

SLOUGH BOROUGH COUNCIL

REPORT TO: Overview & Scrutiny Committee **DATE:** 3rd March, 2011

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(For all enquiries)

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 January 2011 against the following key areas:

- i. Exception performance monitoring against the SBC Council Wide Balanced Scorecard and the LAA Scorecard (Appendices A, B, C, D)
- ii. Revenue and capital monitoring position to January 2011 (Appendices E, F, G)

The current format and frameworks for performance reporting within SBC were developed some time ago. Since then, the cumulative effect of a number of external and internal changes have resulted in an increasing divergence from the optimal requirements for the council. We therefore intend to conduct a systematic review of the performance management processes, frameworks and report formats over the coming months, and will produce a revised and reinvigorated framework for use within the 2011-12 fiscal year. This review will be informed both by local, internal considerations (e.g. to create simpler to use systems, of a more comprehensive nature, that create a better fit for purpose within the organisation and local partnership structures) as well as external considerations (e.g. reacting to changes in Government expectations around performance measures, changes to inspection frameworks, and changes to national policy and economic conditions). The review will include extensive consultation across all service areas. As a result of this review we anticipate replacing each of the Corporate, Organisational Balanced and LAA Scorecards with updated versions that will more closely meet the current and future needs of the organisation and local area.

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 an update on exceptions during the period up to and including 31st January 2011, 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 **Organisational Balanced Scorecard** – which relates to performance indicators selected by the members of Corporate Management Team to determine the organisational health of the Council, and

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

6.2.3. Due to reporting cycles there have not been many performance indicator updates in January. Many of the performance indicators are scheduled to be updated in at the end of the financial year. These will be reported in the next quarters reports, where possible.

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

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

6.3. Gold Project Update

The summary below provides Members with an update on Councils list of Gold Project as at January 2011.

Monthly Period Summary

- There are ten Gold Projects in total, highlight reports from eight have been received in January.
- Of the ten projects, five projects have an overall Green status, three projects have an overall Amber status and one has Red status. Planning the Future is rated separately. Information for the Heart of Slough project will be provided outside of this update.

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	07/02/11

Key Points:

- **Key Projects** Introduction of a Library Management computer system, increased opening hours, and the introduction of RFID self service in all libraries have been delivered, or are on track (new satellite library at Colnbrook) having been revised to more realistic timescales and the overall status stays green.
 - Roles and responsibilities were reassigned within the senior management team to prioritise the projects and complete.
 - All budgets are agreed and in place
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Adult Social Transformation Programme

PROJECT
MANAGER

Tracy Cartmell, (C&W)

ALL WARDS

Timeline	Budget	Issues & Risks	OVERALL STATUS	Date Updated
Amber	GREEN	Amber	Amber	07/02/11

Key Points: All areas are 'amber' except for the budget which is 'green' for the current period and progress areas include:

- Personal Budgets for Older People/Physical Disability were rolled out from 25th October.
 - Personal Budgets and the Resource Allocation System for Learning Disability is being trialled by Community Team for People with Learning Disabilities.
 - 20 eligible Mental Health service users have completed a Personal Needs Questionnaire and packages of support will be put in place by 31/03/2011.
 - The Financial Contribution policy approved, in principle, by cabinet in December subject to public consultation and approval by Health Scrutiny in March.
 - Delivery of workshops for the implementation of the new operating model are being conducted during February and March.
 - Review of Phoenix Centre and Review of Learning Disability completed with positive results. These were presented to Health & Scrutiny panel on 25th October. These reports were well received and Cabinet agreed the proposals. The Phoenix Day Centre has now been relocated and Elliman and Langley are now combined on one site.
 - Slough was identified as best practice for their approach in developing the Integrated Local Area Workforce Strategy (InLaws) in South East Region at regional event in January 2011. Slough will be presenting a workshop at the National Skills for Care InLaws Conference in March.
 - Potentially not going to achieve the Self Directed Support target of 30% of all services users to be in receipt of either a Personal Budget or a Direct Payment. Action plans to improve performance are in place.
 - A new wide ranging and ambitious re-commissioning plan has been developed and is in the process of being implemented. There are some delays in some aspects of implementation e.g. User Led Organisation.
 - A final decision is awaited for delivery model for council wide Information and Advice.
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School Places in Slough

**PROJECT
MANAGER**

Robin Crofts (Education
and Childrens Services
Directorate)

