

SLOUGH BOROUGH COUNCIL

REPORT TO: Overview and Scrutiny Committee **DATE:** 7th October 2010

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PART I **FOR COMMENT AND CONSIDERATION**

PERFORMANCE AND FINANCIAL REPORT COVERING THE PERIOD UP TO AND INCLUDING AUGUST 2010

1. Purpose of Report

This report highlights the Council's overall performance from delivery of service to financial management covering the period upto and including August 2010 against the following key areas:

- i. Revenue and capital monitoring position to August 2010 (Appendices A, B, C)
- ii. Performance monitoring against the Corporate Balanced Scored Card and the LAA Balanced Score Card to August 2010 (Appendix D)

2. Recommendation(s) / Proposed Action

The Committee is requested to resolve:

- a) That the following aspects of the report be noted:
 - i. Performance and Project management
 - ii. 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.

4. 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.

Supporting Information

5. Performance Monitoring Update

- 5.1. The attached **SBC Corporate Scorecard** (Appendix D) provides an update on performance covering the period up to and including August 2010, drawing attention to:
- i. Areas of exception.
 - ii. Areas of improved performance.
 - iii. Assessment of where improvement actions are needed for performance to achieve end of year targets.
 - iv. Following concerns raised at the previous scrutiny around appraisal completion rates a dedicated presentation on this area of performance will be given by the Assistant Directors of HR and Transformational Change, Policy and Performance.
- 5.2. The report comprises of exceptions from both:
- i. The **Balanced Score Card** - which relates to performance indicators selected by CMT members to determine the organisation health of the Councils, and
 - ii. The **LAA Score card** - which relates to indicators in the LAA.
- 5.3. A summary of the Council's performance over the 2009/10 period will shortly be published in the Annual Report.

6. Financial Reporting

- 6.1. The Council's net revenue budget for 2010/11 is £103.9m.
- 6.2. The Housing Services agreed net operating budget for 2010/11 is a surplus of £213k.
- 6.3. There is currently a projected under spend position for the 2010/11 General Fund of £206k. This compares to a reported overspend at this stage last year of £893k reported as at end August 2009. Members should also note the possible emerging issues and opportunities in sections 6 and 7 respectively.
- 6.4. For the Housing revenue account there is currently a projected over spend position of £538k from the budgeted surplus position of £213k agreed at the start of the year. This shows an adverse variance of £101k from that reported last month.
- 6.5. The position is summarised in Table 1, overleaf, and detailed in Appendix A.

Table 1 - Projected as at 31st August 2010

Directorate	Gross Budget pre-Govt reduction	Govt Reduction	Gross Budget post-Govt reduction	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	36.990	37.183	0.193	0.110	0.083
Education and Childrens Services	180.555	(0.891)	179.664	24.533	24.344	(0.189)	(0.189)	0.000
Green and Built Environment	39.370	(0.646)	38.724	26.263	26.263	0.000	0.000	0.000
Central Directorates	87.857	(0.633)	87.224	22.396	22.256	(0.140)	(0.096)	(0.044)
Corporate	0.279	(0.140)	0.139	0.074	0.074	0.000	0.000	0.000
Total Cost of Services	359.565	(2.915)	356.650	110.256	110.120	(0.136)	(0.175)	0.039
% of revenue budget over/(under) spent by Services						-0.12%	-0.16%	0.04%
Treasury Management	3.334	0.000	3.334	3.334	3.264	(0.070)	(0.070)	0.000
Contingencies & earmarked reserves	2.274	0.000	2.274	1.443	1.443	0.000	0.000	0.000
Area Based grant *	(12.663)	1.609	(11.054)	(11.054)	(11.054)	0.000	0.000	0.000
Total General Fund	352.510	(1.306)	351.204	103.979	103.773	(0.206)	(0.245)	0.039
% of revenue budget over/(under) spent in total						-0.20%	-0.24%	0.04%
Capital Reductions		(0.407)						
Add back ABG income adj		(1.609)						
Total Govt Reductions		(3.322)						
Housing Services				(213.000)	325.000	538.000	101.000	437.000

