

## **SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Overview & Scrutiny **DATE:** 20th January 2011

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**WARD(S):** All

### **PART I** **FOR COMMENT AND CONSIDERATION**

#### **PERFORMANCE AND FINANCIAL REPORTING FOR 2010/11**

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

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

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

## 5. Other Implications

### (a) Financial

These are contained within the body of the report.

### (b) Risk Management

## Supporting Information

## 6. Performance Monitoring Update

6.1. The attached **SBC Corporate Scorecard** (Appendix A) provides Members with an update on performance during the period from 1st April to 30th November 2010, drawing attention to:

6.1.1. Areas of exception;

6.1.2. Areas of improved performance; and

6.1.3. An assessment of where improvement actions are needed for performance to achieve end of year targets.

6.2. The report comprises of exceptions from both:

6.2.1. The Balanced Score Card– which relates to performance indicators selected by CMT members to determine the organisation health of the Councils, and

6.2.2. The **LAA Score card** - which relates to indicators in the LAA.

6.2.3. Due to reporting cycles there have not been many performance indicator updates in November. Many of the performance indicators are scheduled to be updated at the end of December reporting quarter 3 outturns for 2010/11. These will be reported in future reports.

6.2.4. For a full list of indicators please visit the link mentioned below:

<http://sbcinsite.ad.slough.gov.uk/3709.aspx>

## 6.3. **Gold Project Update**

The summary below provides Members with an update on Councils Gold Project as at December 2010.

### **Monthly Period Summary**

- Ten highlight reports have been received this period.
- Of these, four projects have an overall Green status, five are Amber, one is Red.

**Culture, Learning & Library Service  
Transformation Programme**  
*(including Library Services  
Transformation, Cultural Offer and  
Olympic, Sports & Leisure Offer)*

**PROJECT  
MANAGER**

Jackie Menniss,  
(C&W)

**ALL WARDS**

Timeline	Budget	Issues & Risks	OVERALL STATUS	Date Updated
GREEN	GREEN	GREEN	GREEN	10/12/10

**Key Points:**

- Projects are delivered, on track or have been revised to more realistic timescales and the overall status stays green.
- Roles and responsibilities have been reassigned to release capacity within the management team to prioritise the projects.
- All budgets agreed and in place.

## Adult Social Transformation Programme

PROJECT  
MANAGER

Tracy Cartmell, (C&W)

### ALL WARDS

Timeline	Budget	Issues & Risks	OVERALL STATUS	Date Updated
GREEN	GREEN	AMBER	AMBER	03/12/10

#### Key Points:

Overall the project is moving well, however, these areas are amber:

- Mental Health pilot
- Learning Disability personal budget trial
- IAS upgrade: specification costings and timeline will be presented to the IT project board in December.
- The Information & Advice Strategy for the interim service directory and public information campaign: service specifications will go to the IAG project steering group in January
- PM working with Skills for Care regarding InLaws to produce workforce strategy which will be discussed at the next regional InLaws meeting (January 2011)

The establishment of at least one ULO by December 2010 is now red. However, the sign off of specification and budget will be at the Programme board in December with tenders to go out w/c 10<sup>th</sup> January.

### RECOMMENDATIONS:

CMT agree to delegate corrective action to Project Board who are already taking steps to mitigate amber & red issues.

## School Places in Slough

PROJECT  
MANAGER

Robin Crofts (ECS)

### ALL WARDS

Timeline	Budget	Issues & Risks	OVERALL STATUS	Date Updated
GREEN	AMBER	AMBER	GREEN	02/12/10

#### Key Points:

- The single revised PID is currently under review by Clair Pyper.
- The conversion of Town Hall to a school for 2012 was approved by Cabinet on 9th Nov 2010 and a PID prepared.
- A centrally located school has agreed in principle to expanding for 2011 – LA and GB still to finalise agreement.
- Funding arrangements to be finalised.

