

SLOUGH BOROUGH COUNCIL

REPORT TO: Cabinet

DATE: 21st November 2011

CONTACT OFFICER: Julie Evans, Strategic Director of Resources (01753 875300)
(For all enquiries)

WARD(S): All

PORTFOLIO(S): Finance and Strategy – Councillor Anderson
Performance & Accountability - A S Dhaliwal

PART I **FOR INFORMATION**

PROJECT PERFORMANCE AND FINANCIAL REPORTING FOR 2011/12

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 September 2011 against the following key areas:

- i. Council's Gold Projects covering the period to 30th September 2011.
- ii. The revenue position as at 30th September 2011.
- iii. The Treasury Report as at 30th September 2011.

2. Recommendation(s) / Proposed Action

The Cabinet is requested to note and comment on the following aspects of the report:

- i. Project management
- ii. Financial performance – revenue and capital:
 - Note the current projected outturn position on the General Fund of an under spend of £189K.
 - Note that the Housing Revenue Account (HRA) reported a forecast surplus of £153k.
 - Note the identified areas of risk and emerging issues.

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. Gold Project Update

The summary below provides CMT with an update on the Council's Gold Projects as at 30th September 2011. Individual project progress reports have been made by Project leads, with endorsement from the Project Sponsor, and are provided on pages 3 to 13 of this report.

Please note that the contents of this month's highlight reports are using the new standardised format as approved by the Chief Executive. This is to ensure that the really pertinent points are drawn to CMT's attention, particularly any recommendations or requests that require CMT action to support project delivery.

Monthly Period Summary

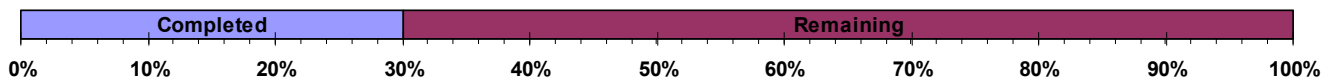
- This report covers eleven Gold Projects in total, of which highlight reports have been received for all as at 30th September 2011.
- All of the Gold Projects *with the exception of the Safeguarding Improvement Plan* have been agreed and authorised by the Project Sponsors. The Safeguarding Improvement Plan is in draft format, and so has NOT been included here at this point.
- The Chalvey Community Hub Regeneration and the Planning for the Future project *completed* at the end of September 2011 and will therefore be removed from the Gold Project List following the current report.
- This month two new projects have been added to the Gold Projects list: (a) Slough Local Asset Backed Vehicle ('LABV') and (b) Public Health Transition Programme. Highlight reports have been included for each.
- Of the eight gold projects which continue to be active and for which reports are presented, six have been assessed to have an overall Green status (although three of these have an Amber level for 'Issues and Risks'); two projects have an overall Amber status; none has been assessed as an overall Red status.
- Under budget one project ('School Places') has a Red status; none has an Amber status; seven projects maintain a Green status.

Project name	Overall status	Page
Britwell Regeneration	GREEN	3
Business Continuity	GREEN	4
Chalvey Community Hub Regeneration	GREEN (Completed)	n/a
Customer Focus Programme	GREEN	5
Delivering Personalised Services Programme	AMBER	6
LABV	GREEN	7
Planning for the Future	GREEN (Completed)	n/a
Public Health Transition Programme	GREEN	9
Safeguarding Improvement Plan	To follow	10
School Places in Slough	AMBER	11
Thames Valley Transactional Services Project	GREEN	12

Britwell Regeneration			Project SPONSOR	John Rice	
Wards affected: Britwell & Haymill			Project MANAGER	Jeff Owen	
	Timeline	Budget	Issues & Risks	OVERALL STATUS	Date of update report
Current period	GREEN	GREEN	GREEN	GREEN	04/10/2011
<i>Previous month</i>	GREEN	GREEN	GREEN	GREEN	01/09/11
Project start date:	01/03/2011		Anticipated Project end date:	31/03/2018	
Has this highlight report been agreed and authorised by the Project Sponsor? Yes <input checked="" type="checkbox"/> No (draft) <input type="checkbox"/>					
Key activities completed / milestones achieved in this period:					
<ol style="list-style-type: none"> 1. Tenders received from 4 national developers to provide the broad regeneration of Britwell. 2. Neighbourhood Board considered 4 tenderers proposals and evaluated. 3. Britwell Newsletter finalised and circulation commissioned. 4. Progress made and secured Stage 2 Tender for the Britwell Hub. 5. Planning permission secured for Britwell Hub. 6. Planning applications made for all 3 satellite housing sites. 7. Demolition commissioned for Marunden Green (part); Hub site; Jolly Londoner and Newbeech. 8. Agreement reached to vacate car sales site. 					
Key activities / milestones scheduled for next period:					
<ol style="list-style-type: none"> 1. Interview regeneration tenderers and commence evaluation process; 2. Commence community consultation on each regeneration Tenderers proposals; 3. Retender Britwell Hub; 4. Issue the Satellite sites Housing Tender; 5. Demolish Hub site buildings Marunden Green (part), Jolly Londoner, and Newbeech buildings. 					
Key issues of risk / obstacles to progress :					
<ol style="list-style-type: none"> 1. Need to retender the Hub – contained by NEC D&B process as the Council owns the cost plans, drawings and planning permission. Regeneration Tenderers not fit for purpose – risk overcome as 4 tender compliant proposals secured.					
Recommendations for CMT:					
To note the continuing progress with the project.					

Business Continuity			Project SPONSOR	Roger Parkin	
Wards Affected: ALL			Project MANAGER	Dean Trussler	
	Timeline	Budget	Issues & Risks	OVERALL STATUS	Date of update report
Current period	GREEN	GREEN	GREEN	GREEN	06/10/11
<i>Previous month</i>	<i>GREEN</i>	<i>GREEN</i>	<i>GREEN</i>	<i>GREEN</i>	02/08/11
Project start date:	July 2011		Anticipated Project end date:	TBC	
<i>The project progress in time scale will be added once the anticipated project end date has been agreed.</i>					
Has this highlight report been agreed and authorised by the Project Sponsor? Yes <input checked="" type="checkbox"/> No (draft) <input type="checkbox"/>					
Key activities completed / milestones achieved in this period:					
<ol style="list-style-type: none"> 1. The PID was signed off by the group. 2. A Corporate Business Continuity Working Group has been established. Representatives from all Directorates. 3. Terms of Reference have been agreed by Working Group. 4. Additional support secured from HR and Facilities. 5. Audit Recommendations have been reviewed and action plan developed. 6. Met with Auditors to discuss timelines and proposed actions. 7. Reviewed KPMG Business Continuity proposal. 8. Emergency Planning Officer has taken lead role in development of Action Plan. 9. Review of critical services and existing departmental arrangements. 					
Key activities / milestones scheduled for next period:					
<ol style="list-style-type: none"> 1. Review of critical services and existing departmental arrangements ongoing. Directorate representatives to report back to next meeting. 2. Development on going of master strategic plan with sub plans by department. 3. Directorate workshops being planned with KPMG to assist in plan development for November. 4. Directorate representatives to be nominated and reported back to next meeting. 5. Produce standard business continuity forms/ templates/ action plans. 6. Agree Action Plan and identify achievable timescales. 7. Risk analysis and Risk Register to be updated. 					
Key issues of risk / obstacles to progress:					
<ol style="list-style-type: none"> 1. Resource availability to support project. 					
Recommendations for CMT:					
<ol style="list-style-type: none"> 1. Ensure Directorate support of planned November workshops. 					