ALL WARDS

Timeline	Budget	Issues & Risks	OVERALL STATUS	Date Updated
GREEN	GREEN	AMBER	GREEN	01/02/11

Key Points:

- Pressure on places in Year 1 and 2 (primary) – monitoring closely – solution will be to open new classes at Willow Primary from Easter onwards
- August 2011 outturn forecast for Primary Capital (£6m) and Basic Need Safety Valve (£9m) funding shows:
 - impact of delay at Parlaunt caused by Rok insolvency
 - possible impact of delays for other schemes
 - overall likely outturn based on current plans
 - solutions to avoid claw back
- Castleview, Lynch Hill and Ryvers are finalising arrangements with their preferred modular suppliers.
- Novation of Parlaunt Park scheme to Primus has minimised delays on this major project. Scheme is now back up and running on site.
- 5 expressions of interest received from schools wishing to incorporate the Town Hall. Selection criteria agreed with School Organisation Group.
- Langley Academy Free School now seems more certain to go ahead with a former East Berkshire College building as the proposed site. It will offer 50 Reception places from this September, reducing the number of new places SBC needs to create by September.
- The provisional count of primary applications for September 2011 is 2021, an increase of 73 from last year. Current plans will provide 2085 places, leaving a 3% surplus as planned for new arrivals.
- Meeting held with Bucks CC to share data and discuss cross border movement in terms of future place planning for secondary schools.
- Secondary application data now available for September 2011, confirms numbers are in line with last year.
- Town Hall – criteria to select partner school agreed.
- Asset Management Team to agree available cash envelope for conversion of Town Hall.

The current identified risks are:

- Central Government regime for spending is time bound. August 2011 is cut off date for spend.
 - Demand fluctuates further than anticipated before Sep 11
 - Langley Free School opening delayed due to construction issues
-

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

**PROJECT
MANAGER**

Keren Bailey, (Green and
Built Environment
Directorate)

Timeline	Budget	Issues & Risks	OVERALL STATUS	Date Updated
GREEN	AMBER	AMBER	GREEN	08/02/11

Key Points:

- Remaining budget only £600. Boards need support to obtain future funding – being arranged through SCVS.
- Boards now developed their own websites – local giving link to be added
- Manor Park joint group meeting led to trial merger of 2 NAGs for a 4 month period
- Neighbourhood Executive meeting on 7/2. Very appreciative of support from SBC officers. Report to be produced by SCVS and actions agreed
- NET team meeting to discuss how services can be more accountable and can change public perception. Actions to be agreed
- Links to community facilities being developed
- Article on Manor Park work in Feb Citizen
- Provide support to boards to enable them to become self sustaining
- Now that Britwell has funding to kick start – need to meet with Project leads to ensure neighbourhood approach built into the regeneration project
- Capital environmental enhancement budget not spent as boards need time to develop and understand community priorities – need to ensure not lost at year end.
- The overall project status remains at Green. The uncertainties around the budget and risks are being managed and sufficient corrective actions has been put in place so that they will not impact on the project in the next period

Risk status now Amber – risks are:

- Sustainability of groups - Need to develop strategy to reduce support
- Council wide vision and Member engagement
- Capacity- Regeneration and on – going support for neighbourhoods working

RECOMMENDATIONS:

- Corporate Management Team note the risks identified and options to minimise – Corporate Management Team report 24/2 planned
- Corporate Management Team consider scope and appropriateness of proposed community engagement strategy in light of pace of change and localism/Big Society agenda –

- Corporate Management Team should note need to factor in neighbourhood working for Britwell regeneration

Housing Futures (ALMO move)

**PROJECT
MANAGER**

Vijay McGuire (Green and Built Environment Directorate)

ALL WARDS

Timeline	Budget	Issues & Risks	OVERALL STATUS	Date Updated
GREEN	GREEN	AMBER	GREEN	28/01/11

Key Points:

- All Assessment Centres have been completed with offers of feedback to all candidates and key appointments now made
- CAPITA Upgrade has been deferred to May 2011 because of recruitment and the need to focus on Rent Setting 2011. New appointments will allow for CAPITA Project team to be set up
- Appointment to project officer and subsequent key appointments to vacant housing points will enable this preparatory work to be completed prior to the upgrade from May 2011.
- Outline agreement on number of staff to move to Landmark Place Customer Services- further work required.
- Awaiting the outcome of the Corporate complaints review to determine how this will impact on housing complaints officer post and TSA standards