The current identified risks are:

- Funding at risk of claw back if not spent by Aug 11
- Demand rises further than anticipated before Sep 11
- Likely more than 3 new infant annexes required by Sep 11.
- Rok insolvency – Major delay with Parlaunt Primary Capital project (£4m project)

**Neighbourhood Working  
OF PARTICULAR INTEREST TO  
CHALVEY, MANOR PARK AND  
COLNBROOK & POYLE**

**PROJECT  
MANAGER**

Keren Bailey, (GBE)

Timeline	Budget	Issues & Risks	OVERALL STATUS	Date Updated
GREEN	GREEN	GREEN	GREEN	02/12/2010

**Key Points:**

- Project plan for Nov – March finalised and signed off by project board 30/11/10. Priorities include:
- Communications to broaden understanding and involvement;
- Development of opportunities for services to work with neighbourhood boards;
- Strengthening of Virtual Area Teams;
- Review of project governance arrangements – Ramesh Kukar from SCVS has now joined the board;
- Work with boards to understand accountability from their perspective;
- Actions to support and further develop existing pilots; and
- Development of a Community Engagement Strategy.
- Project has now been considered by Neighbourhood and Renewal, Community, Leisure and Environment panels, CMT, LSP board and the SSP PDG.
- Project board is keen to explore how the project can contribute to the Big Society and localism in Slough and to develop the relevant strategic links.

**RECOMMENDATIONS:**

CMT to consider options for Project Lead and membership of the Project Board post April 2011

## Housing Futures (ALMO move)

**PROJECT  
MANAGER**

Vijay McGuire (GBE)

**ALL WARDS**

Timeline	Budget	Issues & Risks	OVERALL STATUS	Date Updated
AMBER	GREEN	AMBER	AMBER	10/12/10

### Key Points:

- 2nd Phase of Housing Services Consultation was launched; work completed includes:
  - Revised Job descriptions completed (Staff consultation P2)
  - Job evaluations completed (Staff consultation P2)
  - Matching completed (Staff consultation P2)
  - Staff 1-2-1s (Staff consultation P2)
  - Three Staff briefings held
  - Updated Financial Model to include Phase 2 of consultation
- The project remains within agreed budget – as key deliverables remain undetermined until recruitment is completed.
- Wider issues that are impacting the project include:
  - Clarity on corporate restructuring timetable/Service reviews will allow board and core project team to have clear understanding on what happens in relation to support staff from the former People 1st.
  - The Accommodation review will confirm the location of the housing service and how many staff from the housing services will be re-located.
  - Recruitment will enable appropriate project groups to be set up to deliver work stream relating to CAPITA

## 2011 Census

**PROJECT  
MANAGER**

Rob Wood (CE)

### ALL WARDS

Timeline	Budget	Issues & Risks	OVERALL STATUS	Date Updated
AMBER	AMBER	AMBER	AMBER	08/11/10

#### Key Points:

- Comms and Marketing Strategy and Countdown Plan completed including PR and Media, Mobilisation and Social Marketing
- Continued awareness raising for members, parish councils and staff in the need to identify sheds and HMOs
- Continuation of GIS/mapping information to contribute to enumerator intelligence
- SBC has taken lead role in Community Plans for Black African, Black Caribbean Somali population groups after ONS changed their position on engagement roles and responsibilities at OMAG on 12th November (see Timeline Issue)
- Forster Session held on 17th November series of recommendations including testing key messages and building a set of case studies
- Recruitment of 2011 Census Ambassadors
- Completion of Census e-learning package – live on 2nd December
- Agreement of completion centres including: Thomas Grey; My Council, Wexham Court School, Colnbrook Primary, YMCA, Destiny Support, Sikh Temple, Slough and Langley Fire Stations on 27th March,
- Meetings with schools as a result of recent briefings to agree involvement
- Curriculum resources shared with schools through gatekeeper
- Shabnam Ali is leading on the development of comprehensive plan to get into the business community, Mars already have got involved, Slough Community Business Partnership Breakfast Meetings,
- CLPP Community Plans for Black African, Black Caribbean and Somali shared by Noreen Mian and Anita Jan
- Sam Hussain leading on ESOL and Thomas Gray as Completion and Assistance Centre
- Judeline Nicholas has led on embedding Census into all training and induction programmes

#### CMT Actions:

Support with mobilising front line staff to attend training and then cascade census messages to staff

Support for staff to complete Census Awareness training using E-Learning package , launched in Newsround this week

**REGENERATION: Britwell & Haymill**  
**OF PARTICULAR INTEREST TO BRITWELL & HAYMILL**

**PROJECT  
MANAGER**

Neil Aves (GBE)

Timeline	Budget	Issues & Risks	OVERALL STATUS	Date Updated
RED	RED	RED	RED	17/11/10