Customer Focus Programme			Project SPONSOR	Roger Parkin	
Wards affected:			Project MANAGER	Judith Davids/ Mohammed Hassan	
	Timeline	Budget	Issues & Risks	OVERALL STATUS	Date of update report
Current period	GREEN	GREEN	AMBER	GREEN	7/10/2011
<i>Previous month</i>	<i>GREEN</i>	<i>GREEN</i>	<i>AMBER</i>	<i>GREEN</i>	9/9/2011
Project start date:	17/2/2011		Anticipated Project end date:	31/3/2013	



Has this highlight report been agreed and authorised by the Project Sponsor? Yes No (draft)

Key activities completed / milestones achieved in **this** period:

1. Nine new Customer Service Advisers started on 19th September and are undergoing intensive training.
2. Joint away-day held with Housing Services Customer services team.
3. Strategy for future development of slough.gov.uk website agreed.
4. Agreement with Children's Services to start work with School Services rather than First Response team.
5. Phase 2 Communication Action Plan completed.
6. Tell Us Once – Registrars and CSA's ready and set up for go live on the CRS system; DWP satisfied with progress to date and on track for go live.
7. Council Tax escalations and hand off points agreed, implemented and currently being monitored by senior managers in both areas to mitigate errors.
8. Financial contribution from the Schools Admissions team documented and agreed in principle, awaiting SLA sign off.
9. Scoping work carried out and agreed with Housing Services to integrate Capita CRM with Oracle CRM On Demand.

Key activities / milestones scheduled for **next** period:

1. First meeting of Customer Services Programme Board.
2. Service Level Agreements to be signed off with Phase 1 service areas.
3. Analysis of School Services calls/processes.
4. Start process for replacing My Council call/queue management systems.
5. Soft launch of Slough Services Guide.
6. Go live with notifying deaths via Tell Us Once.
7. Agree strategy for call numbering/routing.
8. Complete configuration of CRM on Demand product for pilot.
9. Tell Us Once communication strategy to be finalised with Communications team.
10. Diagnostic FAQs (Decisions Trees) to be trialled with Housing Services as part of Phase 1 transition.

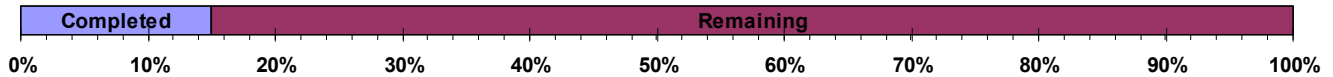
Key issues of **risk / obstacles to progress**:

1. Availability of resource within service areas to participate at key points within the programme.
2. Inability to produce consistent management information from the various My Council systems is preventing accurate forecasting and resource scheduling.
3. Lack of robust and tested business continuity and disaster recovery plans at Landmark Place.

Recommendations for CMT:

1. To note progress made and risks identified.

Delivering Personalised Services Programme			Project SPONSOR	Jane Wood	
Wards affected: ALL			Project MANAGER	Mike Bibby & Ged Taylor	
	Timeline	Budget	Issues & Risks	OVERALL STATUS	Date of update report
Current period	AMBER	GREEN	AMBER	AMBER	05/10/2011
<i>Previous month</i>	<i>AMBER</i>	<i>GREEN</i>	<i>AMBER</i>	<i>AMBER</i>	12/09/2011
Project start date:	01/07/2011		Anticipated Project end date:	31/03/2013	



Has this highlight report been agreed and authorised by the Project Sponsor? Yes No (draft)

Key activities completed / milestones achieved in this period:

1. Health and Scrutiny Panel reviewed;
 - a report on employment support for people with disabilities (Speedwell).
 - proposals for recommissioning of day opportunities for people with mental health.
2. Tender results for domiciliary care services/personal assistants are in for review and next steps.
3. Tender results for carers support and respite are in for review for and next steps.
4. The IAS tenders have been reviewed and detailed work on implementation arrangements being done before award of contract.
5. Tender issued for community equipment store.
6. Advert published for day opportunities for people with mental health, expressions of interest and PQQ process underway.
7. Programme Board established and terms of reference agreed for the Learning Disabilities Change Programme (Nothing About Me, Without Me) with six sub-groups.
8. Equalities Impact Assessment completed for Nothing About Me, Without Me.
9. Service users identified in out of borough residential placements for return to community based accommodation in Slough.
10. Plans developed for phase one moves of service users living in supported living group homes. Phase two moves require provision of suitable housing options for five service users, four of which need to live in close proximity to maximise value for money for support requirements.
11. Options appraisal and work commenced to consider return of out of borough LD clients.
12. All new clients being assessed for personal budgets.

Key activities / milestones scheduled for next period:

1. Cabinet decision on employment support for people with disabilities.
2. Start of 30 day staff consultation on proposal if agreed by Cabinet.
3. Tender for day opportunities for people with mental health issued.
4. Decision on the award of the IAS contract and transition arrangements.
5. New Carers support and respite framework agreement established.
6. Further work on options for future provision of domiciliary care services following a tender exercise.
7. LINK to commence Personal Budgets Survey with service users across all care groups.
8. All clients, where appropriate, will have personal budgets identified by April 2012.

Key issues of risk / obstacles to progress:

1. Identification of suitable housing options and agreement to provide this housing for people with learning disabilities.
2. Public reaction to disability employment support changes.
3. Impact on voluntary sector providers arising from award of tendered contracts.
4. Any negative reaction to the LD Change Programme which may impact on Members support and therefore, delay savings identified in PPRG.

Recommendations for CMT:

1. Continue to support and monitor the work through leadership / early consideration of local housing options for people with LD, essential to delivering PPRG savings.

Slough Local Asset Backed Vehicle ('LABV')			Project SPONSOR	Julie Evans	
Wards affected: ALL			Project MANAGER	John Rice	
	Timeline	Budget	Issues & Risks	OVERALL status	Date of update report
Current period	GREEN	GREEN	GREEN	GREEN	04/10/2011
<i>Previous month</i>					<i>New Project</i>
Project start date:	19/09/2011		Anticipated Project end date:	31/12/2012	
<p>Completed: 10% Remaining: 90%</p>					
Has this highlight report been agreed and authorised by the Project Sponsor? Yes <input checked="" type="checkbox"/> No (draft) <input type="checkbox"/>					
Key activities completed / milestones achieved in this period:					
<ol style="list-style-type: none"> 1. Secured Cabinet approval to proceed with the procurement. 2. Legal Team commissioned for Phase 2 of their work – the LABV procurement. 3. Financial modeller appointed to assist competitive dialogue process. 4. Memorandum of Information template prepared and site database commissioned from within Asset Management. 5. Visit arranged to Croydon LABV on 03/11/2011 for lead Members, Chief Executive and Director of Resources & Regeneration. 6. Project documentation preparation is underway. 					
Key activities / milestones scheduled for next period:					
<ol style="list-style-type: none"> 1. Preparation for the procurement of a LABV partner including: choice of procurement regime and procedure; development of a robust procurement strategy; preparation of a draft OJEU Notice, Memorandum of Information ('Mol') and Pre-Qualification Questionnaire ('PQQ') and soft market testing. 2. Issue of OJEU Notice (and Mol) to PQQ return and selection of long-listed bidders. 3. Issue of Invitation to Participate in Competitive Dialogue ("ITPD") and dialogue commences with long listed bidders. 4. Submission of outline proposals and selection of short-listed bidders to continue dialogue. 5. Issue of Invitation to Continue Dialogue ("ITCD") and dialogue continues with short-listed bidders. 6. Formal conclusion of dialogue and issue of an Invitation to Submit Final Tenders ("ISFT") to short-listed Bidders. 7. Evaluation and selection of a Preferred Bidder. 8. Report to Cabinet. 9. Establishment of JV/LABV. 					<p>Sept – end Nov 2011</p> <p>Dec 2011 – end Jan 2012</p> <p>Feb 2012</p> <p>End March 2012</p> <p>April 2012</p> <p>End June/July 2012</p> <p>August 2012</p> <p>September 2012</p> <p>November 2012</p>
Key issues of risk / obstacles to progress :					
<ol style="list-style-type: none"> 1. <u>EU procurement implications</u>: <i>The Council's specialist legal advisors will advise on all EU procurement/compliance issues and how the risks of a potential procurement challenge can be mitigated.</i> 2. <u>Setting up a LABV will require dedicated resource throughout the procurement and over the life of the LABV</u>: <i>Throughout the procurement process the Council will have the opportunity to consider the level of resources required.</i> 3. <u>Not securing the agreement of Council to proceed and high start-up costs that will be abortive if the Council decides not to proceed at any stage</u>: <i>The Council will have the opportunity to consider at each stage of the procurement whether to proceed with a LABV or not. If progress is made but the Council subsequently decides not to proceed there will be abortive costs to the Council incurred up to that point. There may also be some reputational risk.</i> 4. <u>Identifying sites for development at the commencement of the LABV process through Council reports and the procurement process can raise community expectations for delivery; but also potential objections to the</u> 					

