSC	123	Targeted savings through BPR not likely to be achieved.
Fundamental Review	384	Anticipated savings not achievable due to delays in the implementation of the Fundamental Review.
Commercial Rents	171	Reduction in Commercial rental income due to a number of vacant units, unachievable accruals from last financial year and loss of income from Accord (c£74k).
Accommodation Strategy	287	Unachievable savings for Accommodation Strategy.
Capital Disposal & Feasibility costs	425	Pressure from Capital Disposal and Feasibility costs (figure to be confirmed).
Slough Music Event	74	Loss on the Slough Music Event.
Targeted Salary Savings	476	Targeted savings from Vacancy Factors/Self Funding Harmonisation.
All Cost Centres	(866)	Gross savings from vacant posts.
Building Maintenance	(100)	Savings on the costs of the corporate building maintenance contract.
Income	7	Expected additional income generated over all cost centres.
Running Costs	70	Additional running costs at St. Martin's Place (Service charges + Building Cleaning).
Running Costs	(44)	Miscellaneous Savings on Running Costs
All Cost Centres	(861)	Possible funding from contingencies & earmarked reserves.
	146	

CAPITAL PROGRAMME MONITORING 2008 / 2009

Line	EXPENDITURE	Funding Source	2008/2009	2008/2009	2008/2009	2008/2009	2008/2009	% of	2008/2009	2008/2009	% of
			March 2008 Budget £'000	July 2008 Approved Budget £'000	March 2009 Provisional Budget £'000	Spend per Oracle to Dec. 08 £'000	Variance to July 08 Budget £'000	Spend to July 08 Budget %	Budget Committed to Date £'000	Budget Profile to Dec. £'000	Spend to March 09 Budget £'000
	Community and Wellbeing										
1	Cippenham Library Extension	G	0	621	657	182	-439	29%	620	459	28%
2	Community Care / Day Care Project	M	584	459	459	6	-453	1%	300	306	1%
3	Herschel Park Project (Heritage Lottery Parks)	G / M	1,500	546	0	2	-544	0%	2	0	----
	Education and Children's Services										
4	Amalgamation/School Reorganisation - Lea School	M	2,287	1,584	1,069	738	-846	47%	1,366	584	69%
5	DDA/SENDA Access Works	G / M	300	247	247	121	-126	49%	125	152	49%
6	Education Capital - Improvements to Schools Portfolio	M	410	307	207	2	-305	1%	42	0	1%
7	Lynch Hill School - External Surfaces	G / M	295	370	201	22	-348	6%	200	370	11%
8	Slough & Eton CE School (TCF)	G / M	3,785	2,651	3,001	2,684	33	101%	2,851	2,651	89%
9	Wexham School for the Future (TCF)	G / M	2,908	6,301	6,301	3,201	-3,100	51%	6,735	4,341	51%
10	St. Mary's Graduated Childrens Centre	G	506	568	568	563	-5	99%	563	449	99%
11	Godolphin Infant - Roof Replacement	G / M	263	359	339	305	-54	85%	311	339	90%
	Green and Built Environment										
12	20 mph Speed Zones	M	300	281	281	16	-265	6%	281	155	6%
13	Art at the Centre - Revitalising the High Street	G / M	3,160	4,032	4,032	2,453	-1,579	61%	4,032	2,000	61%
14	Britwell & Northborough Regeneration	M	1,000	1,240	1,240	0	-1,240	0%			0%
15	Greener Travel	M	805	795	500	30	-765	4%	500	400	6%
16	Highway Reconfiguration & Resurface	M	600	600	600	258	-342	43%	600	400	43%
17	Housing Imp. Grants: Disabled Facilities (Mandatory)	G / M	503	642	642	415	-227	65%	642	276	65%
18	Housing Imp. Grants: Landlord (Private Rented)	G / M	558	454	214	44	-410	10%	42	84	21%
19	Housing Imp. Grants: Minor Works	G / M	300	300	300	19	-281	6%	130	170	6%
20	Local Safety Scheme Programme	M	375	373	150	8	-365	2%	60	200	5%
21	Street Lighting Improvements Programme	M	500	500	500	290	-210	58%	500	300	58%
22	Subway Closure Programme	M	375	375	0	0	-375	0%	0	250	----
23	Waste & Recycling Containers	M	1,075	1,075	1,125	310	-765	29%	1,085	1,075	28%
	Green & Built Environment: Affordable Housing										
24	A2 Housing - Slough Garages Phase 3 (Other)	G / M	0	420	420	0	-420	0%	420	0	0%
25	Sovereign HA - Misc. family homes purchases	G / M	0	500	160	0	-500	0%	0	250	0%
26	Warden - Slough Garages Phase 1	G / M	332	332	332	159	-173	48%	332	332	48%
	Resources/Improve & Development/C. Executive										
27	Accommodation Strategy	M	2,130	3,770	3,770	60	-3,710	2%	583		2%
28	Computer Hardware & Operating Systems	M	250	250	200	96	-154	38%	175	115	48%
29	Customer Service Centre	M	1,624	1,692	1,692	845	-847	50%	1,500	750	50%
30	DDA Improvement Works	M	1,000	500	280	219	-281	44%	208		78%
31	Heart of Slough Project	M	5,779	3,670	1,670	756	-2,914	21%	163	630	45%
	Housing Revenue Account										
32	ALMO - Internal Package Improvements	M	5,460	13,096	13,096	10,008	-3,088	76%	15,237	9,750	76%
33	ALMO - External Package Improvements	M	1,954	3,020	3,020	92	-2,928	3%	95	2,135	3%
34	Improvements for Sustainability	M	314	615	615	0	-615	0%	0	312	0%
35	Integrated Housing IT System	M	491	542	542	51	-491	9%	260	400	9%
36	Major Aids & Adaptions (C.Tenants)	M	682	788	788	434	-354	55%	1,187	585	55%
37	Window Replacement Programme	M	683	685	685	221	-464	32%	515	445	32%
38	Winvale Refurbishment	M	749	749	749	0	-749	0%	26	499	0%
39	TOTAL CAPITAL SPEND		43,837	55,309	50,652	24,610	-30,699	44%	41,688	31,164	49%