**Key Points:**

- Following the Government's CSR announcement we are entering a critical phase regarding the future viability of the scheme. A recent meeting with the HCA has confirmed that they remain keen to pursue the project and indeed have offered the prospect of SBC receiving some funding this financial year out of other project slippages across the region. The figure they are considering is between £500,000 and £700,000 and of course comes from existing pre-CSR budgets. Funding may be obtained simply to reimburse the Council for fee expenditure to date which has been spent in consulting the residents and securing outline Planning Approval. This will not however deliver the scheme or significantly enhance the viability of the scheme as a whole.
- By receiving funding this year the project will then attain the highest level of priority with the HCA to secure future funding however even with the agencies best endeavours there may just not be the funding available to allow them to commit to the scheme.
- Best advice is that the retail element will deliver itself and possibly offer the council a capital receipt of around £300,000 which had always been earmarked for the Kennedy Park improvements agreed with the community in return for using part of the land for construction. The housing element might cost anywhere in the region of £7-£9 million to deliver and its delivery as council housing is fundamental to the scheme firstly because the Housing Revenue Account requires the future rental income to remain viable, having lost the rent for 71 homes and 30+ shop units and secondly that the tenants being decanted from Wentworth Avenue cannot be 'forced' into housing association properties and requirements to decant them into solely existing council homes across the borough would inevitably lead to further scheme delays and adverse publicity.
- Although the above sounds depressing, it does not sound the death knell of the project, rather it is a cash flow issue which needs to be resolved through either SBC borrowing or short term funding from the HCA. Just as soon as we can receive some certainty on the availability of grant funding from the HCA the council can start to explore options (if any) for borrowing the funds over a comparatively short period until phase 2 of the project which will see the development of significant amounts of market housing, the profits from the sale of which can pay off the borrowing.
- Clearly the new financial climate will mean that the design of the



scheme will have to change accordingly and current discussions with the council's advisors suggest that we need to re-engage with the local community early in the new year to start considering what might be built in Wentworth Avenue as part of phase 2. If HCA funding is not available then potentially the density of such market sale developments as part of phase 2 will need to be increased significantly. The public can be involved in these deliberations and asked to vote on the trade-off between the scale of development and the amount of money available for community benefits.

- On a more minor level the lease for the former petrol station and car show room in Wentworth Avenue expires on the 25<sup>th</sup> December 2010 and officers are initiating the legal process through which the site can be secured for future development. Being a petrol station there will be ground contamination remediation issues which may fall as a liability to the current leasee however one other option is to secure HCA funding to remediate the site if the leasee is prepared to vacate with almost immediate effect and waive his right to six months notice.

#### **RECOMMENDATIONS:**

- Officers continue to engage with the HCA and secure whatever funding is available within this financial year.
- Officers undertake soft marketing exercises to firm up the construction costs of the phase 1 housing on Kennedy Park
- Officers undertake soft marketing exercises to firm up the construction costs of the phase 1 retail development to determine the likelihood of a capital receipt
- Officers begin to plan for a possible consultation exercise with local residents early in 2011 to "begin to think about what phase 2 might look like"
- Officers secure possession of the garage site adjacent to the Britwell Library and land bank the site for future options appraisal

## REGENERATION: Chalvey

### OF PARTICULAR INTEREST TO CHALVEY

#### PROJECT MANAGER

Andrew Stevens (GBE)  
*Mike Coles (Phase 1  
development).*

Timeline	Budget	Issues & Risks	OVERALL STATUS	Date Updated
GREEN	GREEN	GREEN	GREEN	07/12/10

#### Key Points:

- Phase 1 – On schedule for January opening .
- Stage 1b - Outline plans being discussed with Paragon. Intending, subject to agreement on proposal, to extend phase 1 contract to bring forward refurbishment of community space for existing users and implement satellite library by summer 2011.
- Positive discussion by Clair Pyper and Jane Wood with school head with a view to some shared use of early years facilities. Discussions will be followed up in December-January.
- Specification for Phase 2 – public consultation led by Chalvey Partnership is underway and further consultation with community and council partners is on track for January-March. Progress needs to be reviewed in early Jan to ensure public consultation is progressing - there are some concerns that cold weather is affecting delivery of leaflets.
- Project Support now in place and project documentation is being developed. Phase1b is being planned in detail and phase 2 plans are being prepared. All project documentation will be updated.

#### RECOMMENDATIONS:

- Comprehensive project plan and risk log require development
- Need to continue to encourage shared use of premises, including early years

## Planning for the Future

**ALL WARDS**

**PROJECT  
MANAGER**

CMT

Timeline	Budget	Issues & Risks	OVERALL STATUS	Date Updated
GREEN	AMBER	AMBER	AMBER	14/12/10

### Key Points:

#### Accommodation Project

- Phase 1 completed.
- Meeting scheduled for phase 2 of SMP.
- A revised Accommodation report went to CMT earlier this month.
- More detailed plans with a timetable for the moves are now being produced.
- The move of servers has been slightly delayed until the end of January due to the inclement weather impacting cable work to external sites.
- Budget is on target.
- Project is rated AMBER overall.