7. Month on Month Movement in Variances

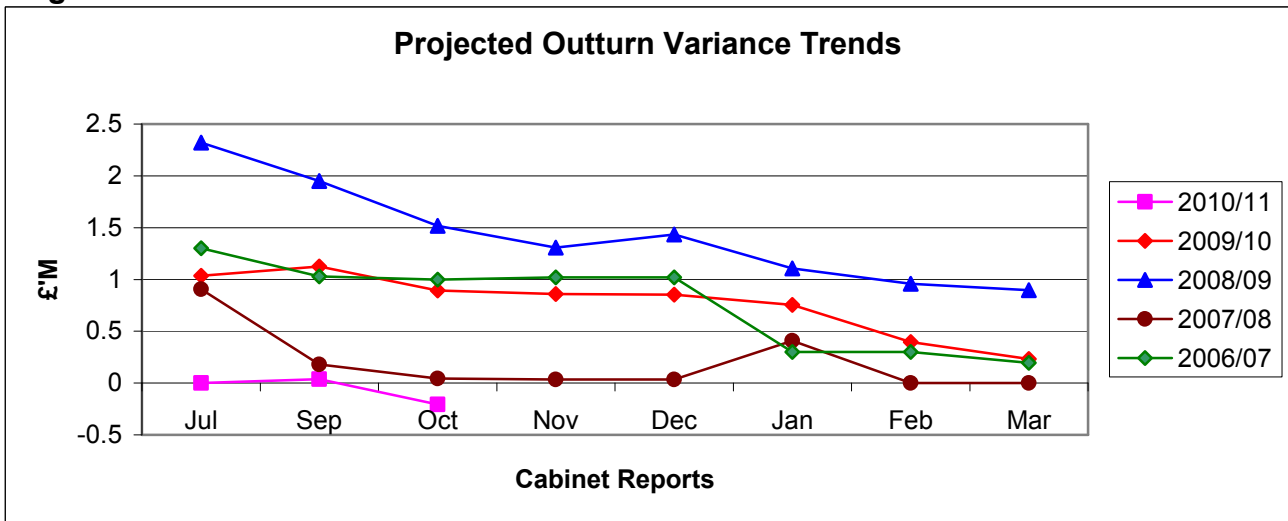
- 7.1. **Community and Wellbeing** are reporting an overspend position of £193k which is an adverse movement of £110k on the position reported last month. This change has arisen following increased staffing costs of c.£120k from the use of agency staff to cover sickness, maternity leave and vacancies and a reduction in income of c.£25k. These have been offset by a reduction in costs for the provision of care packages of c.£40k. The department are looking at options to mitigate this pressure.
- 7.2. **Education and Children's Services** are reporting an overall under spend position of £189k which is a favourable movement on last months reported break even position. This is comprised of a pressure of £339k against Children and Families, with compensating savings of both a permanent and one-off nature, from other areas of the directorate, as detailed in Appendix A. The permanent savings will begin to form the basis of the 2011/12 savings target that the department will be addressing.
- 7.3. **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 in attempts to contain this pressure within existing resources but there is still a risk of a significant shortfall.

- 7.4. **The Central Directorates** have reported an under spend position of £140k which is a favourable movement of £96k from the position reported last month. This comprises savings from vacant posts and reduced supplies and services costs.
- 7.5. **Treasury Management** (as identified in last month's report) are reporting an under spend of £70k arising from the refinancing of debts in connection with two existing loans due to mature in September and November next year. These two loans are part of a portfolio which have been refinanced due to a reduction in PWLB interest rates as a direct action to generate further revenue savings.

Figure 1 below illustrates the monthly projected outturn positions over the last 5 years.

Figure 1



- 7.6. **The Housing Revenue Account** is showing an overspend of £538k. An in-year surplus of £213K on the Housing Revenue Account (HRA) was approved by Cabinet for 2010/11. The latest projection indicates an outturn deficit of £325k which is an overspend of £538k against budget compared to last months overspend position of £437k. the detail behind this is in Appendix A. In overall terms, a new working balance carried forward at 31st March 2011 on the HRA is projected to be £8.683m.

8. Emerging Issues / Risks

Introduction

- 8.1. Although the headline position is showing a projected under spend position of £206k 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.
- 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 C details the areas of savings by directorate and their current status.

- 8.3. 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 31st March 2011.

Directorate Specific

8.4. 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.
- Previously successful CHC awards were applied from the date of referral however, the PCT are looking to awarding CHC from the date of assessment completion. Where CHC is awarded this change in practice would be at the detriment of the authority. SBC will strongly contest any change in practice should this arise.
- The PCT is in discussion with the Strategic Director on its contribution towards Intermediate Care following the closure of Copper beech and transfer of the Intermediate Care function to The Oaks. The current value of the PCT contribution for this service is £257k per annum.

