

## **SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Cabinet **DATE:** 20<sup>th</sup> September 2010

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**WARD(S):** All

**PORTFOLIO:** All

### **PART I** **NON-KEY DECISION**

#### **PERFORMANCE AND FINANCIAL REPORT FOR 1<sup>ST</sup> QUARTER 2010**

##### **1. Purpose of Report**

This Report details the Council's performance between 01 April – 30 June 2010 (unless otherwise specified) against the following key areas:

- Performance monitoring against the Corporate Balanced Scored Card and the LAA Balanced Score Card (Appendix A)
- Projects Management Monitoring (Appendix B)
- Staff Appraisals Update
- Safeguarding Training update
- Customer Services Review (Appendix C)
- Revenue and capital monitoring position to July 2010 (Appendices D, E and F)

##### **2. Recommendation(s) / Proposed Action**

The Cabinet is requested to resolve that the following aspects of the report be noted:

- I. Performance and Project management
- II. Staff Appraisals management
- III. Safeguarding Training management
- IV. Customer Services - Duty Desk Review
- V. Financial performance – revenue and 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.

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.

## **Community Strategy Priorities**

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

### **4. Other Implications**

#### (a) Financial

These are contained within the body of the report.

### **5. Supporting Information**

#### **5.1 Performance Monitoring Update**

5.1.1 The attached **SBC Corporate Scorecard** (Appendix A) provides members with an update on performance during the period 1 April to 30 June 2010, drawing attention to:

- I. to areas of exception
- II. areas of improved performance; and
- III. an assessment of where improvement actions are needed for performance to achieve end of year targets.

5.1.2 The Corporate Scorecard now covers all areas of the Councils activity, including Housing Service following its return into the Council.

5.1.3 The report comprises of exceptions from both:

- a) the **Balanced Score Card**– which relates to performance indicators selected by CMT members to determine the organisation health of the Councils, and
- b) the **LAA Score card** - which relates to indicators in the LAA.

5.1.4 A summary of the Council's performance over the 2009/10 period will shortly be published in the Annual Report which is currently awaiting an audit/sign off of the financial data.

#### **5.2 Project Management Update**

5.2.1 The Project tracker (Appendix B) has been updated for the period 1 April – 30 June 2010 and includes a confidence level based on how many elements of the PRINCE 2 process are in place using information collected from highlight reported completed so far.

5.2.2 The following assessment terms are used to indicate confidence:

- **Green** = where more than 2 elements of a project are in place
- **Amber** = where 2 elements of a project are in place
- **Red** = where less than 2 elements of a project are in place
- **White** = where performance has been unable to be categorised due to the desired information not currently being available.

5.2.3 **Summary:** The current register comprises 10 projects: 5 have carried over from 2009/10 and 5 new ones (SBC\_22, 24, 25, 26 and 27).

5.2.4 **Confidence level:** Of the 10 projects on the register, no projects have a confidence level of either red<sup>1</sup> or amber, while 7 are presently categorised green and 3 white. 2 projects (SBC\_10 and 22) have moved from amber to green during the reporting period.

5.2.5 **Project status:** Of the 10 projects on the register, 4 are white indicating that the project is yet to be fully launched with full project documentation, while 3 are green indicating progress is positive and 3 are amber indicating that some slippage has occurred.

Project UID	PROJECT	Gold project March 2010? Y/N	Confidence Level March 2010	Confidence Level June 2010	Project status June 2010
SBC_3	Neighbourhoods & Community Facilities	Y	Green	Green	Green
SBC_5	<b>REGENERATION:</b> Heart of Slough including Learning Curve	Y	Green	Green	no colour
SBC_6	<b>REGENERATION:</b> Britwell & Haymill Regeneration Programme	Y	no colour	Green	Green
SBC_10	Culture, Learning & Library Service Transformation Programme ( <i>including Library Services Transformation, Cultural Offer and Olympic, Sports &amp; Leisure Offer</i> )	Y	Amber	Green	Amber
SBC_12	Adult Social Transformation Programme	Y	Green	Green	Amber
SBC_22	Housing Futures (ALMO move)	N	Amber	Green	Amber
SBC_24	2011 Census	N	no colour	no colour	no colour
SBC_25	<b>REGENERATION:</b> Chalvey Regeneration Programme	N	-	Green	Green
SBC_26	School Places in Slough	N	-	no colour	no colour
SBC_27	Corporate Business Continuity	N	-	no colour	no colour

