

APPENDIX B

Summary Variance Analysis

For the Period Ended: 31st October 2010

Community & Wellbeing

Service Area	Total Variance £'000	Explanation
Community Services and Adult Social Care	123	<p>New This month: The movement of £139k is mainly due to an increase in external care packages with 11 new clients being placed in October as well as care package revisions at a cost of £144k. Staffing costs have increased by £15k with extensions to agency staff employed, acting up payments and car lump sum mileage costs contributing to this adverse movement. Internal Services has seen a reduction in forecast spend of £20k with additional client income being identified and salary variations.</p> <p>Previously Reported: -£16k The main budget pressure remains overspends on residential placements but this is offset partly by savings on the nursing care, internal day and other care budgets.</p>
Learning Skills and Cultural Engagement	-52	<p>New This month: The movement of £74k is mainly due to additional funding being found to support the offer of Free Swimming following the reduction in the grant from the DCMS. In addition changes in staffing and an increase in expected income have reduced the expected outturn by a further £9k.</p> <p>Previously Reported: +£22k Due mainly to extra consultancy costs offset by increases in lettings income.</p>
Personalisation, Partnership and Commissioning	-5	<p>New This month: Minor revisions to staffing forecasts.</p> <p>Previously Reported: -£1k</p>
Central Management	-80	<p>New This month: No change</p> <p>Previously Reported: -£80k Due to the anticipated underspends on non pay inflation provision.</p>
Total Variance	-14	

Education & Children's Services

Service Area	Total Variance £'000	Explanation
Children and Families	598	<p>Background / strategy; There is continuing pressure on the budget in Children and Families due to the number of looked after children which has begun to stabilise, but is still subject to volatility. The budget pressure is due to a combination of placement costs rising because more younger children have been admitted to care, court fees, and contact visits. Work has already been undertaken to rigorously check all admissions to care and consider alternative arrangements where possible; to make savings to bring down the overspend in Children and Families; and use one-off savings in other areas of the Education and Children's Services budget to offset the projected overspend as a result of the rise in the number of looked after children.</p> <p>This position is inevitably not sustainable and the department is looking at the creation of capacity on an annual basis by the implementation of weekly and monthly review meetings to ensure that every historic and potential placement</p>

		<p>is appropriately made. This strategy is obviously linked to meet the needs of individual clients and opportunities have been realised and clients have been re-directed to alternative services where specific needs can still be met and which provide increased value for money. Whilst this is producing some release of pressure the continued net increase in the overall client base and its associated cost is subsuming any savings that this strategy is currently providing. A specific area in which the strategy to create capacity is being pursued is the aim to increase the number of foster carers available to meet current client levels. This will be achieved from the remodelling of services to release resources to implement this increase.</p> <p><u>New This month:</u></p> <p>Across the placement budgets there has been an additional net pressure of £200k due to 5 new placements costing £70k, 24 placement extensions costing £130k (FYE £303k pressure). This increase in placement activity has significantly increased the requirement for contact hours resulting in a total estimated over spend of £231k against a budget of £197k. This is an increase of £135k on the previously reported position. Work is being carried out to reduce the level of contact hours required and this estimated reduction has been factored into the current financial estimate. Activity increases have also affected the level of Family Group Conferences and the Interpreting Service resulting in an additional pressure of £25k.</p> <p>At the cabinet meeting of 9th November it was agreed that with effect from 15th November fees paid to internal foster carers would reduce from £400 a week to £300 a week for carers with existing placements for the first child, reducing to £200 a week once the existing child leaves. All new carers and new placements would be paid at £200 per week. This will generate a saving of £50k in the current year which is <u>unchanged</u> from the variance previously reported. This reduces the full year saving by £100k to £150k.</p> <p>Within the Children in Need Team a saving of £80k has been identified. This has arisen following the outcome of a recent court case which has enabled us to raise the eligibility threshold for families in respect of payments to support their housing rent costs and other personal needs. In addition, following immigration proceedings brought by the UK Border Agency, 3 high cost support packages provided to families who previously had no recourse to public funds have now terminated, as support can now be accessed from other agencies. (FYE £80k saving).</p> <p>It is anticipated that there will be no further requirement this year to use agencies to supply adopters which will save £28k in previously anticipated fees until the year end. This is offset by an additional cost of £9k in respect of a Kinship Care social worker within the Permanency Team now leaving at the end of January but previously expected to leave at the end of October.</p> <p><u>Previously reported:</u></p> <p>A gross pressure of £832k 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 £245k 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 £50k in 2010-11. The full year effect of this saving in 2011-12 is expected to be £250k.</p> <p>In addition, a reduction in the number of social workers in Children and Families by 9 posts (6 agency and 3 establishment), saving £200k in 2010-11 with a full year saving of £400k in 2011-12 was agreed. 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. Between November and March, Sure Start funding will be used to enhance the triage and social care duty systems focussing on vulnerable families with children under 5, with longer term plans being put in place following detailed information about Sure Start funding available in 2011-12.</p>
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Youth	-95	Previously reported: 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.
Inclusion	-191	New This month: A change in the commissioning arrangements for Home Care Support will generate a saving of £18k through the provision of service within existing resources which replaces an arrangement to purchase provision from a Voluntary Sector organisation. Within Young People's Substance misuse a targeted youth support worker post who left in October and the post will be held vacant until the end of the financial year saving £17k. Previously reported: Reduced client activity based upon need have been identified for children with disabilities saving £66k. 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. 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.
Raising Achievement	-271	Previously reported: A one-off saving of £64k has been identified within Home to School Transport due to the renegotiation of contracts for the Autumn school term pupil requirements. The deletion of the Assistant Director post for Raising achievement from 1 st 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 savings of £24k 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.
Strategic Support	-80	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.
Schools (ABG Services)	-43	Previously reported: The Excellence in Cluster Coordinator has been seconded to the vacant Head of Standards post from 1 st September until the end of the financial year; the Coordinator post will not be back filled saving a one-off £43k.
	-82	Total Variance