#### a) Workforce Planning

- Consultation launched for Chief Executive and Improvement & Development Directorates.
- CMT to provide update on their service areas.

#### b) Income and Debt Management (incorporating RIO)

- External collection agencies have performed preliminary work on our aged debtors with a view of collecting debt on our behalf using enhanced collection methods and increased resources at no increased cost to the council.
- Draft debtors policy has been produced.
- Business cases to raise additional income of approximately £3m are in the process of being generated for sign off by CMT in the New Year.
- Reconsidering the way we provide for bad debt to ensure that provisions are risk based. This may release income to the council.
- Continue to review and write off aged debt that is not collectable.

#### c) Staff engagement and communications

- Staff are being kept updated on key issues via normal communications channels including all user emails and posting consultations on the intranet.
- Staff briefings and 1-2-1's offered to staff affected.
- Unions have been engaged and consulted with.
- Equality Impact Assessments have been completed.

#### d) Outplacement support

- A process has been put in place to support staff displaced under the restructures and expressions of interest. This includes offering support via the Information Advice and Guidance team, e-learning and potentially funding external suppliers.
- Letters are being sent to all staff in receipt of a redundancy letter or taking early retirement without a redundancy package providing information and outlining the support available.

<b>Customer Focus</b> <i>(formerly Duty Desks)</i> <b>ALL WARDS</b>			<b>PROJECT MANAGER</b>	Kevin Gordon Lisa Nuttall	
<b>Timeline</b>	<b>Budget</b>	<b>Issues &amp; Risks</b>		<b>OVERALL STATUS</b>	<b>Date Updated</b>
<b>AMBER</b>	<b>GREEN</b>	<b>AMBER</b>	<b>AMBER</b>	13/12/10	

**Key Points:**

- Timetable for service areas to move to Landmark place and adopt the new model currently being developed with service areas
- Suggested 'Lend Out' approach will negate the need for formal HR deployment of my council staff.
- IT and Telephony issues being addressed
- Risks emerging around staff engagement as My Council staff are still to be briefed.

## 7. Financial Reporting

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

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

## 8. Projected Outturn Position as at 30<sup>th</sup> November 2010

- 8.1. There is currently a projected under spend position for the 2010/11 General Fund of £744k, although O&S should note that this reported position will change as work is underway to create a provision to mitigate an expected future liability in respect of Looked After Children. This compares to a reported overspend at this stage last year of £854k reported as at end November 2009. O&S members should also note the possible emerging issues and opportunities in sections 6 and 7 respectively.
- 8.2. For the Housing revenue account there is currently a projected under spend position of £1,142k from the budgeted surplus position of £213k agreed at the start of the year. This shows an adverse movement of £106k from that reported last month.
- 8.3. The position is summarised in Table 1, overleaf, and detailed in Appendix B.

Table 1 - Projected as at 30th November 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	36.994	0.004	0.018	(0.014)
Education and Childrens Services	180.555	(0.891)	179.664	24.533	24.461	(0.072)	0.010	(0.082)
Green and Built Environment	39.370	(0.646)	38.724	26.243	26.210	(0.033)	(0.033)	0.000
Central Directorates	87.857	(0.633)	87.224	22.679	22.375	(0.304)	0.007	(0.311)
Corporate	0.279	(0.140)	0.139	(0.083)	(0.083)	0.000	0.000	0.000
<b>Total Cost of Services</b>	<b>359.565</b>	<b>(2.915)</b>	<b>356.650</b>	<b>110.362</b>	<b>109.957</b>	<b>(0.405)</b>	<b>0.002</b>	<b>(0.407)</b>
<b>% of revenue budget over/(under) spent by Services</b>						<b>-0.37%</b>	<b>0.00%</b>	<b>-0.37%</b>
Treasury Management	3.334	0.000	3.334	3.334	2.995	(0.339)	0.000	(0.339)
Contingencies & earmarked reserves	2.274	0.000	2.274	1.383	1.383	0.000	0.000	0.000
Area Based grant *	(12.663)	1.609	(11.054)	(11.100)	(11.100)	0.000	0.000	0.000
<b>Total General Fund</b>	<b>352.510</b>	<b>(1.306)</b>	<b>351.204</b>	<b>103.979</b>	<b>103.235</b>	<b>(0.744)</b>	<b>0.002</b>	<b>(0.746)</b>
<b>% of revenue budget over/(under) spent in total</b>						<b>-0.72%</b>	<b>0.00%</b>	<b>-0.72%</b>
<b>Capital Reductions</b>		<b>(0.407)</b>						
<b>Add back ABG income adj</b>		<b>(1.609)</b>						
<b>Total Govt Reductions</b>		<b>(3.322)</b>						
<b>Housing Services</b>				<b>(0.213)</b>	<b>(1.355)</b>	<b>(1.142)</b>	<b>0.106</b>	<b>(1.248)</b>