Appendix C Prudential Indicators

5. Prudential indicators as at 31st December 2008:

	Indicator	2008-09 July 08 Budget £'000	2008-09 Dec. 08 Actual £'000
1	Capital Expenditure General Fund HRA Total	45,077 21,309 66.386	18,374 10,731 29,105
2	Capital Financing Sources Grants & Contributions Capital Receipts Revenue and Major Repair Allowance Supported Borrowing Self Financed Borrowing Total	13,682 18,523 7,917 15,396 10,868 66.386	8,565 9,148 6,973 4,419 0 29,105
3	Capital Financing Requirement HRA General Fund Total CFR	7,591 41,678 49,269	964 26,460 27,424
4	Actual Net Borrowing	-2,571	-52,313
5	Authorised Limit for External Debt	113,000	75,000
6	Operational Boundary for External Debt	109,600	73,200
7	Incremental Impact on Band D Council Tax	-£0.25	-£15.02
8	TREASURY MANAGEMENT: (a) CIPFA Code Adopted (b) Interest Rate Exposure - Fixed Rate Borrowing - Variable Rate Borrowing (c) Investment Longer than 364 days (d) Maturity Structure of Borrowing: - Under 12 months - 1 to 2 years - 2 to 5 years - 5 to 10 years - 10 years+	Yes 75 - 100% 0 - 25% £35.000 0-25% 0-25% 0-50% 0-75% 25-90%	Yes 100% 0% £23.200 0.11% 4.22% 11.64% 23.43% 60.60%

PRUDENTIAL INDICATORS – A GUIDE

1. **Capital Financing Summary** – Although this indicator is not required by the Prudential Code, it is included within the monitoring so that the capital financing sources can be clearly identified.
2. **Capital Financing Requirement** – This is derived by aggregating specified items from the Council's balance sheet and represents the underlying level of borrowing required to finance historic capital expenditure. The actual **net borrowing** is lower than this because of the reserve part of capital receipts accumulated till 31st March 2004, the beginning of the Prudential system.
3. **Actual Net Borrowing** – represents actual long term borrowing needs (including forward funding for future years) less temporary investments. This is a key indicator and Section 3 of the Local Government Act 2003 requires the Council to ensure that net borrowing does not exceed the Capital Financing Requirement.
4. **Authorised Borrowing Limit and Operational Boundary for external debt** – the former represents a maximum limit for borrowing, which must not be breached and therefore additional headroom has been included to cater for unplanned cash flow situations. The latter is a better benchmark as it represents a more likely scenario.
5. **Incremental Impact on Band D Council Tax** – This represents the interest and Minimum Revenue Provision (Principal repayments) of all General Fund Borrowing gross of capital financing FSS. This indicator is calculated by taking the difference between debt charges based on the existing approved capital programme and the debt charges based on the actual spend to-date and dividing the result by the tax base for Council Tax. As the actual capital spend to the end of December 2008 has been funded mainly from capital grants and capital receipts, i.e. non-borrowing sources, indicator 7 reflects the negative impact on council tax compared to the July 2008 approved budget for the full year.
6. **Treasury Management** – these indicators form part of the treasury management strategy and policy statement approved each year before the beginning of the financial year. The main indicator is the adoption of CIPFA Code of Practice for Treasury Management, which the Council adopted before the current Prudential System was introduced.

**SLOUGH BOROUGH COUNCIL
OVERVIEW & SCRUTINY COMMITTEE
FORWARD AGENDA PLAN 2008/09**

Meeting	Policy Reviews, Etc.	Audit/Performance Monitoring/Other	Final Report Deadline (5 pm)
26th February 2009	<ul style="list-style-type: none"> • Chief Constable of TVP • Castleview Scrutiny • Update on Pertemps Contract (Y Harris) • Neighbourhood Shops Policy (N Aves) 	<ul style="list-style-type: none"> • Performance Report (A Blake-Herbert) 	13th February 2009
16th April 2009	<ul style="list-style-type: none"> • CAA Update (S Sharma) • Annual Scrutiny Report (S Sharma) 	<ul style="list-style-type: none"> • Performance Report (A Blake-Herbert) 	1st April 2009
Unprogrammed	<ul style="list-style-type: none"> • Outcomes of Ombudsman case re Supported Housing Complex (N Aves) • Outcomes of Housing Stock and HMO Surveys (N Aves) • Broom & Poplar – Performance of Pellings (A Blake-Herbert/S Pathak) • Post-implementation Review of Top 30 Capital Projects (A Blake-Herbert)(to be submitted as Reviews are completed) • Report on Property Disposals – Estate Shops/Windsor Road (M Jennings) • Member IT/Deliveries, etc (C Meek) • Implications of 3rd Heathrow Runway 		

This page is intentionally left blank