Risk status Amber – risks are:

- Need to ascertain arrangements post April 2011 on supported vulnerable people – workshop planned 18/02/11.
 - Further detail on Corporate Customer Services review needed to identify timescales and process for establishing specialist customer services team for all front line services. Need to understand the milestones of the customer services review to establish customer access at Landmark place for both strategic housing and housing management functions.
 - Supported Housing: need to retrieve data to populate CAPITA management system.
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2011 Census

PROJECT
MANAGER

Rob Wood (CE)

ALL WARDS

Timeline	Budget	Issues & Risks	OVERALL STATUS	Date Updated
AMBER	AMBER	AMBER	AMBER	08/02/11

Key Points:

- Comms and Marketing Strategy and Countdown Plan completed including PR and Media, Mobilisation and Social Marketing updated and populated with countdown methodology
- GIS/mapping – large maps complete – ED information to contribute to enumerator intelligence ongoing
- Ongoing Recruitment of 2011 Census Ambassadors and volunteers
- Volunteer Mobilisation and Coordination Commenced 1st Feb.
- Completion Centre plan moving towards 100+
- First batch of leaflets printed and ready for distribution
- Staff volunteer roles developed and JD through SCVS including language skills, engagement skills, supporting people completing questionnaires
- Securing Asian Star – engagement and publicity programme and completion event
- Staff protocols and guidance published on SBCinsite

Emerging Q&A issues:

- ONS will examine all issues, correspondence and disputes since 2011
- Final population estimates will be compared against GP registration, child benefit, PLASC data, pension data
- ONS pushing rigorous QA process before final executive sign off
- Operational Intelligence, Area profiles and LA provided intelligence part of QA process
- Estimation Areas are being used to obtain bigger samples

Actions in Progress:

- Implement 2011 Census Comms and Mobilisation Plan for Feb-May 2011
 - Work with SCVS to ensure volunteer recruitment can achieve desired 150 staff days
 - Work with SBC managers to ensure staff released during the day reaches target of 300
 - Distribute a 2011 Census briefings for frontline staff across LSP
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REGENERATION: Britwell & Haymill
OF PARTICULAR INTEREST TO BRITWELL & HAYMILL

PROJECT MANAGER

Neil Aves (Green and Built Environment Directorate)

Timeline	Budget	Issues & Risks	OVERALL STATUS	Date Updated
RED	RED	RED	RED	21/02/11

Key Points:

- Report to Cabinet 7th February 2011. Recommended:
 - Seek detailed planning consent for Phase 1 (residential development, Kennedy Park).
 - Negotiate with SEGRO for the acquisition of the land adjacent to Kennedy Park.
 - Residents be consulted on the Parks improvement works.
 - The old Rent Payment Office & Malt Building be converted to a new library.
 - The garages to the West r/o Wentworth Avenue be demolished to create space for the contractor's compound for the old Rent Payment Office & Malt Building refurbishment.
 - That work commence to ID suitable alternative accommodation for Britwell Scouts & Guides.
- Full update report planned to Cabinet on 14th March 2011.

REGENERATION: Chalvey

OF PARTICULAR INTEREST TO CHALVEY

PROJECT MANAGER

Andrew Stevens (Green and Built Environment Directorate) *Mike Coles (Phase 1 development).*

Timeline	Budget	Issues & Risks	OVERALL STATUS	Date Updated
GREEN	GREEN	AMBER	GREEN	21/02/2011

Key Points:

- Early Years Centre – open on time. External works ongoing.
- Contract for community centre and timetable for development being prepared.
- Community consultation – all major stakeholders now engaged in and supporting design of spec for phase 2. Priorities are – place to meet, library, learning and in phase 3 something for young people
- Community requests to use land at the rear of the Centre not supported as the Council is encouraging communities to use recreational land already available. Grounds maintenance contract with Enterprise to be arranged.
- Letting of contract for demolition of play centre.
- Range of options for management arrangements and governance of Community Centre to be prepared for decision by Board by May 2011

- Consideration of space for Police, wardens to drop in (some built into phase 2 spec)

RECOMMENDATIONS:

- Lessons learned to be used to inform Britwell regeneration.