## 9. Month on Month Movement in Variances

9.1. **Community and Wellbeing** are reporting an over spend position of £4k which is a adverse movement of £18k on the position reported last month. This small change is fundamentally due to an increase in costs across Community Services and Adult Social care due to an increase in staffing costs offset by savings in external care packages with a net reduction of 5 clients, 3 of which qualify for continuing health care. Further details can be seen in Appendix B.

9.2. **Education and Children's Services** are reporting an overall under spend position of £72k which is an adverse movement of £10k on last months reported position. As O&S will recall the background of the current ECS budget position and the mitigating action being adopted to alleviate the budget pressures being experienced is as follows;

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. However, the department is anticipating to be able to mitigate the full year effect of the current position by using approximately £400K of grant funding from Surestart to fund front line child protection social worker posts. However this is dependent on the grant funding being available beyond March 2011.

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 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.

The increase in spend since last month is primarily made up of an increase in Children Looked After activity resulting in additional costs of £82k. These are offset by one-off savings from agreed staff expressions of interest of £32k and a one-off increase in income from schools of £25k and Home to School Transport reductions of £17k following a recent change in provider. Details can be seen in Appendix B.

- 9.3. **Green and Built Environment** are reporting a small under spend of £33k which has arisen mainly from reductions in staffing costs and increased income. Staff cost reductions have arisen from delayed appointments and those arising in year from the expressions of interest made in the 'Planning for the Future' exercise. Additional income generation has come from an increase in Registrar's activities. Full detail can be seen in Appendix B. The department report a pressure arising 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.
- 9.4. **The Central Directorates** have reported an under spend position of £304k (£311k in October 2010). Further details can be seen in Appendix B.
- 9.5. **Treasury Management** continue to report an overall under spend position of £339k which is unchanged since last month. This comprises the following;
- 9.6. **Treasury Management - Refinancing** are reporting an under spend of £104k arising from the refinancing of debts in connection with two existing loans due to mature in September and November next year and £34k secured in interest savings following further debt refinancing via the PWLB.
- 9.7. **Treasury Management - Impact of Capital re-programming.** The re-profiling of the capital programme has identified revenue savings of £235k in the current year. However it is very important to bring to the attention of O&S and members that the overall size of the capital programme has not changed and this saving has only occurred because of the re-profiling of when schemes will be undertaken. This means that pressures will occur in latter years, e.g. 2013/14 and beyond when re-profiled schemes come on line and these pressures will need to be addressed as part of the 2011/12 budget build process covering these years. In addition further work is currently taking place at the moment on the Minimum Revenue Provision (MRP) position. CMT and members will be updated on the outcome of this in future budget monitoring reports.