- developments before the business case, timing and details of the development project have been created: *The Council will adopt a transparent approach to the inclusion of projects in the LABV. A robust information strategy will be used to provide full information on the time taken to establish the LABV; the need for projects to be time phased to reflect the commercial relevance and also the Council's priority for regeneration projects; and that the normal planning processes and consultation will be used as projects develop.*
5. Potential for conflict between the Council as a partner in a LABV, the statutory objectives of the local planning authority, and any future changes in political priority: *Sites selected for initial development by the LABV have been informed by planning policies and guidelines. Whilst this situation does not presume planning permission, neither do the projects suggest development would be unrealistic. Maintaining political priority will be assisted by a transparent process and following the establishment of the LABV ensuring the delivery of key commercial and community projects.*
 6. Short term increase in the cost of the Capital Programme due to the delay associated with creating a LABV: *Planning significant regeneration projects for medium term delivery. Robust management of the Capital Programme by Members and Officers to ensure major capital investment is delivered within the LABV.*
 7. Potential market saturation with demand outstripping supply of suitable joint venture partners: *Soft market testing to be undertaken in preparation for the procurement process.*
 8. Not being able to secure the right joint venture partner following procurement: *It is envisaged that a competitive dialogue procurement procedure will be used. This process will allow the Council to set the selection and award criteria in order to secure the right joint venture partner. It will also provide the opportunity for the Council to define the proposed working relationship for the LABV.*
 9. Joint venture partner "cherry picking" commercial sites for development rather than community sites: *This will be tested fully during the procurement process. The partnership business plan will define the objectives of the Council/LABV and the priorities for development. The partnership business plan (that will be updated over the life of the LABV) will require approval by the LABV Board, of which Council will be a 50% partner.*
 10. Duplication of work / counter-productive work between Council staff and LABV staff: *The appropriateness of transferring some or all of the Asset Management Team will require further consideration. The Council will need to retain access to high level skills for supporting it in its decision making process as a 50% partner in the LABV, including the approval of Site Development Plans. Proposals will be developed and informed by the procurement process.*
 11. Council capacity to match the capacity of the joint venture partner to serve on the LABV Board and make day to day operational decisions: *The Council will need to carefully consider the skills and availability of Members and/or Officers to represent the Council on the LABV Board. The Council's specialist legal advisors will provide training for representatives on the LABV Board in corporate governance matters including how to deal with potential conflicts of interest. Strategic decisions will be reserved to the Council (not the LABV Board), as a 50% partner in the LABV (e.g. approval of all business plans and material contracts that either govern or affect the LABV, expenditure over certain thresholds and appointment of key personnel to the LABV).*
 12. Conflict of interest between elected Members / Officers and their role on the LABV Board: *The LABV will be a separate body, distinct from the Council. The prime responsibility for those appointed to the LABV Board will be to further the interests of the LABV (and this could sometimes be different to the interest of the Council). Those appointed to the LABV Board will need to deal with their interest as a partnership Board member when issues relating to the LABV come up at formal Council meetings, where the individual Board member(s) will need to consider if there is any conflict of interest. Elected Members currently have to consider the Code of Conduct requirements to declare personal and prejudicial interests. This may include leaving meetings and potentially the consideration of strategic decisions relating to the LABV. Specialist legal advice will be obtained to address the issue of conflicts of interest and responsibilities on the LABV Board.*
 13. Requires defined development pipeline to maximise success and investment opportunities: *At the outset of the procurement the Council will identify the development opportunities for the LABV in the short, medium and long term. The partnership business plan (approved by the LABV Board) will set out priorities for development on a rolling 3 or 5 year basis to maximize success and investment opportunities, balanced against the objectives of the Council and LABV.*
 14. May not achieve best value due to the property market and funding market: *The long term nature of the arrangement and opportunity for the private sector to phase developments including "batching" will seek to mitigate against this risk.*

15. Higher rewards need to be balanced against sharing in re-development costs: *It is expected that the Council will take a share in development risk in order to maximise the opportunities for development profit/reward. This will be further tested during the procurement.*

16. Significant deadlock and breakdown of the LABV: *It is expected that the parties act reasonably in their decision making and in doing so, approve the relevant business plans and development proposals, provided the parties are satisfied and objectives are met to avoid unnecessary deadlock. If deadlock arises at the LABV Board level, the Board members themselves will try to resolve the deadlock within a reasonable time frame. If they cannot do so, the deadlocked matter will then be referred to senior representatives of the LABV Partners. If the LABV Partners cannot resolve the deadlocked matter, then a project would not proceed. Where there is deadlock that would prevent the LABV continuing, the legal arrangements will contain the power for one LABV Partner to either buy out the other LABV Partner at an agreed valuation or to call for the winding up of the LABV.*

Recommendations for CMT:

1. To note the progress.

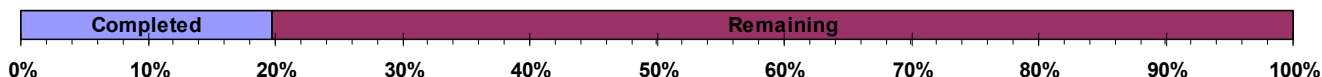
Public Health Transition Programme			Project SPONSOR	Jane Wood	
Wards affected: ALL			Project MANAGER	Tracy Luck (internal) Phil Swann, Shared Intelligence (external)	
	Timeline	Budget	Issues & Risks	OVERALL STATUS	Date of update report
Current period	GREEN	GREEN	AMBER	GREEN	03/10/2011
<i>Previous month</i>					<i>New Project</i>
Project start date:	08/08/2011		Anticipated Project end date:	30/04/2013	
Has this highlight report been agreed and authorised by the Project Sponsor? Yes <input checked="" type="checkbox"/> No (draft) <input type="checkbox"/>					
Key activities completed / milestones achieved in this period:					
<ol style="list-style-type: none"> 1. Shared Intelligence appointed end July 2010 following tender. 2. SI research during August and September. 3. Reference Group established (including PCT and Cllr Walsh), meetings held on 8 and 30 August. 4. Group and individual interviews held with stakeholders throughout September. 5. Whole System Event arranged for 7th October. 6. Briefing on the Health and Wellbeing Board circulated to Slough Forward Board members on 22 September, to be supported by more detailed documentation to inform Slough Forward discussion on 10th October. 					
Key activities / milestones scheduled for next period:					
<ol style="list-style-type: none"> 1. Whole Systems Event on 7 October. 2. Slough Forward Board meeting on 10 October (re Health and Wellbeing board). 3. Final Reference Group meeting on 31 October. 4. Health and Wellbeing Strategy drafted by 11 November. 5. Organisation and Workforce options by 11 November. 6. First meeting of pre-shadow Health and Wellbeing Board – November. 					
Key issues of risk / obstacles to progress:					
<ol style="list-style-type: none"> 1. Relationship of Health and Wellbeing Board to the Slough Forward Board to be agreed, including responsibility for taking forward implementation of the Sustainable Community Strategy. 					