Customer Focus
(formerly Duty Desks)
ALL WARDS

**PROJECT
MANAGER**

Roger Parkin
Vijay McGuire

Timeline	Budget	Issues & Risks	OVERALL STATUS	Date Updated
AMBER	GREEN	AMBER	AMBER	14/02/11

Key Points

- Project Management Support is now in place due to changes in Directorate structure
- New governance arrangements being developed to ensure control, monitoring and risk management of Customer Focus Project.
- Successful appointment of new AD for Customer Services and ICT with a potential start date for March / April 2011
- High Level Project Plan in place
- Siebel and the telephone systems have been reviewed.
- New voice recognition technology is being investigated.
- Staff briefings regarding the new operating model have taken place and will continue on a monthly basis
- The scoping for the Service Directory has been done and a working group created to take this further.
- Ongoing dialogue with Adult Social Care - Customer Services team to clarify future service, staff numbers, training
- Staff Engagement and Communication Plan currently being developed

Planning for the Future
ALL WARDS

**PROJECT
MANAGER**

Corporate Management
Team

Key Areas:

a) Accommodation Project – Roger Parkin

- Moves are now underway and the timetable is on track
- The Centre is now in use
- Staff have been moved to Airways House and additional car-parking has been acquired.
- Work has commenced on fitting out three wings of St Martins Place
- The project is within budget.
- The Data Centre is now up and running.

- Staff are being updated via regular communications.
- The project overall is rated **GREEN**

b) Workforce Planning – Julie Evans

The expressions of interest (EOI) exercise has identified A total of £8,001million savings to mitigate the cuts to public sector spending for 2011/2012 (and a further £2.718 million identified for future years) has been incorporated into the medium term financial strategy.

21% (£1,692m per annum)of the ongoing annual general fund savings for 2011/2012 was secured as a direct result of expressions of interest from staff as part of the planning for the future exercise, at a total one off cost of £2.381million providing a “payback” period of 17months.

This project is rated **GREEN** and is completed

c) Income and Debt Management (incorporating RIO) – Julie Evans

- Business cases to raise additional income of approximately £3m have been developed, these will be reviewed by Members in the 1st quarter of the new financial year and decisions arising as a result will provide a significant contribution to the remaining £9million deficit in future years.
- In the financial year 11/12 £1.081million (exceeding the target of £750k) contribution to the impact of cuts to public sector spending has been secured by improving the way we manage our “sundry” (non council tax) debt.

Funds have been released by:

- writing off historical aged debt that has been fully provided for and changing the way we provide for bad debt in the future to ensure that such provisions accurately reflect the risk base.
- improving our credit control and collection processes to improve collection rates
- working with a 3rd party to secure payment of old fully provided for debt on our behalf, at nil cost to the council.

This project is rated **GREEN** overall and part 2 relating to Debt is completed.

d) Staff engagement and communications

Staff are continuing to be updated on key issues through normal communications channels including all user emails and posting consultations on the intranet. A number of changes are affecting

staff ranging from where they work to how they work as we drive out costs to deliver the requisite budget savings. This has a significant impact on our workforce and the need to further improve communications has been recognised. A number of presentations to staff have been delivered by the Leader of the Council and the Chief Executive.

This element is rated **AMBER** as further change is required in the coming year.

e) Outplacement support

- Three staff have requested 1:1 support from the IAG team via this option.
- A retirement seminar has been arranged for 28th February and letters have been sent out to relevant staff; 7 places have been booked to date.

Four staff have applied for the £500 additional support fund and, upon review, all have been granted to date (total £2000).

7. Financial Reporting

- 7.1. The Council's net revenue budget for 2010/11 is £103.9m. The Housing Services agreed net operating budget for 2010/11 reflects a surplus of £213k.
- 7.2. There is currently a projected under spend position for the 2010/11 General Fund of £675k. This compares to a reported overspend at this stage last year of £231k reported as at end January 2010. Cabinet members should also note the possible emerging issues and opportunities in sections 7 and 8 respectively. Members will be aware that the current outturn position will change as a result of work is underway to create a provision to mitigate an expected future liability in respect of Looked After Children and the agreement to allocate residual under spends towards funding the associated on off costs of the planning for the future exercise. Adjustments to reflect these issues will be applied in February 2011.
- 7.3. For the Housing Revenue Account there is currently a projected over spend position of £60k from the budgeted surplus position of £213k agreed at the start of the year. This is an adverse movement of £1.2m from the position reported at the 31st December 2010.
- 7.4. The position reported above is summarised in Table 1, overleaf, and detailed in Appendix E