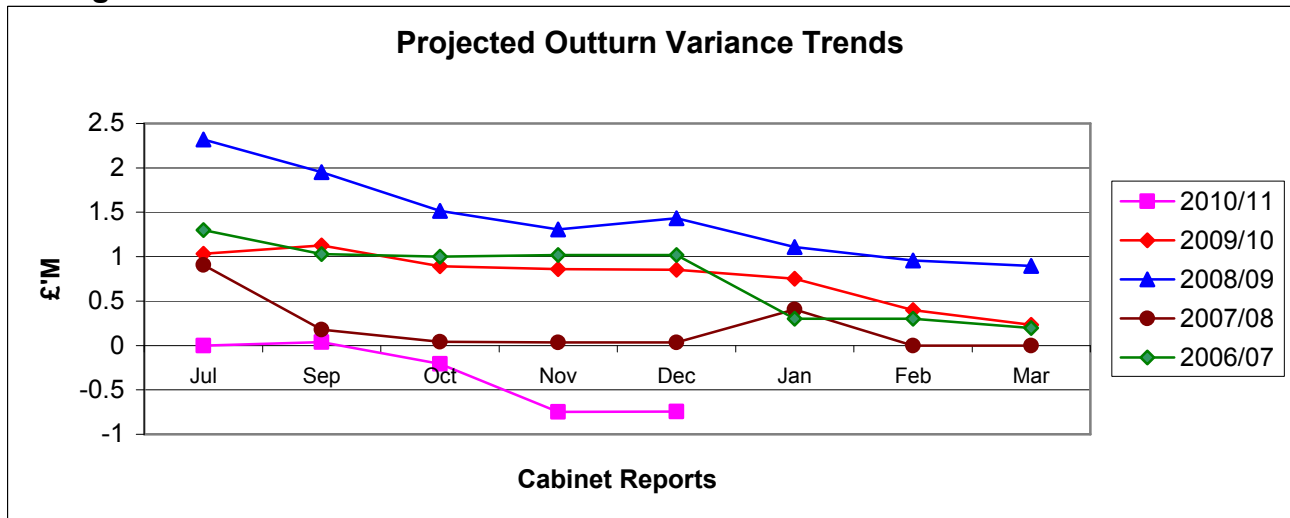
## Treasury Management – Changes to Credit Ratings of Approved Counter Parties

- 9.8. Although Fitch Ratings agency has downgraded support ratings of 8 UK building societies from 3 to 5 (lowest), it has left the long term and short term deposit ratings unchanged. Support rating indicates the rating agency's view that the support from UK authorities cannot be relied upon in the event that these building societies need assistance in the form of additional credit and/or liquidity support. Moody's, the other rating agency used by the Council has not made any such announcement. Of the 8 building societies, the Council has outstanding deposits with 3 as follows:

<b>Building Society</b>	<b>Amount</b>	<b>Maturity Date</b>
Coventry Building Soc	£4.00M	17/3/2011
Coventry Building Soc	£2.70M	25/7/2011
Leeds Building Society	£2.20M	21/1/2011
Yorkshire Building Society	£4.00M	22/3/2011
<b>Total</b>	<b>£12.90M</b>	

- 9.9. Although the long and short term credit ratings of the above building societies has remained unchanged and still within the Council's current approved limits, Coventry and Leeds building societies have been suspended from the lending list as a matter of prudence. Yorkshire building society was suspended from the lending list in June 2009. There are no forward deal commitments to any of the building societies.
- 9.10. The latest report from the Heritable bank Administrators indicate that the next dividend distribution is likely to take place in January 2011. To date £1.171M of original deposit of £2.579 has been repaid. The Council does not have any exposure to the Irish banks.
- 9.11. Figure 1 overleaf illustrates the monthly projected outturn positions over the last 5 years.

**Figure 1**



- 9.12. **The Housing Revenue Account** is showing an under spend of £1,142k. 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 surplus of £1,355k which is an under spend of £1,142k against budget compared to last months under spend position of £1,248k. This is the result of an increase in the revenue contribution to capital outlay (RCCO) to reflect the funding required to meet the current year's approved capital expenditure. Further details can be found in Appendix B. In overall terms, the new working balance carried forward at 31<sup>st</sup> March 2011 on the HRA is projected to be £10.362M.

## 10. Emerging Issues / Risks

### Introduction

- 10.1. Although the headline position is showing a projected under spend position of £744k 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.
- 10.2. 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 D details the areas of savings by directorate and their current status.
- 10.3. 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. **Indeed Cabinet on 20<sup>th</sup> September 2010 have agreed the pre CSR 2011/12 savings and so departments should be implementing those identified areas now.**
- 10.4. A review of the allocation of support costs between the Housing Revenue Account and the General Fund is being undertaken. The outcome of any changes arising from this may have an impact on the overall budget monitoring position for each service.



## **Directorate Specific**

### **10.5. Community and Wellbeing:**

- A new establishment providing supported living accommodation for clients with Learning Disabilities opened earlier in this financial year. Potential pressures could arise from clients placed in this facility by Other Local Authorities (OLAs), and thereby qualifying for ordinary residence. To counter this, Adult Social Care negotiated with the service provider to ensure that Slough Borough Council has exclusive rights to placements at this service. This will require careful management of placements. Placements by the Council to this service are projected to commence from January 2011 onwards.
- There is one outstanding Employment Tribunal claim within the Adult Social Care division currently going through court proceedings. Current costs associated with this claim have now exceeded budget. The Legal team will be providing guidance on potential costs which the department expect to be included in next months budget report.
- In addition, a result of closures and other budget pressures in local health economy. It is expected that the local authority will come under increasing pressures in relation to increased demand for social care. This is being closely monitored and further updates will be provided as appropriate.
- The library service will be externalised in 2011/12 and will fall under the management of Essex County Council. The savings that will be achieved through the Expressions of Interest for the Library Service come to £22k, however the transfer of the service to Essex County Council will incur costs which have not yet been finalised and these may off-set any savings. This will be reported on in due course. This does not affect the agreed saving in the PPRG for 2011/12.