2. Resource to take forward the project after the Shared Intelligence contract has ended.
3. Inability of stakeholders to commit time and resource to progress the project.
4. Possibility of lack of consensus on models of working and planning structures.
5. Lack of awareness of issues and proposals by wider stakeholder group.
6. Lack of detailed info from existing provision to inform decisions re transition arrangements and planning
7. Public Health budget transfer disadvantages Slough.

Recommendations for CMT:

1. Early identification/consideration of resources required to provide delivery capacity/capability to the shadow HWB.

Safeguarding Improvement Board			Project SPONSOR	Clair Pyper	
Wards affected – All			Project MANAGER	Keren Bailey	
	Timeline	Budget	Issues & Risks	OVERALL STATUS	Date of update report
Current period					11/10/2011
<i>Previous month</i>					
Project start date:	June 2011		Anticipated Project end date:	April 2013	



Has this highlight report been agreed and authorised by the Project Sponsor? **Draft**

Key activities completed / milestones achieved in **this** period:

It was not possible to produce a robust project update for September as we were doing a considerable amount of work at the request of the Improvement Board to amend and focus the existing draft Improvement Plan. The plan was not completed and agreed until the middle of September. Now that it is in place, regular reporting is taking place.

School Places In Slough			Project SPONSOR	Clair Pyper	
Wards Affected: ALL			Project MANAGER	Robin Crofts	
	Timeline	Budget	Issues & Risks	OVERALL STATUS	Date of update report
Current period	GREEN	RED	AMBER	AMBER	03/010/2011
<i>Previous month</i>	<i>GREEN</i>	<i>GREEN</i>	<i>AMBER</i>	<i>GREEN</i>	02/09/2011
Project start date:	2008		Anticipated Project end date:	2018	



Has this highlight report been agreed and authorised by the Project Sponsor? Yes No (draft)

Key activities completed / milestones achieved in **this** period:

1. New modular classrooms opened to children for the first time at Castlevew, Cippenham Primary, Lynch Hill, Ryvers and Godolphin Infant.
2. New brick built classrooms opened at Western House, Claycots and Wexham Court.
3. Langley Hall Primary Academy has opened admitting 50 reception pupils.
4. Meeting held with secondary school Heads (SASH) to start planning the expansion of secondary schools.
5. Planning application submitted for expansion project at Littledown.

	Demand for Reception	Availability of Permanent Reception Classes	Bulge classes	Total permanent new Reception places created
	Number of classes (headcount)			Number of classes (reception places)
May-07	52 (1545)	55 (1647)		
May-08	55 (1656)	56 (1677)		+ 1 (+ 30)
May-09	56 (1669)	56 (1677)		+ 1 (+ 30)
May-10	61 (1833)	59 (1767)	2 (60)	+ 4 (+ 120)
May-11	65 (1953)	65 (1947)	2 (60)	+ 10 (+ 300)
Sep-11	72 (2150) Further demand expected due to late applications	72 (2147)		+ 17 (+ 500)

Key activities / milestones scheduled for next period:

1. School Organisation Group to meet to agree the next set of primary expansion projects.
2. Agree primary expansion projects with relevant schools and Commissioner for Education; initiate projects.
3. Agree way forward for expansion of Haybrook College on Haymill site with agreement from Commissioner for Neighbourhoods and Renewal.
4. Meet SASH to develop secondary expansion plans for each school.
5. Seek Capital Strategy Board approval for expansion project at Littledown Special School.

Key issues of risk / obstacles to progress:

1. £781K has been reported to the DfE as an underspend on existing grants. Reason given is a delay with the Parlant Park expansion project following collapse of Rok. This funding is at risk of claw back.
2. Demand for reception places this term is already higher than anticipated and at the same time new expansion projects for Sep 2012 need to start now to be in place for children. Until new funding is identified there is insufficient income available to start all the necessary schemes. An announcement earlier this year made available £0.5bn of capital grant for new school places, individual LA allocations are currently expected by early November. Until this allocation is known the shortfall is at least £1.15m.
3. Demand for reception places may continue to rise in-year creating the need to commit funding to further expansion projects.
4. All pupils continue to be offered a school place although there are emerging pressures in a number of year groups, including primary, secondary and special school places.

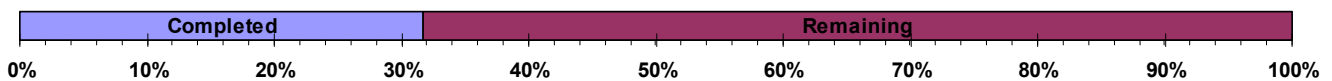
The demand for school places and the supply of school places is extremely fluid and depends on a number of factors. These include the number of applications received, which varies on a weekly basis, and the number of places vacated as families move their children. It is complicated by movements of pupils in and out of Slough and changes in parental preference for specific schools. There are also underlying trends linked to birth rates and inward migration. The process of placing children is ongoing and the objective is to maintain a small surplus of places so that supply just exceeds demand. Close monitoring of all these factors should allow this.

Recommendations for CMT:

1. Consider 'underwriting' the £1.15m funding shortfall in order to allow projects to start, on the basis that grant income will eventually replace council funding although this will entail an element of risk.

2. Note that a new request for underwriting funding will be submitted if further infant expansion projects need to start at short notice and new income is still to be confirmed.

Thames Valley Transactional Services Project		Project SPONSOR	Roger Parkin		
Wards affected : ALL		Project MANAGER	Phil Hamberger		
	Timeline	Budget	Issues & Risks	OVERALL STATUS	Date of update report
Current period	GREEN	GREEN	AMBER	GREEN	09/10/11
<i>Previous month</i>	<i>GREEN</i>	<i>GREEN</i>	<i>AMBER</i>	<i>GREEN</i>	<i>09/09/11</i>
Project start date:	02/2011		Anticipated Project end date:	01/04/12	



Has this highlight report been agreed and authorised by the Project Sponsor? Yes No (draft)

Key activities completed / milestones achieved in **this** period:

1. Completion of the ISDS Evaluation Process to 2 suppliers.
2. Notification sent to all 5 suppliers of outcome of the evaluation.
3. Completion of Competitive Dialogue Stage 1.
4. Completion of Due Diligence with 2 shortlisted suppliers.

Key activities / milestones scheduled for **next** period:

1. Completion of Competitive Dialogue Stage 2.
2. Completion of SBC due diligence.
3. User engagement to inform the ISFT specification.
4. Completion of the ISFT documentation.
5. Release of the ISFT to shortlisted suppliers.
6. Co-ordinate Supplier clarification questions relating to the ISFT.
7. Respond, answer and release SBC response to supplier clarification questions.

Key issues of **risk / obstacles to progress**:

1. Staff disruption and concern about TUPE transfer process.

This risk becomes increasingly critical as we move into the final stages of the procurement process and has been carefully considered as part of the communications action plan for this project. To mitigate this risk the project team have ensured that that increased dialogue with staff will include:

- More frequent staff briefings.
- Briefings on the TUPE process and the impact on staff.
- Surgeries with the Berkshire pension's office to advise individual staff.
- Questions and Answer sessions with both the final supplier and Transactional Services Management Team.
- Additional site visits if deemed necessary.
- HR Surgeries if required.
-

2. Desired levels of service are not achieved.

Clear specification and service credits are included as part of the ISFT Specification which is in it's final stages of completion. This will be further embedded within the evaluation criteria for the ISFT and direct conversations with the suppliers at Competitive Dialogue have further informed the desired standards of service required.