### 5.3 Staff Appraisal Update

5.3.1 Target: 1436 staff appraisals (100%) completed during the rolling reporting period 14 August 2009 to 13 August 2010. Number of appraisals completed in the period 14 August to 13 August = 705 (49%). Outturn for period 1 January 2009 - 31 December 2009 = 389 (27%)

#### Summary of appraisals completed by Directorates as at 13 August 2010

In the year to [13] August 2010	Whole council	Chief executive	Community and wellbeing	Education and children's services	Green and built Environment	Improvement and Development	Resources
No. of staff eligible for an appraisal	1436	19	392	435	204	195	191
No. of staff with a current appraisal	705	11	232	136	103	143	80
Percentage of staff with a current appraisal	49%	58%	59%	31%	50%	73%	42%
No. of appraisal left to complete	731	8	160	299	101	52	111

<sup>1</sup> the PMO report was scrutinised by SMTs and Directors prior to the collation of this report for CMT.



**5.3.2 Conclusion:** Despite a number of measures having been introduced during the last quarter to encourage the completion of appraisals (including increased promotion and e-learning training opportunities for managers etc) the rate of completion still remains relatively modest, with just a 22% increase in the number of appraisals completed in the year to 13 August 2010 compared to the 12 months to 31 December 2009

**5.3.3 Issues identified during the 1st quarter requiring resolution:**

- a) The success of the current system is wholly dependent on the attitude of individual managers. Some managers accept the responsibility of the task and are complying with the compliance target while others are neglecting this responsibility.

**Recommendation:** *A greater degree of ownership /responsibility amongst managers needs to be fostered over the autumn/winter of 2010 to increase the number of appraisals completed if we are to successfully reach our target. Steps should be taken to ensure that managers are fully committed to the idea of appraisals, and that the sheets provided by HR and performance showing completion at staff member level are used.*

- b) Establishment controls, continue to be a challenge: staff sickness, the status of sessional and part time employees and those on maternity leave continue to affect to cohort of staff to be assessed.

**Recommendation:** *Staff to be encouraged to share information on changes to establishment promptly with HR.*

- c) The current system only records the *quantity* of appraisals completed during a reporting period – not the *quality* of the appraisals undertaken. No independent audit is undertaken to determine whether the appraisals undertaken reach a published or recognised standard.

**Recommendation:** *Given the increase in the number of reports now being undertaken the opportunity to carry out a qualitative audit of a statistically viable*

cohort (selected at random from across the Council) now presents itself. The OD team will investigate the viability of this option and prepare a paper of how this process might work for CMT consideration.

## 5.4 Safeguarding Training update

5.4.1 During the period 4 February to 10 August 2010, 1056 employees received Child Protection Level 1 (CP1) training and 601 employees Safeguarding Adults Level 1 (SA1) training. A further 89 employees have booked to benefit from CP1 and 79 SA1 training up to an including 22 February 2011, bringing the total number of staff across the organisation who will have received this training to 1,825.

Directorate	<u>CP1 training held between 05/03/2009 - 10/08/2010</u>	<u>SA1 training held between 04/02/2009 - 03/08/2010</u>	<u>Total training held</u>	<u>CP1 training booked between 08/10/10 - 25/01/2011</u>	<u>SA 1 training booked between 07/09/2010 - 22/02/2011</u>	<u>Total training to be held</u>
ECS	*861	111	972	19	10	29
C&W	135	407	542	69	48	117
Resources	11	14	25	0	14	14
I&D	8	37	45	0	2	2
Chief Executive **	35	5	40	1	3	4
Housing	6	13	19	0	1	1
GBE	0	14	14	0	1	1
	<b>1056</b>	<b>601</b>	<b>1657</b>	<b>89</b>	<b>79</b>	<b>168</b>

\* 861 includes 720 school staff and 141 non school staff

\*\* includes Members training

5.4.2 The breadth of staff receiving training in Safeguarding Adults and Children has widened to include other staff within Departments whose work is likely to bring them into direct contact with vulnerable Children, Adults and Families. The Learning and Development team are now seeking to further quantify the detailed numbers per section to enable closer scrutiny and tracking and to determine the safe overall levels of staff trained in frontline teams.