### **10.6. 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.
- A relatively large cohort, of 12 children and young people, who are subject to Child Protection Plans in different Local Authorities, have transferred into Slough. These families have moved for their own personal reasons. However, there is a duty to convene 'Receiving In' child protection conferences in order to ensure that the children are appropriately safeguarded in Slough and this will result in the children becoming subject to CP plans with our C&F service. There is no way of knowing at this point, what stage of the Child Protection plan the children are at. It will take some weeks for staff here to assess whether these children can safely remain on CP plans or if their circumstances are such that they need to become 'looked after'. If this does prove to be the case, then this may impact on the foster placement budgets.
- Within the Youth Offending Team, an unexpected invoice was received at the end of last year for £18k in respect of an outstanding service charges for Connaught House relating to 2006. Provision for this was made but officers are in dispute with the landlord. YOT officers expect a possibility of further charges that could be made in respect of subsequent years. The departments long term plan is to vacate these premises when the break clause in the existing contract is reached.
- Further increases in levels of looked after children and referral and assessment activity will result in additional budget pressures although management are exploring mitigating strategies to combat this.

#### **10.7. 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.
- 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.
- Potential settlement from Employment Tribunal in Private Sector Housing
- A new/interim contract is still awaited from the Valuation team in respect of the bus station in order that a charge can be made. As a consequence no billing has taken place since November 2009. Currently it is estimated that income amounting to £60k is at risk.
- A number of highways properties that had been leased to Co-op Homes were handed back in December 2009. Details of the new management arrangements are still awaited from the Valuation team but there is concern that the income this generates is at risk unless this issue is quickly resolved. Currently it is estimated that income amounting to £30k is at risk.
- The cost of the new pest control contract is likely to result in an end of year budgetary pressure of approx £30k. Negotiations are being held with the contractor with a view to reducing the costs of the service. The disparity between the cost to the Council of rat treatments against the charges made to customers is causing this pressure.

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.

#### **10.8. Central Directorates:**

- The current economic situation with regards to increasing pressure on Housing Benefits.
- The data centre (server room) move out of the Town Hall to the Slough Trading Estate is due to take place in January. A full assessment of costs connected with the move are being undertaken

#### **10.9. Housing Services:**

- The proposed new structure for the Housing Services team has been finalised following a second consultation. The impact of this restructure in terms of efficiency savings and associated costs has been quantified and is factored into the projected outturn for the service. Estimated additional costs relating to recruitment and assessment centres have been collated and will be met from existing budget resources and these are already factored into the current outturn. It has been calculated that the new structure will create over £400k of efficiency savings from 2011/12.

## **11. Emerging Opportunities**

### **Introduction**

- 11.1. Note the requirement in paragraph 6.2 to take 2011/12 agreed savings early in 2010/11.
- 11.2. 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**

#### **11.3. Community & Wellbeing**

None identified at this stage.

#### **11.4. Education & Children's Services**

As reported last month, an investigation is being carried out into the terms and conditions of Sure Start funding with a view to offsetting social care costs for children aged under 5 where appropriate. Work on this is almost complete and indicates potential savings in the region of £500k. It is expected that this work will be finalised and a savings figure included in the December budget report.

#### **11.5. 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
- 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

#### **11.6. 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.

#### **11.7. Housing Services**

- The recent announcement regarding potential reforms to the Housing Revenue Account Subsidy system indicate potential flexibilities in how the Council may spend housing income and set rents. The Department will continue to monitor

announcements in this area in order to quantify the effect on the HRA budget going forward.

## 12. Agreed Base Savings 2010/11

- 12.1. 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 C to this report but an overall summary by department. Table 2 below indicates that overall the savings items are exceeding target for delivery. This is fundamentally as a result of increased income of £339k from Treasury Management as reported in paragraphs 5.5 to 5.7 and a saving of £25k within Community & Wellbeing as a result of a management action to mitigate a corresponding pressure against an in year savings target (this is identified in table 3, paragraph 9.1). These savings are partially offset by a £60k shortfall in income within Improvement & Development in respect of the recovery of court costs for council tax and rates.