3. Engaging with a private sector partner for the provision of customer services inherent with risk.

Legal Services are fully engaged with the procurement process to protect the council's interests and are involved in making all key decisions relating to this procurement.

4. Project fails to meet the timescales.

Rigorous project management methodology is adhered to; service experts are fully engaged which allows various milestones to be achieved to target. The project has in place a high level project plan which continues to be monitored and reported to CMT monthly. The Project team ensure that the timetable continues to offer leverage and flexibility without compromising the project to ensure that each stage is completed with full engagement with all key stakeholders and provides the necessary processes to make an informed choice which will benefit the council.

5. Unsuccessful procurement of a partner.

The Project team continues to adopt a flexible and creative approach to secure a suitable partner whilst ensuring that the overall objectives of this procurement are not compromised. The process to date indicates that the two remaining suppliers understand our requirements and are keen to submit a final tender.

Recommendations for CMT:

1. CMT note the progress made to date on the project.
2. Support and fully endorse the importance of engagement with the retained organisation.

7. Financial Reporting

7.1. The Council's net revenue budget for 2011/12 is £105.4m.

7.2. The Housing Services agreed net operating budget for 2011/12 is a surplus of £87K.

8. Projected Outturn Position as at 30th September 2011

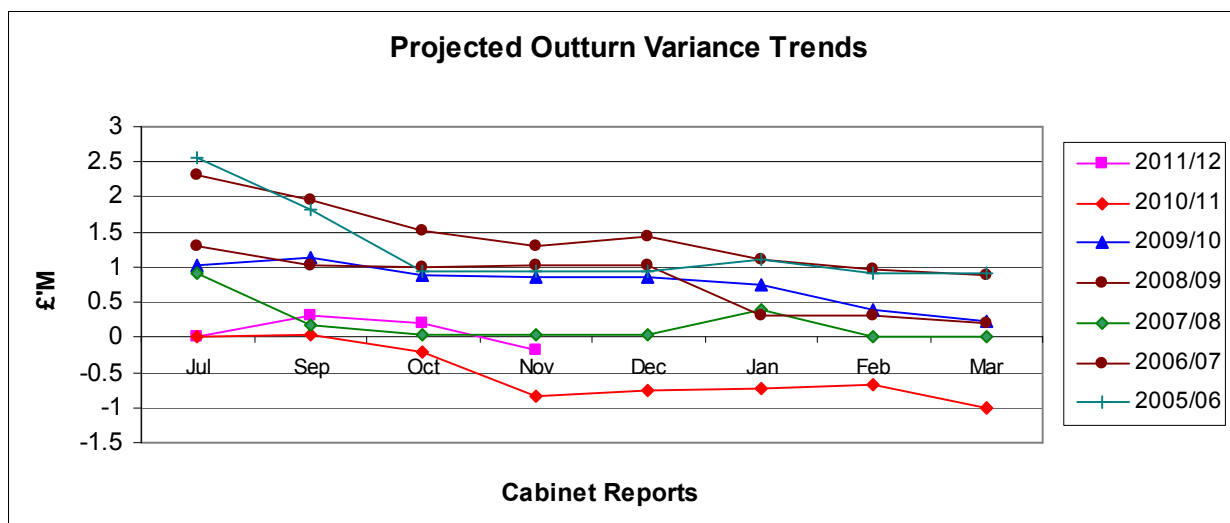
8.1. There is currently a forecast under spend for the 2011/12 General Fund at the end of period six of £189K. This is a reduction in net expenditure of £172K since the previous month.

For the Housing revenue account there is currently forecast surplus of £153k.

8.2. The position is summarised in Table 1, on the following page, and detailed in Appendix A.

Table 1 - Projected as at 30th September 2011

Directorate	Base Budget	Current Net Budget	Actual YTD	Projected Outturn	Variance Over/(Under) Spend C = B - A
	£'M	£'M	£'M	£'M	£'M
Community and Wellbeing	39.139	40.975	13.842	40.994	0.019
Education and Childrens Services	27.789	31.407	10.088	31.407	0.000
Customer and Transactional Services	5.206	5.380	41.185	5.531	0.151
Resources and Regeneration	33.257	33.666	16.451	33.307	(0.359)
Chief Executive	0.657	0.841	0.795	0.841	0.000
Corporate	0.266	0.266	0.234	0.266	0.000
Total Cost of Services	106.314	112.535	82.596	112.346	(0.189)
% of revenue budget over/(under) spent by Services					-0.17%
Treasury Management	3.017	3.017	0.000	3.017	0.000
Contingencies, Earmarked Reserves and Trading Accounts	4.233	(1.988)	(3.080)	(1.562)	0.000
Early Intervention Grant	(7.140)	(7.140)	(1.812)	(7.140)	0.000
Council Tax Freeze Grant	(1.187)	(1.187)	(0.239)	(1.187)	0.000
New Homes Bonus Grant	(0.130)	(0.130)	(0.454)	(0.454)	0.000
Local Services Support Grant			(0.102)	(0.102)	0.000
Sub Total	(1.207)	(7.428)	(5.687)	(7.428)	0.000
Total General Fund	105.107	105.107	76.910	104.918	(0.189)
% of revenue budget over/(under) spent in total					-0.18%



9. Month on Month Movement in Variances

9.1. **Community and Wellbeing's** directorate's net controllable Revenue budget for 2011/12 is now £40.975. This has increased by a net of £294k mainly due to the transfer of

budget from DECS for the Family Intervention Project. The projected total net expenditure after taking into account all known commitments and the latest projected savings is £40.994m. This gives a projected overspend of £19k (0.05% of the budget), and a favourable movement of £22k, this is effectively a break even position. Within this small adverse net variance there is an increased pressure of £59k on the Community & Adult Social Care Division budget caused by the slippage on the planned savings in relation to the Gurney House contract. This more than offset by increased savings £85k on the Culture & Skills Division due to new savings in the Community Services section relating to reduced spending on premises related expenditure and additional income from community halls.

- 9.2. **Education and Children's Services** directorate's net controllable budget for 2011/12 is **£31.701m**, and the projected total net expenditure is currently **£31.701m**. Members will recall that there are significant net pressures within the Directorate. A forecast pressure of £1.652m on looked after children placement budgets has been addressed through the use of corporate contingency (£600k) and initiatives within departmental budgets (£1.052m). In addition, the Safeguarding Improvement Plan (£306k) has been funded from additional corporate contingency.
- 9.3. **The Chief Executive's** directorate is forecasting a break even position.
- 9.4. **Commercial and Transactional services** currently have a budget pressure of £151K. This is comprised of budget pressures on the SAVVIS server contract and Strategic Management costs.
- 9.5. **Treasury Management** reports a breakeven position.
- 9.6. **The Housing Revenue Account** HRA balances brought forward have been subject to a pension fund adjustment and now stand at £9.683m which is £436k higher than the level assumed in the budget.

Annual forecast has improved in the period with a surplus of £153k now projected. This is an improvement of £136k from that reported last month.

The forecast surplus from operations is due mainly to lower repairs costs to void properties £96,000 which reflects the decrease in void properties as a result of the management action plan introduced in 2010/11.

Costs are also lower due to slippage in the planned maintenance programme, £105,000, which will be recovered in 2012/13, partially offset by a projected increase in responsive maintenance of £59,000 and other minor cost increases, £6,000.

- 9.7. **Resources and Regeneration:** Restructuring activities in the Directorate continue with associated budget transfers within various functions. Annual budget has increased by £62,000 to £33.596m.

Forecast for the year has improved to £33.236m which is £359,000 under the revised budget of £33.596m and a £102,000 improvement from last month.