**Recommendation:** *Directors through their SMT's are asked to identify frontline teams and set targets for number requiring Safeguarding training.*

## 5.5 Customer Services - Duty Desk Review

5.5.1 In common with other local authorities Slough has pursued improvements to Customer Services through the setting up of a Customer Services centre with dedicated staff, private sector efficiency methods and exploitation of modern CRM technologies. A corporate task and finish group (Appendix C) has been established to review the current performance and make recommendations regarding the operating model for the future.

5.5.2 The original case for Landmark Place Customer Services Centre, although from a past era in terms of context, would have been based around delivery of a more

coherent, efficient and customer centric model. Assumptions around cost savings due to streamlining of back office functions would also have been made.

5.5.3 Analysis of the current customer experiences indicates that a closing of the loop between front and back office needs to occur for customers to experience a more seamless service. When customers contact the council their issue need to be resolved if at all possible at the earliest point in the chain. The primary outcome measure for this area will be an overall reduction in contacts which achieve poor 'value add' i.e. where the interaction with the customer does not result in significant progress in work flow or resolution of issues.

5.5.4 Savings are also required; the current budget for My Council when viewed alongside the costs of front end duty system for Housing Benefits, Council Tax, Housing and Adult and Children's social represent significant expenditure for the council. Improvement in process design, particularly in minimising 'hand offs' and reducing transaction failure have the potential to realise efficiencies in line with savings achieved in other local authorities and the private sector.

#### 5.5.5 **Conclusion**

A detailed business case will be developed with the view to changing the existing operating model and management structure with the aim of improving service delivery for our residents and service users.

### 5.6 **Financial reporting**

5.6.1 The Council's net revenue budget for 2010/11 is £103.9m.

5.6.2 The Housing Services agreed net operating budget for 2010/11 is a surplus of £213k.

5.6.3 There is currently a projected over spend position for the 2010/11 General Fund of £39k. This compares to a reported overspend at this stage last year of £1.125m reported as at end July 2009. CMT members should also note the possible emerging issues and opportunities in sections 6 and 7 respectively.

5.6.4 For the Housing revenue account there is currently a projected over spend position of £437k from the agreed surplus position of £213k agreed at the start of the year.

5.6.5 The position is summarised in Table 1, overleaf, and detailed in Appendix F.

Table 1 - Projected as at 31st July 2010

Directorate	Gross Budget pre-Govt reductions	Govt Reductions	Gross Budget post-Govt reductions	Current Net Budget A	Projected Outturn B	Variance Over / (Under) Spend C = B - A	Change	Previously Reported
	£'M	£'M	£'M	£'M	£'M	£'M	£'M	£'M
Community and Wellbeing	51.504	(0.605)	50.899	37.277	37.360	0.083	0.083	0.000
Education and Childrens Services	180.555	(0.891)	179.664	25.001	25.001	0.000	0.000	0.000
Green and Built Environment	39.370	(0.646)	38.724	26.234	26.234	0.000	0.000	0.000
Central Directorates	87.857	(0.633)	87.224	22.544	22.500	(0.044)	(0.044)	0.000
Corporate	0.169	(0.140)	0.029	(0.036)	(0.036)	0.000	0.000	0.000
<b>Total Cost of Services</b>	<b>359.455</b>	<b>(2.915)</b>	<b>356.540</b>	<b>111.020</b>	<b>111.059</b>	<b>0.039</b>	<b>0.039</b>	<b>0.000</b>
<b>% of revenue budget over/(under) spent by Services</b>						<b>0.04%</b>	<b>0.04%</b>	<b>0.00%</b>
Treasury Management	3.334	0.000	3.334	3.334	3.334	0.000	0.000	0.000
Contingencies & earmarked reserves	2.274	0.000	2.274	2.274	2.274	0.000	0.000	0.000
Area Based grant * / **	(12.649)	0.000	(12.649)	(12.649)	(12.649)	0.000	0.000	0.000
<b>Total General Fund</b>	<b>352.414</b>	<b>(2.915)</b>	<b>349.499</b>	<b>103.979</b>	<b>104.018</b>	<b>0.039</b>	<b>0.039</b>	<b>0.000</b>
<b>% of revenue budget over/(under) spent in total</b>						<b>0.04%</b>	<b>0.04%</b>	<b>0.00%</b>
<b>Capital Reductions</b>		<b>(0.407)</b>						
<b>Total Govt Reductions</b>		<b>(3.322)</b>						
<b>Housing Services</b>				<b>(213.000)</b>	<b>224.000</b>	<b>437.000</b>	<b>0.000</b>	<b>0.000</b>