**Table 2 – PPRG Growth & Savings**  
**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	-1,257	-25	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	-595	60	RED
Chief Executive	0	0	0	GREEN	-89	-89	0	GREEN
Corporate	1,723	1,723	0	GREEN	-1,440	-1,779	-339	GREEN
<b>Total</b>	<b>3,925</b>	<b>3,925</b>	<b>0</b>	<b>GREEN</b>	<b>-5,491</b>	<b>-5,795</b>	<b>-304</b>	<b>GREEN</b>

## 13. In year savings 2010/11

- 13.1. 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 D to this report but an overall summary by department is shown in table 3 below. Whilst there is a shortfall identified against Community & Wellbeing, this is mitigated by a management action to exceed a PPRG savings target (which is identified in table 2, paragraph 8.1 above).

## 13.2.

**Table 3 – In year savings  
Departmental In Year Savings Analysis 2010-11**

Department	In Year Savings Targets			
	Target	Estimated Outturn	Variance	Status
	£'000	£'000	£'000	
Community & Wellbeing	-605	-580	25	RED
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>-2,890</b>	<b>25</b>	<b>RED</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>-3,297</b>	<b>25</b>	<b>RED</b>

## 14. Capital

- 14.1. The overall council capital programme is £126m for the period 2010/11 to 2016/17. The programmed spend for 2010/11 is £55.5m which is a reduction of £1.5m on that previously reported.
- 14.2. 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 £55.5m in the current year will be delivered. In preparing the proposed revised capital programme, departments and AMG have considered the overall capital strategy and service priorities to enable delivery of the Council's business plans and within projected resources available, at a prudent and sustainable level. The overall asset management strategy is currently being reviewed and is expected to be reported to the December 2010 Cabinet, following which, the capital programme will be further reviewed and revised and reported back as part of the 2011-12 budget process. The Council's future revenue business plans will also impact on the capital programme as any change/s to the service provision could result in either a capital asset being identified as surplus to requirement and therefore potential additional capital receipt or additional capital required to upgrade an asset to enhance the service provision. These will also be considered and reviewed as part of the budget build process.
- 14.3. The overall programmed spend for the HRA capital programme is £10.8m for 2010/11 which is unchanged from the position reported last month. Options of how to fund the HRA capital programme have recently been presented to CMT. This outcome of this review will be presented to January Cabinet.

## 15. Planning for the future – Expressions of Interest

- 15.1. CMT will be aware that as part of the 'planning for the future' exercise a number of agreed business cases for voluntary redundancy, early retirements, reduced hours and other short term leave arrangements were agreed for implementation during 2010/11. The consequence of this after allowing for any back-fill costs where appropriate is that there are currently estimated net General Fund savings of £118k that will be delivered in

the current financial year. However there are still some areas where cover or alternative arrangements with offsetting costs, where appropriate, are yet to be finalised and any savings in these areas have been excluded at this stage until a final position is determined. These areas will be under review and an update provided in future monitoring reports.

- 15.2. The Housing Revenue Account has also generated 2010/11 savings from this exercise of £30k which were included in previously reported variances. These figures are included within the latest estimate for each department but are also set out below for information;

15.3.

**Table 5 – Planning for the future savings**

**Planning for the future - 2010/11 savings**

Department	Total Saving £'000
Community & Wellbeing	-3
Education & Children's Services	-36
Green & Built Environment	-9
Resources	-33
Improvement & Development	-31
Chief Executive	-6
<b>Total General Fund</b>	<b>-118</b>
Housing Revenue Account	-30
<b>Total</b>	<b>-148</b>

## 16. Debt Monitoring

- 16.1. Between the period from 1 April 2010 and 30 November 2010 the Council has written off the following amounts of uncollectable debt:

Sundry Debtors	£79,242
Council Tax	£214,308
Housing Rents	£50,084
Housing Benefit overpayments	£15,336

## 17. Conclusion

- 17.1. The position as at the end of November 2010 leaves an overall headline under spend position of £744k against the General Fund revenue account. Against the Housing revenue Account the position as at the end of November 2010 leaves an overall headline under spend position of £1,355k. 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.

- 17.2.** The General Fund capital programme is indicating a total programmed spend of £55.5m in the current year against £126m for the period 2010/11 to 2016/17. The Housing Capital Programme is showing a total programmed spend of £10.8m for 2010/11. The capital programme will be reviewed again as part of the budget build process for 2011/12.