Green & Built Environment

Service Area	Total Variance £'000	Explanation
Resources & Bus Support	0	No new variances reported
Env Services & Quality	+20	New this month: No new variances reported although negotiations with Slough Enterprise in respect of the Environmental Services Contract continue. Previously Reported: The crematoriums previous gas supplier had identified that an incorrect multiplier was used when calculating gas usage. As a consequence E-On are now claiming a backdated amount of £40k. This pressure is partially offset by £20k additional income generated through the Citizenship service as a result of an increase in the number of applicants.

		<p>Pressure at present still exists with the Environmental Services Contract although 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 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. This will be kept under constant review as part of the ongoing monitoring process and until appropriate compensating savings are found. Slough Enterprise invoices continue to be paid at last year's rate.</p>
Public Protection	-83	<p>New this month: No new variances reported</p> <p>Previously Reported: A detailed review of staffing budgets including filling vacant posts with either permanent or temporary staff or the use of agency staff has been undertaken, and savings of £103k identified as a result. This is partially offset by two separate pressures each of £10k relating to outstanding fee invoices from the RSPCA for 2009/10, and expenditure incurred in dealing with the clearance of abandoned trailers.</p> <p>The Licensing Service has identified additional income of £21k across a range of its functions and this together with a projected under spend on CCTV/Careline employee costs mitigates the organic produce imports income pressure of £36k previously identified.</p> <p>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	+87	<p>New this month: No new variances reported</p> <p>Previously Reported: Increased competition from private and illegal car parks coupled with the economic downturn has resulted in a predicted shortfall in income of £150k, although this can be mitigated by a reduction in the provision set aside for bad debts. In addition an invalid rent increase backdated to September 2009 relating to a Hatfield MSCP leaseholder has created a budget pressure of £30k. Planning fee income is also predicted to under achieve by £100k due to a lack of major planning applications although this position could improve. These pressures have been partially offset by a detailed review of staffing budgets which has identified in year savings of £43k.</p> <p>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>
Hsg Strategy & Renewal	-24	<p>New this month: No new variances reported</p> <p>Previously Reported: A detailed review of staffing budgets including filling vacant posts with either permanent or temporary staff or the use of agency staff has been undertaken, and savings of £24k identified as a result.</p> <p>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	

Central Directorates

Service Area	Total Variance £'000	Explanation
Improvement & Development	45	<p>New This month: The latest review of staffing has reduced the projection of savings previously given due to one member of staff returning from maternity leave 4 months earlier than previously expected costing approximately £12k and additional agency costs of approximately £5k relating to a CMT initiated project to review the way in which we approach Complaint and FOI's across the authority. The level of income from the recovery of court costs for council tax arrears is estimated to fall short of the budget requirement by £60k which indicates more people are paying outstanding debts before cases get taken to court. This situation is being monitored closely to assess the ongoing pressure for future years. This has been partially offset by reducing spend on equipment, computing costs, land registry fees and a reduction in costs for the production of Council Tax bills (£19k), increased income (£6k) and a review of staffing projections (£7k).</p> <p>Previously Reported: The latest estimate of the level of recoverable court costs in respect of NNDR cases indicates that a reduction of income of £6k will occur against a total expectation of £46k. A review of court costs recoverable in respect of Council Tax cases is currently being undertaken. 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	(3)	<p>New This month: No changes</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	(353)	<p>New This month: Renegotiation of the 2010/11 contract for the on-line legal reference library is due to glean a reduction in spend of £17k from that originally quoted. Negotiations are ongoing for future years and therefore the financial impact is not yet known. A business rates revaluation on Landmark Place instigated for 2009/10 onwards has resulted in a one-off backdated credit for the years 2005/06 to 2008/09 to the value of £226k (net of fees). The increase in the annual cost for the Age Concern accommodation originally highlighted as a risk last month has now been confirmed as a £20k increase on the original estimate. This totals an on-going pressure of £60k that will need to be addressed as part of the budget build process. Other minor variances saving £2k make up the overall change. Extended unpaid leave agreed for a member of staff until the end of the year will save £13k.</p> <p>Previously Reported: A refund for the overpayment of childcare vouchers during 09/10 has resulted in a one-off saving of £19k. In addition a favourable outcome in respect of an estimated accrual made at the end of 2009-10 for outstanding childcare voucher and recruitment advertising costs has resulted in a one-off saving of £31k; The latest estimate from RBWM in respect added years pensions liabilities for former employees indicates a potential overspend of £4k, this position will continue to be reviewed. The latest review of Corporate Repairs Schedule is showing a further reduction in spend of £77k. A reduction in training spend, saving £1k and income from meeting refreshments saving £11k. Increased one-off costs relating to the Asset Management Review will amount to £18k. Recognition of a £180k council wide procurement savings target will be offset by savings being identified across all directorates. To date reductions in energy costs already reflected in front line outturns will be further supplemented by other contractual reductions including postage and telephony. This is partially offset by the use one-off monies originally set aside to employ an Energy Manager £49k which will now be held vacant for the remainder of the year. A Budget realignment exercise in respect of procurement savings will take place as part of the 2011/12 Budget to ensure the ongoing savings are allocated across all directorates.</p> <p>Reduced staffing costs of £13k along with anticipated under spends on running costs of £74k are offset by a shortfall in budgeted income of</p>