8.5. 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.

8.6. 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.

8.7. **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.

8.8. **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 expected cannot be quantified.

9. **Emerging Opportunities**

Introduction

- 9.1. Note the suggestion in paragraph 6.4 to take 2011/12 agreed savings early in 2010/11.
- 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

9.3. **Community & Wellbeing**

None identified at this stage.

9.4. **Education & Children's Services**

None identified at this stage.

9.5. **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

9.6. **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.

9.7. **Housing Services**

- The chance to review the budgets and challenge the support costs and services provided to Housing Tenants by all other departments. Both the risks and opportunities will be reflected in the revised HRA budget for the 6 month position and thus incorporated in the budget build for 2011/12.

10. **Efficiency Savings**

- 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.
- 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.
- 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 22nd February 2010. For Slough, this additional increase equates to approximately £1.3m.
- 10.4. Members 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.

- 10.5. Current monitoring indicates a surplus of £226k against the target set by the DCLG as can be seen in the table overleaf.
- 10.6. The detail of all savings items included can be seen in Appendix B. This position will continue to be monitored as we work through 2010/11. For completeness Appendix B also identifies growth items from the PPRG process and their current status and it was agreed at CMT 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 Aug-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	13,943	13,893
Target	13,667	13,667
Indicative Over / (under) achievement - %	2.02%	1.65%
Indicative Over / (under) achievement - £'000	276	226

11. Agreed Base Savings 2010/11

- 11.1. As 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 B 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 below;

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
Total	3,925	3,925	0	GREEN	-5,491	-5,491	0	GREEN

12. In year savings 2010/11

- 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 C 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
Total - Revenue	-2,915	-2,915	0	GREEN
Green & Built Environment	-407	-407	0	GREEN
Total - Capital	-407	-407	0	GREEN
Total Savings	-3,322	-3,322	0	GREEN

13. Capital

- 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.
- 13.2. Members 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 18th 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 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.
- 13.3. The overall programmed spend for the HRA capital programme is £10.8m for 2010/11. The future years Capital programme is currently being reviewed in light of the transfer of People 1st into Slough BC and the outcome will be reported next month.

14. Conclusion

- 14.1. The position as at the end of August 2010 leaves an overall headline under spend position of £206k. Against the Housing revenue Account the position as at the end of August 2010 leaves an overall headline over spend position of £538k. Close scrutiny is required from the Directorate management teams to ensure 100% delivery and thus not weaken the base budget position for 2011/12 and beyond.
- 14.2. 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 the September budget monitoring report.

Summary Variance Analysis

For the Period Ended: 31st August 2010

Community & Wellbeing

Service Area	Total Variance £'000	Explanation
Community Services and Adult Social Care	+251	New This month: The CS&ASC division has an adverse movement of £69k in this period. The AD is taking remedial action to address this movement. An adverse change in staffing and internal services resulting from agency costs for staff absences (maternity cover and a long term sickness case). This is offset by a favourable movement in care package costs of £44k. Previously Reported: +£182k. Last monitor reported movement in client direct payment placements, the loss of Continuing Health Care funding and revisions to care packages, offset by a high placement cost leaver in MH.
Learning Skills and Cultural Engagement	+22	New This month: This is an adverse movement of £40k arising due to a reduction in Library income of £20k from hire charges and fine payments. Increased building cleaning costs within Community Centres of £7k and the cost of increased levels of sessional staff of £13k within transport following staff absences. Previously Reported: -£18k resulting from an increase in lettings income within community services (£19k) offset by additional consultancy costs due to delayed appointment.
Personalisation, Partnership and Commissioning	0	New This month: Minor revisions to staffing forecasts cost £1k. Previously Reported: -£1k due to minor staffing under spends.
Central Management	-80	New This month: There have been no changes in this month's forecast. Previously Reported: -£80k due to the anticipated under spend on non pay inflation provision.
Total Variance	+193	

Appendix A (Cont.)