The Directorate is examining budgets and contingencies on a continuous basis to identify all opportunities for savings and/or mitigation of known pressures. All service changes being considered for next year are also being examined for potential in year savings.

Principles established in the Revenue Income Optimisation project (RIO) are also being implemented and additional income is being realised in the Parking service from improved collection of aged debt. Discussions with contractors continued on proposed inflationary increases with a detailed examination of budget activity in progress for the top 4 contracts in Environmental Services / Property Services and Transport & Planning.

Transformation activities continue in the directorate with the staff establishment reduced by 18 posts year to date at a cost of £602,000 of which £332,000 was set aside as contingency in the 2010/11 accounts. Total costs are included in the service estimates and are likely to be funded from in year savings.

10. Emerging Issues / Risks

Introduction

It should be noted at this point that the 2011-12 PPRG process is in progress and therefore savings will be identified to be delivered in the current financial year. These savings are not reflected in this report.

Directorate Specific

10.1. Community and Wellbeing

The department has to implement savings to the value of £3.3m in 11/12. The budget management performance of the Department is entirely dependent on the successful delivery of vast majority of these savings. This is therefore the biggest risk to the department.

10.2. Education and Children's Services

There are some significant areas of development still in transition across the directorate including the implementation of the Integrated Youth Support Service (IYSS) and the allocation of the Early Intervention Grant (EIG) to various services as it has had to accommodate a significant reduction in the overall level of funding. Detailed work on these is in progress but until finalised an accurate assessment of their financial position cannot be completed.

In addition to this, work required in response to the recent Ofsted Inspection is being formulated and costed. Furthermore the Directorate's response to the Inspection findings will continue to be scrutinised. The financial impact of most of the additional work has been reflected in this report as described above.

The directorate are currently working alongside schools in the review of the centrally retained elements of the Dedicated Schools Grant (DSG) which is expected to result in some significant changes in the way some services are shaped and delivered. It is unclear at this stage what impact this may have on services funded by the Local Authority.

Corporate discussions regarding the Private Finance Initiative (PFI) utilities claim have now been completed.

Like all councils, Slough is managing the challenge of delivering services within reducing funding envelopes over the next 3 years. The PPRG process will be looking to deliver corporate and directorate savings in 2012-13 and beyond. Any directorate PPRG target will be in addition to the current budget pressures, including the inbuilt gap (£1.2m).

10.3. Resources and Regeneration:

All of these risks will be closely monitored and the impact clearly identified and reported as:

The economy remains a key risk for the Directorate particularly the current rate of inflation.

A number of highways properties that had been leased to Co-op Homes were handed back in December 2009. Redevelopment plans and timescales are being examined by Housing services to determine if short term lets are feasible to offset the current loss of rent to the Authority. All miscellaneous properties owned by the authority are also being examined with a view to transferring these to Housing services prior to Self Financing being implemented in respect of social housing.

Timing of savings in Property Services is being evaluated as closure of the Town Hall was delayed from the end of March until the end of May for the Town Hall Annexe and from the end of September to the end of December for the Old Town Hall. This is particularly relevant in respect of business rates as the regulations for dispensation have been tightened in recent years.

Transformation activities continue across the directorate.

Asset valuations and timing of planned disposals is being examined to determine the timing effect of creating a LABV in 2012/13. Additional professional fees may be incurred in advance of the set up of this fund.

All of these risks will be closely monitored and the impact clearly identified and reported as and when it is necessary.

10.4. Chief Executive

No specific risks noted.

10.5. Customer and Transactional Services

No specific risks noted.

10.6. Housing Revenue Account

The settlement payment for self financing is estimated to be in the region of £125million - £127 million and finance markets are only just starting to investigate alternative methods of Lending. Our treasury advisors will investigate and advise on appropriate sources of funding which can deliver savings in interest rates and charges. The traditional funding from the Public Works Loan Board (PWLb) remains an option.

Recent Government announcements include possible changes to the right to buy scheme designed to increase sales. This will have ramifications for the business plan going forward and may change the settlement figure. Details are expected in October 2011.

Should the Britwell regeneration scheme fail to agree a realistic partnership with private contractors potentially around 100 properties would be added back to the housing stock and subsequently be included in the final figures to central government thus increasing the burden on borrowing costs.

These properties would remain uninhabitable with a further pressure on revenue with loss of rental income and costs for demolition and clearing, and security.

11. Emerging Opportunities

Directorate Specific

11.1. Community & Wellbeing

The Department has received Health & Social Care Funding of £2.6m over 2 years from the PCT to support joint working between health and social care authorities. Details of how the initial £1.3m for 11/12 will be spent have been agreed. The implementation of these jointly agreed measures, particularly those aimed at preventing or shortening care could have a beneficial impact on the department's commitments.

11.2. Education & Children's Services

A review is being undertaken of the Performance and Management team which currently includes a vacant post (Information and Development Co-ordinator) budgeted at £29k which is currently not being backfilled. Once the outcome of the review is known it is possible that there may be some one-off savings within this budget.

SMT are considering one-off and recurring budget optimisation opportunities in order to address the projected overspend.

11.3. Resources and Regeneration

Discussions with neighbouring councils and our contractor Enterprise Ltd are taking place to develop initiatives to help bring down waste management costs.

Contractual discussions with Enterprise Limited include initiatives to maximise the profit share in the contract whilst maintaining or improving unit costs in all operations.

All miscellaneous dwellings in the Authority are being examined with a view to let them as temporary accommodation and offset existing risks of rent loss wherever possible.

Recruitment to replace agency staff is high on the agenda for the directorate and recent appointments particularly in Transportation have been encouraging and savings in employee costs have been forecast accordingly. All service areas are working with HR to achieve recruitment to established posts.

Transformation activities continue across the Directorate including the establishment of Transactional services and the potential contract for an external partner.

11.4. Customer and Transactional Services

The Invitation to Submit Final Tender was sent out to the two shortlisted suppliers to run the Transactional Service on the 21 October 2011. Suppliers must guarantee delivery of savings to the value of £1.4m in 2012-13 and 2013-14. Whilst these savings do not directly affect the current financial year they are imperative in delivering future savings targets for the Council as a whole. In addition the service is currently identifying improvements in internal controls which will provide further automation to processes and allow further savings to be delivered through Planning for the Future. Examples of such improvements include Direct Debit payment facility, more extensive use of Oracle and Insight financial system reports and improvements to reconciliation processes.

11.5. Housing Services

The PWLB announced in September that the interest rate offered to local authorities will be temporarily reduced from January next year, which will apply solely to the Settlement payment. This will be time limited and the window to access this reduced rate will close on 26 March 2012 (2 days before the settlement date).

“Government has decided that, for the specific purpose of new borrowings in relation to Self Financing (SF), it will be reducing the margin used to calculate interest rates charged by the PWLB for loans from an average of 100 basis points above Gilts to the margins used before the Spending Review (SR) (October 2010). Rates calculated before the SR were typically at gilts plus a margin of 11-15 bps, or an average of about 13 bps depending on the place on the curve.”

Improvements have been implemented to streamline the processing of rents into the financial system on a more timely and efficient basis. Entries are now being made weekly and with this information now easily available a more accurate profiling will be available for future Business plans. Additionally provision has been included to smooth the fluctuations precipitated by collection of the monthly / Quarterly invoices.

The Housing Management restructure is proving to be successful and will be fully implemented within the cost structures by September. Further efficiency savings may be made which will be reinvested in the community strategy priorities in areas where concerns have been raised by tenants and members when available.

A report on Self financing was submitted, by the Assistant Director of Housing, to the Overview and Scrutiny Committee on 13th September 2011.

When self funding is established the housing service will be able to optimise the available resources more to ensure there are sustainable housing requirements now and in the future, and to prioritise our ‘Community Strategy’.