		<p>£19k. 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:</p> <p>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;</p> <p>The latest estimated cost of accommodation and running costs for Age Concern in Slough is highlighting an overspend of £40k.</p> <p>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	-311	

Housing Services

Service Area	Total Variance £'000	Explanation
Ex People 1 st (Slough) - balances	-1,215	<p>Following the transfer of the People 1st (Slough) ALMO back in-house, the cash balance from the ALMO has been transferred into the HRA. This variance represents the movement of this cash into HRA balances upon closure of the bank account.</p> <p>Previously reported : NIL</p>
Housing Repairs Fund	280	<p>The allocation of the management element of the Council's repairs contract with Interserve - contractual commitment of £455k for 2010/11. Reduced requirement for the 'guaranteed sum' element of the contract (indexation and number of properties) (-£221K). Other minor increases (£46K).</p> <p>Previously reported : + £280K</p>
Dwelling Rents	-267	<p>Due to the late release of the Housing Subsidy determination, the increase in average rent of approximately 1% was not factored into the base budget. This variance represents the increase in dwelling rents expected due to this rise.</p> <p>Previously reported : - £267K</p>
Non Dwelling Rents	-75	<p>A number of capital receipts below the council's deminimus relating to disposal of garage sites have been identified, giving rise to additional non dwelling income.</p> <p>Previously reported : - £75K</p>
Staffing Costs (Housing Service; Lettings; Environmental/Grounds Maintenance/ Other Management General)	200	<p>Details of the proposed new structure for Housing Services have been published. This variance represents the net effect of any termination costs that will be incurred in year, offset against savings from posts becoming or being held vacant throughout the year. The impact of these movements has been felt across a number of budget lines, with the majority of costs hitting Housing Services.</p> <p>Previously reported : NIL</p>
Housing Subsidy	-44	<p>There is a net difference of £44K to the projected negative subsidy payable in the current year. This emanates largely from changes in the stock nos. and the archetype breakdown on the portfolio. The Council is required to pay subsidy on the basis that housing income exceeds</p>

		expenditure in this area. Previously reported : - 44K
Interest on Balances	128	The reduced income from interest on internal funds is a result of interest rates remaining at a lower level than originally budgeted for. Economic indicators and the Bank of England Monetary Policy Committee suggest that there will be no upward movement of rates in the short term and therefore the forecast for this income has been reduced to reflect this trend. . Previously reported : NIL
Housing Service (excluding staffing costs)	-202	Following a thorough review of all budgets within the HRA. a number of budgets associated with the former People 1 st organisation and the reintegration into SBC are now no longer required (e.g External Audit Fees; Management Board Administration; and Housing Futures). In addition, the review has identified a number of other HRA budgets earmarked for general running costs which are not committed to be spent in year. These have therefore been removed. Previously reported : - £72K
Utilities	70	Budget correction required following the review of all HRA budgets. Actual utility costs in prior year were found to be higher than budgeted for in 2010/11 and, therefore, the budget has been increased to reflect this. Previously reported : NIL
Other variances under £50K (net)	-123	Variance is the net of the following movements: <ul style="list-style-type: none"> • -£36k variance against charges for services and facilities representing the actual income received for leasehold service charges. All charges have now been billed in full • -£65k recharges, being £15K charges to capital schemes, and £50K reduction in recharges no longer required. • +£25k requirement for additional budget for cleansing of HRA shops • -£50k additional running costs budgets found not be committed during budget review • +£3k interest receivable on Sale of Council Houses identified in previous months Previously reported : + £3K
Total Variance	-1,248	