Table 1 - Projected as at 31st January 2011

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	36.990	0.000	(0.011)	0.011
Education and Childrens Services	180.555	(0.891)	179.664	24.533	24.389	(0.144)	(0.104)	(0.040)
Green and Built Environment	39.370	(0.646)	38.724	26.243	26.209	(0.034)	(0.031)	(0.003)
Central Directorates	87.857	(0.633)	87.224	22.679	22.300	(0.379)	(0.075)	(0.304)
Corporate	0.279	(0.140)	0.139	(0.083)	(0.083)	0.000	0.000	0.000
Total Cost of Services	359.565	(2.915)	356.650	110.362	109.805	(0.557)	(0.221)	(0.336)
% of revenue budget over/(under) spent by Services						-0.50%	-0.20%	-0.30%
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
Total General Fund	352.510	(1.306)	351.204	103.979	103.083	(0.896)	(0.221)	(0.675)
% of revenue budget over/(under) spent in total						-0.86%	-0.21%	-0.65%
Capital Reductions		(0.407)						
Add back ABG income adj		(1.609)						
Total Govt Reductions		(3.322)						
Housing Services				(0.213)	(0.153)	0.060	1.202	(1.142)

8. Month on Month Movement in Variances

8.1. **Community and Wellbeing** are reporting a break even position which is a favourable movement of £11k since the previous month. The change reflects an increase in costs across Community Services and Adult Social caused by volume of client placements and revisions to anticipated client income. This creates a net pressure of £77k which is further offset by a reduction in staffing costs and reduced commitments for the provision of Langley Day Care centre totalling £88k. Further details can be seen in Appendix E.

8.2. **Education and Children's Services** are reporting an overall under spend position of £144k which is a favourable movement of £104k from last month's reported position. As previously reported mitigating actions adopted to alleviate the budget pressures are 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 younger children have been admitted to care, court fees, and contact visits. Work has already been undertaken to rigorously check rigorously 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 Sure Start 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 reduction in variance since last month is primarily due to savings against the directorates 1% employee contingency budget held to mitigate variances arising. However as any variances arising have effectively been contained during the year by budget holders this allows £103k of the 1% balance held to be released as a contribution towards pressures within the Children and Families budget. Other variances arising can be seen in more detail in Appendix E.

- 8.3. **Green and Built Environment** are reporting an under spend of £34k which is a favourable movement of £31k since last month arising from the release of the 1% employee contingency held by the directorate totalling £94k to offset the final inflation settlement with enterprise at a cost of £156k (£50k less than previously expected) Other variances include increased income within Environmental Services and Transport & Planning and increased pressure in the Food and Safety Service. Full details can be seen in Appendix E.
- 8.4. **The Central Directorates** have reported an under spend position of £379k a favourable movement of £75k from that reported last month. Further details can be seen in Appendix E.
- 8.5. **Treasury Management** continue to report an overall under spend position of £339k which is unchanged since last month. This comprises the following;
- 8.6. **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.
- 8.7. **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. Corporate Management Team 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

8.8. 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:

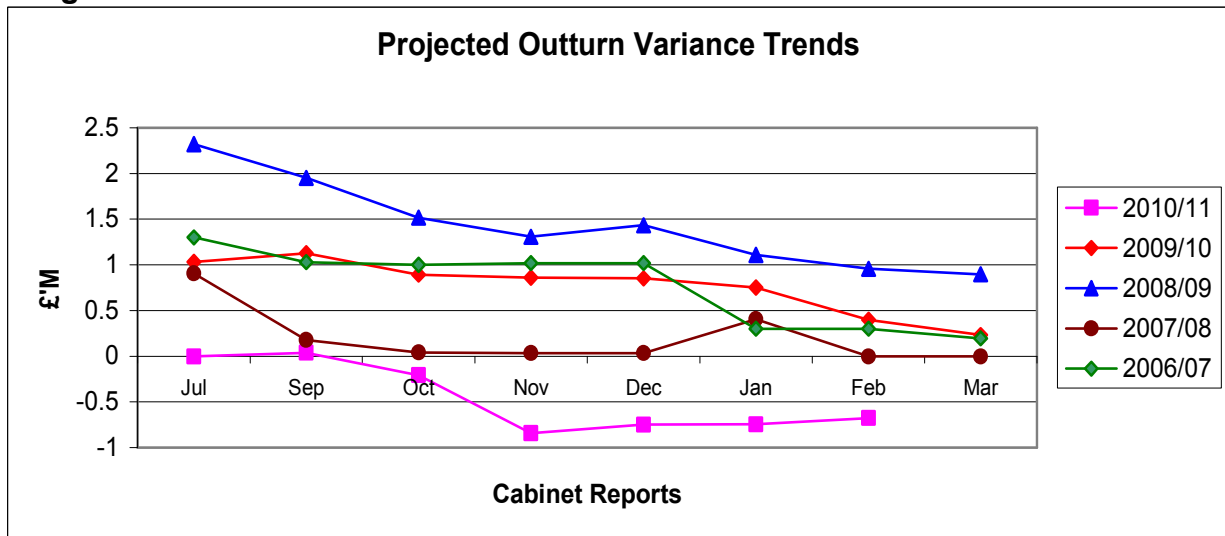
Building Society	Amount	Maturity Date
Coventry Building Soc	£4.00M	17/3/2011
Coventry Building Soc	£2.70M	25/7/2011
Leeds Building Society	£2.20M	21/1/2011
Yorkshire Building Society	£4.00M	22/3/2011
Total	£12.90M	