The new business plan is in progress and the first draft will be available by mid October and has been delayed in order to include the potential effects of the Britwell Regeneration projects.

12. Staffing Budgets

CMT 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.

13. Conclusion

The position as at the end of September 2011 leaves an overall headline under spend position of £189K against the General Fund revenue account.

14. Treasury Report as at 30th September 2011

14.1. Background

The Treasury Management Strategy for Slough Borough Council has been underpinned by the adoption of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management 2009, which includes the requirement for determining a treasury strategy on the likely financing and investment activity for the forthcoming financial year.

Treasury management is defined as: "The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

14.2. Economic Background

Growth: Global growth prospects deteriorated considerably over the six months to September, moving from an expectation of modest expansion to the risk of a double-dip recession. Q1 2011 GDP in the UK was 0.5% but was just 0.2% in Q2. Even economies like Germany's, which were hitherto seemingly strong, began to flounder with growth registering 0.1% in Q2.

Inflation: Inflation remained stubbornly high. Annual CPI for August was 4.5%; CPI had remained above MPC's 3% upper limit for 20 consecutive months and required the Bank of England's Governor to write his seventh open letter to the Chancellor. The Bank believed the elevated rate of inflation reflected the temporary impact of several factors: the increase in the VAT rate to 20%, past increases in global energy prices and import prices.

14.3. Debt Management

	Balance on 01/04/2011 £000s	Balance on 30/09/2011 £000s
Short Term Borrowing	35	15
Long Term Borrowing	66556	66556
TOTAL BORROWING	66591	66571
Average Rate % / Life (yrs)	4.4823% / 14.69 yrs	4.4823% / 14.69 yrs

Please note that HRA Subsidy Reform will result in an increase in the Council's debt to £127.1 m by 31/3/2012.

For the Council the use of internal resources in lieu of borrowing has continued to be the most cost effective means of funding 2010-11 £59.6m of capital expenditure. The Council funded as at 30th September 2011 £9m of its £20.8m capital expenditure from borrowing. The PWLB remains the Council's preferred source of borrowing given the transparency and control that its facilities continue to provide.

14.4. Investment Activity

The Guidance on Local Government Investments in England gives priority to security and liquidity and the Council's aim is to achieve a yield commensurate with these principles.

Investments

	Balance on 01/04/2011 £000s	Investments Made £000s	Investments Repaid £000s	Balance on 30/09/2011 £000s	Increase/ Decrease in Investments
Short Term Investments	71.60	89.50	80.8	80.30	8.7
Long Term Investments	2.70	4.2	2.70	4.2	1.5
TOTAL INVESTMENTS	74.30	93.70	83.50	84.50	10.2

Security of capital has remained the Council's main investment objective. This has been maintained by following the Council's counterparty policy as set out in its Treasury Management Strategy Statement for 2011/12.

Counterparty credit quality is assessed and monitored with reference to: Credit Ratings (the Council's minimum long-term counterparty rating of A+ (or equivalent) across rating agencies Fitch, S&P and Moody's); credit default swaps; GDP of the country in which the institution operates; the country's net debt as a percentage of GDP; sovereign support mechanisms /potential support from a well-resourced parent institution; share price.

Budgeted Income and Outturn

The Council's budgeted investment income for the year has been estimated at £824k. The average cash balances were £85m during the period.

The UK Bank Rate has been maintained at 0.5% since March 2009 and not expected to rise until the end of 2012. Short-term money market rates have remained at very low levels. New deposits were made at an average rate of 1.66807%. The Council anticipates an investment income target of £790k for the whole year.

Icelandic Bank Investment Update

Following the latest guidance issued by CIPFA in September 2011 (LAAP Bulletin 82 Update 5), the following is now known:

- **Heritable** – It is expected that 86p-90p/£ will be recovered overall. At the time of the LAAP Bulletin 82 Update 5 was issued, interim payments totalling 60.42% of the claim had been made. 6.25% was received in April 2011 and 4.05% in July 2011. A further 4.50% is expected in October 2011.
- Up to 15th July 2011 the Council has received £1,557,984.76 from the Administrators of Heritable currently outstanding is £942k.

14.5. Compliance with Prudential Indicators

The Council can confirm that it has complied with its Prudential Indicators for 2011/12, which were set in February 2011 as part of the Council's Treasury Management Strategy Statement (which can be accessed through the following link www.slough.gov.uk/moderngov/february2011).

14.6. Outlook for Q3-Q4

At the time of writing this activity report in October 2011, given the precarious outlook for growth it is believed the Bank of England would only raise rates after there was firm evidence that the economy had survived the fiscal consolidation. Therefore, the outlook is for official interest rates to remain low for an extended period, at least until late 2012.

	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14
Official Bank Rate													
Upside risk				0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	0.50	0.50	0.50	0.50	0.50	0.75	0.75	1.00	1.25	1.50	1.75	2.00	2.25
Downside risk						-0.25	-0.25	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50

Capital Financing Requirement

Estimates of the Council's cumulative maximum external borrowing requirement for 2011/12 to 2013/14 are shown in the table below:

	31/03/2012 Estimate £000s	31/03/2013 Estimate £000s	31/03/2014 Estimate £000s
Capital Financing Requirement	133,616	141,579	137,300
Less: Existing Profile of Borrowing and Other Long Term Liabilities	-105,720	-104,708	-103,574
Cumulative Maximum External Borrowing Requirement	27,896	36,871	33,726

Balances and Reserves

Estimates of the Council's level of Balances and Reserves for 2011/12 to 2013/14 are as follows:

	31/03/2011 Actual £000s	31/03/2012 Estimate £000s	31/03/2013 Estimate £000s	31/03/2014 Estimate £000s
Balances and Reserves	77,121	73,655	71,700	62,055

14.7. Summary

In compliance with the requirements of the CIPFA Code of Practice this report provides members with a summary report of the treasury management activity during the first half of 2011/12. As indicated in this report none of the Prudential Indicators have been breached and a prudent approach has been taken in relation to investment activity with priority being given to security and liquidity over yield.

Summary Variance Analysis

Directorate:		Community and Wellbeing	Period 6	September 2011		
Divisional Summary						
Service Area	Total Variance £'000	Explanation				
		This month: +£149k – Movement of +£59k this month due to the slippage on the planned savings in relation to the Gurney House contract. Overall the overspend is due to a combination of savings that have not been achieved as planned namely: Meal on Wheels; Gurney House & Residential Tender. These have been partly offset by various one off in year savings.				
Community Services and Adult Social Care	149	Service Area	Budget £'000	Outturn £'000	Variance £'000	Change £'000
		Safeguarding and Governance	216	216	1	-8
		ASC Mgmt & Business Support	613	611	-2	-7
		Access & Long Term I & S	2,423	2,209	-214	-10
		Re-ablement & Directly Provided	4,496	4,428	-68	34
		Mental Health	3,797	3,844	48	-19
		Commissioning Budgets	15,689	16,073	384	69
Total	27,233	27,382	149	59		
		Previous Variance: +£90k – Budget pressures due to Meals on Wheels, Residential and other care packages offset by significant income gains and averting planned Learning Disability residential placement.				
		This month: -£160k – New savings of -£85k have been identified within Community Services -£77k , (premises related expenditure now expected to cost much less plus increased income now expected) & Culture & Sports -£28k (staff costs savings due to vacancies).				
Culture & Skills	-160	Service Area	Budget £'000	Outturn £'000	Variance £'000	Change £'000
		Lifelong Learning	414	420	6	6
		Library Service	2,180	2,185	4	4
		Culture & Sports	1,083	980	-103	-28
		Employment & Enterprise	247	257	10	10
		Management	195	195	0	0
		Community Services	280	203	-77	-77
Total	4,400	4,240	-160	-85		
		Previous Variance: -£75k – There is an expected underspend relating to a rolled over budget for Free Swimming which is now being met from within the SCL contract.				
		This month: +£33k – This month there is a movement of £22k due to a review against the 11/12 commitment for Kick Start Grants.				
Personalisation, Commissioning & Partnerships	+33	Service Area	Budget £'000	Outturn £'000	Variance £'000	Change £'000
		Voluntary Organisations	582	522	-61	-16
		Contracts & Procurement	224	164	-60	2
		Supporting People	3,391	3,650	259	2
		Transformation Grant	487	382	-105	-10
		Strategic Commissioning	332	332	0	0
Total	5,016	5,050	33	-22		

Previous Variance: +£56k – budget pressure due to significant slippage on the planned savings for on Supporting People, this is partly offset by uncommitted funds in the Transformation Grant programme, savings on the Voluntary Organisations and Contracts & Procurement budgets.