\* Included in Directorate base budgets

\*\* The total ABG allocation will be reduced by £1.61m as a result of the in year budget reductions of £3.3m made by central government. This adjustment will be reflected in the cash limit position as at end of August. The balance of the total £3.3m reductions will also be reflected in the cash limits by end of August.

## 5.7 Month on Month Movement in Variances

**Community and Wellbeing** are reporting an overspend position of £83k which is an adverse movement on the break even position reported last month. This position has arisen following the loss of PCT funding following changing client needs and from increases in levels of client demand. The department are looking at options to mitigate this pressure.

**Education and Children's Services** are reporting an overall break even position. However this is comprised of a pressure of £383k against Children and Families which is being addressed in year to ensure a sound budget base for 2011-12 (which are detailed in the bullet points below). The resulting net pressure against Children & Families is offset by savings of £383k identified across other divisions.

Work has taken place across Children and Families to deliver £300k of savings as follows:

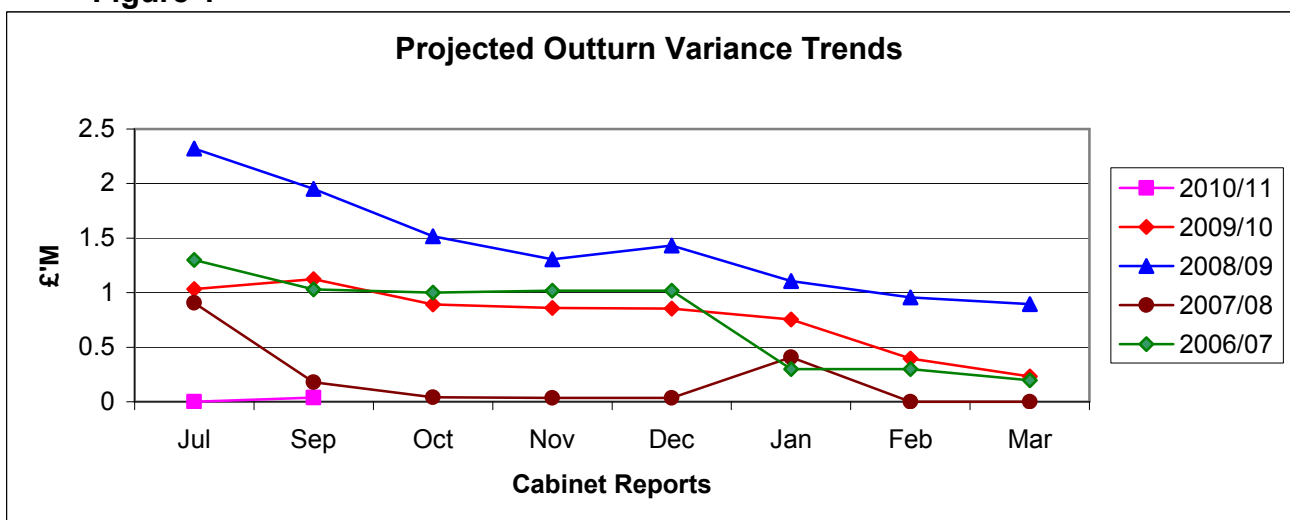
- Reduce foster care fees for Slough foster carers to a similar level to those paid by neighbouring authorities, saving £100k in 2010-11. This carries a risk that they may decide to work for an independent fostering agency, leaving the department with fewer in house placements and heavier reliance on more expensive independent fostering agency placements. The department has put in place this fee reduction with effect from with effect from 23<sup>rd</sup> September. The full year effect of this saving in 2011-12 is expected to be £200k.
- Reduce the number of social workers in Children and Families by 8 posts (5 agency and 3 establishment), saving £200k in 2010-11 with a full year saving of £400k in 2011-12. The risk is a higher level of caseloads than recommended by Laming, less service to most vulnerable children, and Ofsted inspection outcomes (announced inspection likely this autumn). Current work is under way to look at raising thresholds for children in need, referring parents to services available in the community (e.g. Parenting, Children's Centres), enhancing use of Sure Start services for younger age group.