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.

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.

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

Figure 1



8.9. **The Housing Revenue Account** is showing an over spend of £60k. 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 £153k which is an over spend of £60k against budget which is an adverse movement of £1.202m since last month. This is fundamentally as a result of additional revenue contribution to capital outlay of £1.06m but also includes a number of other mainly compensating significant variances set out in Appendix E. The material variances include; asbestos removal costs previously included in capital of £320k, a reduction in expected income from dwelling rents of £353k a revised depreciation charge saving £793k. In overall terms, the new working balance carried forward at 31st March 2011 on the HRA is projected to be £9.161m.

9. Emerging Issues / Risks

Introduction

- 9.1. Although the headline position is showing a projected under spend position of £675k 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.
- 9.2. 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 G details the areas of savings by directorate and their current status.
- 9.3. 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. On 20/9/10 Cabinet agreed the pre CSR 2011/12 savings which are already being implemented by departments. In addition further savings have been taken to Commissioners and Directors on the 10/01/11 to be implemented in future months. Details of these savings are shown in Appendix E.

9.4. 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

9.5. Community and Wellbeing:

- As a result of hospital ward and bed closures, and other budget pressures in the local health economy, it is expected that the local authority will come under increasing pressures in relation to an increased demand for social care. Whole system health and social care winter investment funding of £342k has been made available by Berkshire East PCT for Slough and it is anticipated that this funding will be fully spent by both the PCT and local authority, with scheduled commitments having been jointly agreed with the PCT.
- There are two employment tribunal claims within the Directorate currently outstanding. Costs associated with these claims will be reported on in due course as the complexity and financial impact of the claims becomes clearer.
- Current projections indicate that the Directorates 1% employee contingency budget is likely to under spend by approximately £50k. There are still a number of variables, including winter pressures, which make this projection uncertain, however, it will be closely monitored over the remaining months of the financial year and reported appropriately.
- The new library contract that commenced on 1st January 2011 with Essex County Council has enabled the potential to realise savings for the last quarter of the financial year. Whilst negotiations are still ongoing with regards to the final charge it is possible that a £30k saving may be achievable, although as yet this is uncertain, with further discussions due to take place with Essex CC in the near future.

9.6. 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.
- Slough Borough Council Children's Services continues to manage a system that has been affected by significant societal changes, including the economic downturn and increased public awareness of safeguarding whilst at the same time, managing these changes alongside a change in Government and public spending. The consequences of these factors have had a major impact for us, our partners and children and families in the Borough. The most notable of these has been a continued rise in both the numbers of children subject to Child Protection Plans and those Looked After by the Authority. In turn, this has had a maintained effect of increased resources having to be spent on placing these children in safe and secure foster placements.
- 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.

- With regard to school funding, significant changes have been made to the grants from central government. There have been;
 - o Significant decreases in funding
 - o Grant funding has transferred from the Local Authority to the Dedicated Schools Grant whereby schools determine its usage
 - o Grants amounting to over £1.4m have terminated
 - o At this stage we are also still awaiting notification about grant allocation for some activities
- All of these present the Local Authority with financial challenges and increased risk. Alongside this, schools are now more cautious about funding allocations and supporting central services due to financial uncertainty and a more restricted financial settlement.
- Additionally, there has been an increase in schools which are in difficulty, resulting in schools through Ofsted scrutiny going into special measures. Consequently, the Local Authority has to increase support, monitoring, challenge and intervention which leads to increased cost on this delivery.