Education & Childrens Services

Service Area	Total Variance £'000	Explanation
Children and Families	339	<p>New This month: There has been a net saving of £24k across services supporting Looked After Children. This comprises 7 clients leaving care saving £96k, client movement between settings saving £61k offset by 5 new placements costing £34k, placement extensions costing £83k, and staff savings of £34k within the Fostering team as a result of the Team Manager leaving at the end of July. Within these changes is a net saving of £31k in respect of all foster placements which reflects the medium term strategy to maximise the use of internal fostering and reduce external fostering. The previous LAC reported saving has reduced by £50k.</p> <p>Within Family Support Services 7 clients are no longer receiving residence order allowances due to age or financial circumstances saving £20k.</p> <p>Previously reported: A gross pressure of £908k mainly due to rising client numbers, extensions to placements and changes in the 'type' of placement across Looked After settings had been offset by an under spend of £225k across other services including Adoption Allowances, Childcare Lawyers and the cost of Leaving Care.</p> <p>At CMT a reduction in foster care fees for Slough foster carers to a similar level to those paid by neighbouring authorities was agreed and has now been identified, 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 full year effect of this saving in 2011-12 is expected to be £246k, previously projected at £200k.</p> <p>In addition, a reduction in 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 was agreed. 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.</p>
Youth	-95	<p>New this month: Youth and Support to Young People is one of the areas being looked at for 2011.12 to implement savings. A saving of £95k has been identified against Positive activities guns, gangs and knife crime within the PAYP funding stream against a total Youth budget of £1.6m.</p>

Inclusion	-156	<p>New this month: Understandably the department is looking at savings required for 2011.12 and to put in place actions to achieve this. A staff vacancy from July within Services for Children with Learning Difficulties/Disabilities will save £20k, a full year saving of £40k following a review of the staff structure for this service. A review of shift patterns at Breakaway Children's Home has saved £30k, equivalent to £45k in a full year.</p> <p>Previously reported: Reduced client activity based upon need have been identified for children with disabilities saving £66k. The claw back of unspent direct payment allowances has saved £15k and the PCT funding 1 client's home care cost for the year saving £25k, previously expected from within SBC resources.</p>
Raising Achievement	-197	<p>Previously reported: The deletion of the Assistant Director post for Raising achievement from 1st October will save £54k (£108k in a full year). A saving of £100k on Youth Opportunity funding has been identified, mainly due to the removal of the ring fencing restriction and ability to offset against core expenditure. Innovative use of Sure start grant to offset officer time within the Early Years service has saved £95k and there has also been a staff saving of £14k within Services to Schools in respect of maternity leave. This has been offset by a net pressure of £66k within the School Improvement Service due to a shortfall in income generation.</p>
Strategic Support	-80	<p>Previously reported: Reduced activity levels in accessing the Assessment Centre for the provision of education need assessment for children arriving from abroad will save £50k. A saving of £30k based on the current level of liability for teacher's premature retirement payments is expected.</p>
Total Variance	-189	

Appendix A (Cont.)

Green & Built Environment

Service Area	Total Variance £'000	Explanation
Resources & Bus Support	0	No new variances reported
Env Services & Quality	0	<p>New this month: Negotiations in respect of the environmental services contract continue with the latest meeting attended by directors from both SBC and Slough Enterprise held on the 9th September. This identified some additional proposals but overall negotiations continue and are not finalised as yet.</p> <p>Previously Reported: Pressure at present still exists with the Environmental Services Contract. Slough Enterprise has agreed to lower the inflationary uplift from 4.8% to 3% reducing the pressure to £206k, but this is still awaiting formal agreement. Negotiations between directors from both SBC and Slough Enterprise are still ongoing with further meetings planned for September. Slough Enterprise invoices continue to be paid at last year's rate. This will be kept under constant review as part of the ongoing monitoring process and as appropriate compensating savings found.</p>
Public Protection	0	<p>New this month: The Licensing Service has identified additional income of £21k across a range of its functions and this together with a projected underspend on CCTV/Careline employee costs mitigates the organic produce imports income pressure of £36k previously identified.</p> <p>Previously Reported: A significant fall in the number of organic produce imports has resulted in a pressure of £36k against the income target for their verification. Work is ongoing to identify savings from within the Public Protection budgets to mitigate this pressure and a growth proposal will be submitted for next year's budget in respect of this item.</p>
Transport & Planning	0	<p>New this month: The options appraisal in respect of the future of car parks has been completed and transport officers are now reviewing the recommendations contained within the report in order to ascertain the next steps and overall financial impact.</p> <p>Previously Reported: Parking is experiencing some financial pressures due to increased competition from private car parks, however, the parking service is working on containment of this pressure within the current quarter. An option appraisal on the continued ownership of car parks is currently underway.</p>
Hsg Strategy & Renewal	0	<p>New this month:No new variances reported.</p> <p>Previously Reported: Thames Water have recently identified that no waste water charge in respect of the Poyle Caravan Park has been made for a number of years. This has resulted in a 'one off' pressure of £9k although it is possible that an element of this cost can be passed on to the tenants. Any resultant balance will be absorbed within the services overall budget.</p>
Total Variance	0	