**Green and Built Environment** are reporting an overall break even position although a pressure had arisen due to a shortfall in the indexation costs associated with a number of major contracts, negotiations are on-going with contractors and this pressure will be managed by the Directorate within existing resources.

**The Central Directorates** have reported an under spend position of £44k which is a favourable movement of £44k from the break even position reported last month. This mainly comprises savings from vacant posts offset by pressures arising from falling income for commercial properties and land searches. This is pending the realignment of services within the Resources and the Improvement and Development directorates.

Figure 1 overleaf illustrates the monthly projected outturn positions over the last 5 years. This shows, by comparison, that the current projected position is an over spend position of £39k at this point of the year and that it continues to be the lowest projected variance at this stage of the year.

**Figure 1**





**The Housing Revenue Account** is showing an overspend of £437k. An in-year surplus of £213K on the Housing Revenue Account (HRA) was approved by Cabinet for 2010/11. The latest projection indicates a deficit of £224K which is a variance of £437K. This is as a result of the allocation of the Management element of the repairs contract with Interserve which was identified at the end of 2009-10 but was not reflected in the budget for 2010/11 which creates a pressure of £445k during this financial year. This is offset by other minor savings of £8k across Housing Services. In overall terms, a new working balance carried forward at 31<sup>st</sup> March 2011 on the HRA is projected to be £9.465m.

## **5.8 Emerging Issues / Risks**

### **Introduction**

- 5.8.1 Although the headline position is showing a small projected over spend position of £39k at this stage of the financial year it is important to note that a significant level of gross savings have had to be achieved incorporating the £3.3m of 'in-year reductions' as a result of the governments £6.2bn of reductions across the public sector.
- 5.8.2 Therefore the Council needs to be vigilant to ensure that the savings are delivered in full and in a timely fashion, i.e. during 2010/11. Appendix E details the areas of savings by directorate and their current status.
- 5.8.3 As this financial year progresses, it is pragmatic to assume further government reductions particularly across specific grants may occur. The Council needs to position itself so that it can react immediately and deliver so as not to 'passport' any financial burden over the coming years.
- 5.8.4 Consequently it is prudent to consider the option of delivering known 2011/12 savings early to begin to mitigate the risk of achieving the required savings target over the next 4 years. This is so that the Council can position itself strongly if further 'in year' reductions need to be achieved or unavoidable pressures occur later in the year which do not allow corrective action to take place before 31<sup>st</sup> March 2011.
- 5.8.5 Two existing loans which are due to mature in September and November next year have been refinanced due to a reduction in PWLB interest rates. These two loans are part of a portfolio which we are planning to re-finance over the next few days to generate further revenue savings as a result of the reduced interest rate referred to above. The financial impact of this will be included in the August monitor.

### **Directorate Specific**

#### **Community and Wellbeing:**

- The department faces the potential pressure arising from a new independent residential facility where clients placed in there become ordinary residents and therefore a liability for the council. To date there has been no application for ordinary residence and the department is in negotiations with the proprietors to reduce/eliminate this risk. This area is being closely monitored and negotiations

are ongoing with provider. Further updates will be provided when these are available.