9.7. 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.
- 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.

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.

9.8. Central Directorates:

- The current economic situation with regards to increasing pressure on Housing Benefits.
- The data centre (server room) moved out of the Town Hall to the Slough Trading Estate in January 2011. A full assessment of costs connected with the move are being undertaken.
- Budget monitoring has identified pressures within IS & T we are still waiting for these to be analysed by the service area.

9.9. 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.

10. Emerging Opportunities

Introduction

10.1. Note the requirement in paragraph 6.2 to take 2011/12 agreed savings early in 2010/11.

10.2. 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

10.3. Community & Wellbeing

None identified at this stage.

10.4. 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 but the complexity and level of detail to identify relevant spend is greater than expected which has delayed the final outcome until next month. The latest information suggests that the overall contribution may be less than previously identified but still in the region £400k.

10.5. 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.

10.6. 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.

10.7. Housing Services

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.

12. Agreed Base Savings 2010/11

12.1. As Corporate Management Team 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 F to this report but an overall summary by department. Table 2 overleaf 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
Total	3,925	3,925	0	GREEN	-5,491	-5,795	-304	GREEN

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 G to this report but an overall summary by department is shown in table 3 overleaf. 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).

**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
Total - Revenue	-2,915	-2,890	25	RED
Green & Built Environment	-407	-407	0	GREEN
Total - Capital	-407	-407	0	GREEN
Total Savings	-3,322	-3,297	25	RED

14. Capital

- 14.1. The overall council capital programme is £127.9m for the period 2010/11 to 2016/17. The programmed spend for 2010/11 is £55.5m which is an increase of £0.3m on that previously reported.
- 14.2. Members will recall that the total capital spend for 2009/10 was £30m. Also spend to date in the current year is £26.1m. Thus 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 has been approved by Cabinet, the capital programme will be further reviewed and revised and reported back in quarter one 2011-12.
- 14.3. The overall HRA capital programme is £44.2m for the period 2010/11 to 2016/17. The programmed spend for the HRA capital programme is £7.9m for 2010/11 which is a reduction of £2.9m from the position reported last month.

15. Staff Budgets

- 15.1. Corporate Management Team will be aware that as part of the exercise to implement Job Evaluation and Harmonisation all staffing budgets were re-calculated from a zero base. This approach eliminated the existing staff turnover targets and provided directorate budgets with 99% of the total cost requirement under their control. This comprised 98% which was allocated directly to service budgets and 1% held by each director to manage any staffing pressures and changes as they arose. The remaining 1% is held centrally within contingency balances. To date a significant proportion of the total 2% that is not allocated directly to service budgets remains uncommitted or unspent. An increase in committed spend of £233k to a total of £255k has been reported this month as the agreed directorate contribution towards the servicing of community playgrounds comprising £17k from each of the front line directorates and both Education and Childrens Services Directorate and Green and Built Directorate releasing the remainder to mitigate other directorate pressures as detailed in Appendix E. The table below provides an analysis of the budgets being held and known commitments / spend;

Table 4 – 1 % Balances
Staffing Budget - 1% Balances Held

Department	Balance Held £'000	C'ttd / Spent £'000	Balance Available £'000
Community & Wellbeing	153	39	114
Education & Children's Services	120	120	0
Green & Built Environment	96	96	0
Resources	95	0	95
Improvement & Development	80	0	80
Chief Executive	7	0	7
Corporate Contingency	551	0	551
Total Held	1,102	255	847

16. Planning for the future – Expressions of Interest

- 16.1. Members 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.
- 16.2. 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 overleaf for information;

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
Total General Fund	-118
Housing Revenue Account	-30
Total	-148

17. Conclusion

- 17.1. The position as at the end of January 2011 leaves an overall headline under spend position of £675k against the General Fund revenue account. Against the Housing revenue Account the position as at the end of January 2011 leaves an overall headline over spend position of £60k. Despite entering the final stages of the financial year close scrutiny continues to be 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 £127.9m for the period 2010/11 to 2016/17. The Housing Capital Programme is showing a total programmed spend of £7.9m in the current year against £44.2m for the period for 2010/11 to 2016/17.