Appendix A (Cont.)

Central Directorates

Service Area	Total Variance £'000	Explanation
Improvement & Development	(6)	<p>New This month: The transfer of the Procurement function from this directorate to Resources transfers with it the previously reported under spend of £20k – This transfer has no overall impact on the total Council budget.</p> <p>Previously Reported: A total of 15 vacancies across the department some backfilled with agency cover and the provision of overtime payments result in a net saving of £40k. These savings are offset by pressures arising from an income shortfall of £14k arising from the NNDR pool.</p>
Chief Executive	(18)	<p>New This month: No change to that previously reported.</p> <p>Previously Reported: The recruitment to a post at a lower grade than previous employee, a vacancy for 1 month and a member of staff on maternity leave result in staff budget savings of £14k. An increase in the level of advertising income saves £4k.</p>
Resources	(116)	<p>New This month: Reduced staffing costs of £53k and anticipated under spends on running costs of £43k result in an under spend of £96k. The transfer of the Procurement function to this directorate from I&D transfers with it the previously reported under spend of £20k – This transfer has no overall impact on the total Council budget.</p> <p>Previously Reported: A total of 12.5 vacancies across the department, some filled by temporary staff, generate a net saving of £139k. A saving of £241k is expected against the Corporate Repairs budget by restricting maintenance to essential items only and by re-procuring support contracts, e.g. water hygiene inspection. These savings are offset by the following pressures: Reduced level of eligible salary recharges to the capital programme of £207k due to the reduced work on capital and other projects. A one-off pension charge relating to 09/10 for £46k has arisen following the late receipt of an invoice in respect of the added years pension liability for former employees. The anticipated loss of rental income from empty commercial properties and industrial starter units will result in a pressure £75k. The reduced demand for land charge searches arising from the economic downturn together with recent legislative changes announced in respect of property searches have identified a total budget pressure of £58k. The legislative element estimated at £20k will be on-going for future years; The latest estimated cost of accommodation and running costs for Age Concern in Slough is highlighting an overspend of £40k. Savings have arisen from the vacancy of Deputy Borough Secretary to be held for the year of £95k offset by the cost of interim arrangements for the same period of £65k. The review of supplies and services expenditure within Corporate Property & Valuation has saved £10k. The balance of overspend will be managed within the cash envelope to give a breakeven position.</p>
Total Variance	-140	

Appendix A (Cont.)

Housing Services

Service Area	Total Variance £'000	Explanation
Housing Repairs Fund	445	A budget pressure of £445k was identified and reported at the end of 2009/10, which was the result of on-going dialogue regarding the allocation of the Management element of the repairs contract with Interserve. At this stage this pressure was not reflected in the budget for 2010/11, and will occur during this financial year.
Staffing	0	Due to the return of the Housing Service to the Council, there will be an impact on staffing, due to the reintegration of Support Services, additional workstreams taken on by Property Services and any proposed structure within Housing Management. Thus, we have identified this as a future variance, and are looking to quantify the impact in the next month when information will hopefully be available to allow us to align the budgets to any new structure proposals.
Housing Subsidy	90	Further to the completion and submission of the 2 nd Advance Housing Subsidy claim, the expected negative subsidy paid by the local authority to CLG is greater than that originally budgeted for in March 2010. This is due to changes in the stock nos. and the archetype and average rent chargeable on the properties that are no longer on the portfolio. The increase is £100k more than in the original budget. This is offset by a saving on the anticipated closing figures for housing subsidy for 2009/10 which will result in a variance on the budget of £11k.
Other variances under £50K (net)	3	There is an identified reduction of £3k in the interest receivable on the Sale of Council Houses.
Total Variance	538	