- There are two Employment Tribunal claims within the Adult Social Care division that are currently in the preliminary court stages. These are being dealt with by Legal. Legal costs are currently forecast to be contained within budget, but the final legal costs could escalate over budget provision.

#### **Education and Children's Services:**

- The level of client activity within the looked after settings of the Children & Families division continues to be volatile as demand levels remain buoyant.

#### **Green and Built Environment:**

- The economy remains a key risk for the directorate's income as outlined within 'Volatile Areas/Demand Led'.
- Climate change continues to impact on winter maintenance and subsequent repairs, flooding and grounds maintenance costs. Innovative measures to negate the impact are being sought.
- Inflation remains a significant concern with a number of the Directorates major contracts linked to RPIX (currently at 4.8%). However negotiations indicate that Slough Enterprise will reduce their uplift down to 3%, although this is yet to be formally agreed.
- Proposed changes to the Housing Revenue Account ring fencing may result in further costs and expenditure being charged to the General Fund rather than HRA. While this may not happen within 2010/11 it is likely that any legislative change will be enforceable from April 2011 and, therefore, needs to be included in the Directorates PPRG submissions.
- Effect of the Heart of Slough project on income from the Market Yard and Prudential Yard car parks.
- Potential settlement from Employment Tribunal in Private Sector Housing
- Income from Planning fees, and parking and parking enforcement are under continuing pressure.
- The crematoriums previous gas supplier has identified that an incorrect multiplier was used when calculating gas usage. As a consequence E-On are now claiming a backdated amount of £40k. As this was the supplier's error payment has been disputed.

All of these risks will be closely monitored and the impact clearly identified and reported as and when it is clear they are likely to become a reality.

#### **Central Directorates:**

- The current economic situation with regards to increasing pressure on Housing Benefits.
- The legislative change relating to property searches allows for the potential reclaim of previous charges going back to January 2005. The total value of reclaimable property searches from January 2005 to date is approximately £120k.

#### **Housing Services:**

- At this stage any risks or pressures of any new structures and potential reductions in staff numbers and the reintegration with the council, whilst work progresses this cannot be quantified at this stage.

## 5.9 Emerging Opportunities

### Introduction

- 5.9.1 Note the suggestion in paragraph 5.7.4 to take 2011/12 agreed savings early in 2010/11.
- 5.9.2 Whilst departments face emerging issues as identified above there are also opportunities that may emerge to mitigate any adverse financial occurrences. Whilst reliance should not be placed upon them and thus caution should be taken it should be noted that if they come to fruition they could have a favourable impact on the overall council position.

### Directorate Specific

**Community & Wellbeing:** None identified at this stage.

**Education & Children's Services:** None identified at this stage. A previously identified opportunity in respect of reducing foster care fees is now being reported in the outturn position in paragraph 5.6.

#### **Green & Built Environment:**

- Maximise external grant funding opportunities by using 'Grant Finder' software to locate new grants but should be noted against a backdrop of reducing government grant.
- Option appraisals on shared service arrangements relating to regulatory services and building control
- The option appraisal on relocation opportunities for Wexham Horticultural nursery is to be revisited and updated as part of the 2011/12 budget build process.
- Discussions with neighbouring councils are taking place to develop initiatives to help bring down waste management costs
- Developing the Highways Asset Management Plan will support whole life costing methodology on road and pavement resurfacing methodology and provide better value for money
- Recovery of assets and money through proceeds of crime by using a financial investigator to assist in criminal investigations
- Option appraisal being undertaken on parking services

**Central Directorates:** The re-alignment of Support Services will allow opportunities for savings across the current year to be implemented and so secure the full year effect in the next financial year.

**Housing Services:** The restructuring of the Housing service will provide the opportunity to reduce management and support costs and this could result in savings and or more investment in front line services and estate improvements. These have not yet been quantified.

## **5.10 Efficiency Savings**

- 5.10.1 As part of Comprehensive Spending Review 2007 (CSR07) announced in October 2007, the Government set a target for all of Local Government to achieve £4.9 billion in efficiency savings for the three year period to March 2011. This equated to 3% of the defined baseline expenditure.
- 5.10.2 At that time it was also reported that Government is to monitor the progress of individual Councils towards achieving the national efficiency targets. In order to facilitate this monitoring, Councils must submit information twice a year in respect of National Indicator 179 (NI179) which records 'the total net value of ongoing cash releasing value for money gains that have impacted (i.e. a forward and backward look) since the start of the 2008/09 financial year.
- 5.10.3 However since then, for the 2009 Budget, the Government stated that, as a contribution towards reductions in public expenditure, local authorities would be required to increase their planned 3% annual efficiency savings under the 'Gershon Agenda', by a further 1% in 2010/11, as referred to in paragraphs 5.20 and 5.21 of the Medium Term Financial Strategy report of 22<sup>nd</sup> February 2010. For Slough, this additional increase equates to approximately £1.3m.
- 5.10.4 CMT are already aware that the council has achieved more than the first year target but needs to continue to monitor against the achievement of the overall 4% target.
- 5.10.5 Current monitoring indicates a surplus of £226k against the target set by the DCLG as can be seen in the table below.
- 5.10.6 The detail of all savings items included can be seen in Appendix E. This position will continue to be monitored as we work through 2010/11. For completeness Appendix D also identifies growth items from the PPRG process and their current status and as CMT will recall it was agreed that the current performance against the budget growth and savings proposals will be indicated using either a red or green status.

## NI 179

	As at Jul-10	
	Budget	Forecast
	£'000	£'000
Over Achievement of SR 04 gains	4,194	4,194
Efficiency savings carried forward from 2008/09	2,048	2,048
Efficiency savings carried forward from 2009/10	2,291	2,291
Efficiency Savings included in 2010/11 Budget Build	2,846	2,796
Withstanding Impact of Inflation	1,462	1,462
Impact of Job Evaluation - 2% held back	1,102	1,102
NI 179	<b>13,943</b>	<b>13,893</b>
Target	13,667	13,667
Indicative Over / (under) achievement - %	2.02%	1.65%
Indicative Over / (under) achievement - £'000	276	226

### 5.11 Greed Base Savings 2010/11

5.11.1 As CMT and members will be aware from the previous monitor to provide assurance that the recommendations around savings and growth agreed during the 2010/11 budget build process have been achieved a full list of growth and savings is attached as Appendix E to this report but an overall summary by department which indicates that growth and savings are on target for delivery is shown in the table overleaf:

#### Departmental Growth & Savings Analysis 2010-11

Department	Growth Proposals				Savings Proposals			
	Target	Estimated Outturn	Variance	Status	Target	Estimated Outturn	Variance	Status
	£'000	£'000	£'000		£'000	£'000	£'000	
Community & Wellbeing	940	940	0	GREEN	-1,232	-1,232	0	GREEN
Education & Children's Services	959	959	0	GREEN	-1,333	-1,333	0	GREEN
Green & Built Environment	103	103	0	GREEN	-281	-281	0	GREEN
Resources	130	130	0	GREEN	-461	-461	0	GREEN
Improvement & Development	70	70	0	GREEN	-655	-655	0	GREEN
Chief Executive	0	0	0	GREEN	-89	-89	0	GREEN
Corporate	1,723	1,723	0	GREEN	-1,440	-1,440	0	GREEN
<b>Total</b>	<b>3,925</b>	<b>3,925</b>	<b>0</b>	<b>GREEN</b>	<b>-5,491</b>	<b>-5,491</b>	<b>0</b>	<b>GREEN</b>

### 5.12 In year savings 2010/11

5.12.1 Following the announcement made by the Department for Communities and Local Government (DCLG) on 10 June 2010 regarding permanent reductions to grant funding of £3.3m in the current financial year departments have identified a series of compensating savings to deliver this which was endorsed by Cabinet on 12 July 2010. Most of the reductions were made to grant funded streams but with the balance coming from core budgets. However sources of permanent funding to meet the overall reductions were short by £36k. The total number of staffing

affected amounted to 4.6fte which will be a cost against the Council's central £750k contingency set aside for redundancies (after partnership commitments). To provide members with assurance that these are being achieved a full list of these savings is attached as Appendix E to this report but an overall summary by department is shown in the table below:

### Departmental In Year Savings Analysis 2010-11

Department	In Year Savings Targets			
	Target	Estimated Outturn	Variance	Status
	£'000	£'000	£'000	
Community & Wellbeing	-605	-605	0	GREEN
Education & Children's Services	-891	-891	0	GREEN
Green & Built Environment	-646	-646	0	GREEN
Resources	-200	-200	0	GREEN
Improvement & Development	-308	-308	0	GREEN
Chief Executive	-125	-125	0	GREEN
Corporate	-140	-140	0	GREEN
<b>Total - Revenue</b>	<b>-2,915</b>	<b>-2,915</b>	<b>0</b>	<b>GREEN</b>
Green & Built Environment	-407	-407	0	GREEN
<b>Total - Capital</b>	<b>-407</b>	<b>-407</b>	<b>0</b>	<b>GREEN</b>
<b>Total Savings</b>	<b>-3,322</b>	<b>-3,322</b>	<b>0</b>	<b>GREEN</b>

## 5.13 Capital

5.13.1 The overall council capital programme is £123m for the period 2010/11 to 2016/17. The programmed spend for 2010/11 is £68m.

5.13.2 CMT will recall that the total capital spend for 2009/10 was £30m and in view of this it is highly unlikely that the programmed spend of £68m in the current year will be delivered. This together with the overall size and consequent affordability bearing in mind the revenue implications of such a large programme will be reviewed. At AMG on 18<sup>th</sup> August 2010 it was agreed that SMT's would review the size of the capital programme or re-profile schemes with feedback expected at the end of August. Recent information received from Directorates suggests this timeline to be September. The outcome of this will form the 'revised' position across the capital programme over the coming years. This will be reported once the full implications are made available.

5.13.3 The overall HRA capital programme is £31.4m for the period 2010/11 to 2016/17. The programmed spend for 2010/11 is £10.8m.

## 5.14 Treasury Management

5.14.1 CMT and Members will be aware of recent economic events in Greece and the financial impact this had on the banking sector. Economists are now suggesting there is now growing concern around the current state of the Spanish economy and inevitably the banking sector. The Council had deposit with Santander UK Plc as at 1<sup>st</sup> July 2010 of £2.9M. Santander UK Plc (previously Abbey National, Alliance & Leicester and Bradford & Bingley banks) is wholly owned by Spain's

Banco Santander. However as at 22<sup>nd</sup> July 2010 our risk of exposure to failing investments has been reduced as £1.9m of our investments in deposit have matured and repaid. Based on current indicators the s151 officer feels that the degree of risk in respect of the remaining £1m deposited is manageable as it is due to mature on 21<sup>st</sup> October 2010. Close scrutiny of the Spanish economy position will continue to take place. To mitigate future risk the council is not committed to any forward deals and new deposits with Santander have been suspended.

## 6. **Conclusion**

- 6.1 The position as at the end of July 2010 leaves an overall headline over spend position of £39k for the Authority against the General Fund. Against the Housing Revenue Account the position as at the end of July 2010 leaves an overall headline over spend position of £437k.
- 6.2 The capital programme for 2010/11 to 2016/17 at the time of writing this report is being reviewed by cabinet members and senior officers. The outcome of any changes that impact on this current year will be reported in circa September once information has been consolidated.

## 7. **Appendices Attached**

'Appendix A' - Performance monitoring against the Corporate Balanced Scored Card and the LAA Balanced Score Card

'Appendix B' – Projects Management Monitoring

'Appendix C' – Customer Services Review

'Appendix D' – Summary Variance Analysis

'Appendix E' – Departmental Savings / Growth Analysis 2010-11

'Appendix F' – Departmental In Year Reductions Analysis 2010-11