New This month: On Target – +£5k – new variances identified across all services following the latest review of commitments. No significant variations.

Public Protection

+5

Service Area	Budget £'000	Outturn £'000	Variance £'000	Change £'000
Management	118	127	10	10
Drugs & Community Safety	1,419	1,428	9	9
Neighbourhood Enforcement	1,091	1,068	-23	-23
Food Safety & Business Support	329	333	4	4
Licensing	-157	-152	5	5
Trading Standards	354	355	1	1
Total	3,154	3,159	5	5

Previous Variance: On Target

New This month: -£9k – An adverse movement of £21k has reduced the size of the underspend following the latest review of staffing costs and commitments.

Procurement

-9

Previous Variance: -£30k – Savings arising from the delay in new staff joining this team is expected to result in a small saving.

Central Management

0

New This month: No changes identified this month.

Previous Variance: - On Target

TOTAL

19

Appendix A (Cont.)

Directorate:	Education and Children's Services	Period - 6	September 2011
Change in Variance this month			
Service Area	Change £'000	Explanation	
	0	Variance reported last month	
Children and Families	114	<p><u>New this Month:</u> The Looked After Children (LAC) budgets continue to be under severe pressure. This month's projections are based on the LAC cohort as at the end of September and projected end dates at that point in time. No forecast is included for any changes between the end of September and 31 March.</p> <p><u>Children Looked After (CLA):</u> <u>External Residential Placements:</u> One of the client placements is now being joint funded which reduces the outturn projection by £39k</p> <p><u>External Fostering:</u> This month there have been 4 new starters of which 1 is joint funded; 1 client is from internal fostering, 1 a respite placement, and the remaining client was a short term emergency placement and has now moved to internal fostering (£25k).</p> <p><u>Internal Fostering:</u> 7 new starters (£49k) and 5 leavers (£42k), 4 of which have moved to Special Guardianship Orders has resulted in a net pressure of £7k.</p> <p><u>Secure Accommodation:</u> 2 new clients (£52k) and the extension of 1 placement has increased the projected outturn by £74k</p> <p><u>Pathways</u> The cost of personal need is expected to under spend by £10k.</p> <p><u>Family Support Services:</u> <u>Residence Orders:</u> Additional costs have been identified within Section 17 (£30k) due to rent, personal needs and activities and also FAST (£10k) due to 4 clients moving from internal fostering to Special Guardianship totalling £40k. This has been offset by a saving of £8k on fees within Family Group conferencing/Family Placement service.</p> <p><u>Commissioning and Social Work</u> A pressure of £25k has been identified within the Contact Team due to additional costs in respect of rent and travel expenses.</p> <p><u>Previously Reported:</u></p> <p><u>Commissioning and Social Work:</u> Additional costs of an interim Assistant Director (£70k), staff training (£75k), increased IRO cover (£45k), the cost of the interim Corporate Parenting Manager (£23k), the Local Safeguarding Board Audit Peer Review (£25k), the cost of the chair and safeguarding advisor for the peer review (£25k), the cost of a Performance Improvement and Quality Control Officer (£31k) and other staffing costs arising from the recent Ofsted Inspection (£12.5k) are funded from a Corporate Contingency of £306k in respect of the Safeguarding Improvement Plan.</p> <p><u>Children Looked After:</u></p>	

		<p>The previously reported projection for children looked after included all known placements at the end of August based on planned end dates at that point in time. No forecast was included for any changes between the end of August and 31 March.</p> <p>Changes in the projection and explanations will be reported on a monthly basis until Directorate and finance officers are confident that robust forecasts can be made. Detailed work which develops a project management approach to stabilising and, where possible, reducing the number of LAC has started in response to the forecast overspend and the Ofsted inspection recommendations.</p> <p><u>External fostering placements</u> – projected overspend due to rising numbers of children and weeks of care being provided.</p> <p><u>Internal Fostering placements</u> - all available internal foster places (55) are occupied so an underspend was projected on this budget.</p> <p><u>External Residential placements</u> – projected overspend due to rising number and complexity of placements.</p> <p><u>Secure Accommodation</u> - there is no budget provision as there has been little or no activity in recent years. However since 1 April there have been 3 short to medium term placements; 2 remand clients (from April to December) and 1 welfare client (from May to August).</p> <p>Family Support Services <u>Residence orders</u> A small overspend had been projected on this service which for long term looked after children provides better outcomes at a lower cost..</p> <p>Other Children and Family Services: Less children than anticipated are being placed with prospective adopters. The financial impact in 2011-12 is two-fold (i) adoption allowances are projected to underspend and (ii) children remain in more expensive foster placements contributing to the external foster placement projected overspend.</p> <p>Changes in any type of CLA placement can and does have an impact throughout the system. In financial terms, this ripple effect is reflected in the spending pressures and explanations of changes in variances.</p>
Youth	0	<p><u>Previously Reported</u> YOT: A £34k pressure has been identified within the Youth Offending Team accommodation budget in respect of anticipated cost of new service charge.</p>
Inclusion	0	<p><u>Previously Reported:</u> Children with Disabilities: Recent developments suggest that there is now a strong likelihood of pressures on the Children with Disabilities budget during 2011-12 related to costly additional external placements which are becoming unavoidable. One external placement has now been made through the courts and another placement is proceeding related to safeguarding. The budget is being closely monitored.</p>
Raising Achievement	-30	<p><u>New This Month:</u> A £30k saving has been identified within Home to School Transport as a result of revaluation of the transport requirement for the new term.</p> <p><u>Previously Reported:</u> A saving of £32k has been identified within the salary budget due to the deletion of a post.</p>
Strategic Management, Information and Resources	-84	<p><u>New this Month</u> Department projects and Administration: There has been a saving of £58k this month due to the scaling back on targeted services in order to support reactive pressures around the</p>

	<p>placement of Looked After Children and an additional £26k within Directorate support due to further detailed scrutiny of committed expenditure.</p> <p>Previously Reported: In order to mitigate the impact of the additional pressures in the Children Looked After placement budgets, the staffing contingency budget (£120k) has been released. The release of this contingency at this point in the financial year could impact on the ability of the directorate to respond to any future pressures.</p> <p>In addition following continued close scrutiny of opportunities within all budgets in the Directorate, additional savings (£194k) have been identified within Directorate Support Costs.</p> <p>One-off grant funding opportunities (£232k), unallocated Early Intervention Grant (£232k) and a saving through keeping a post vacant (£15k) have been identified to support the pressures on the directorate's budget.</p> <p>A delayed recruitment to School Planning Officer post which became vacant in July saves £6k.</p> <p>Additional rental income received from Langley academy site controllers house totals £8k and there will be a £3k under spend on the repairs budget.</p> <p>Information, Performance and Review: The level of schools buy back for the provision of Education Management System (EMS) support has been greater than anticipated and has resulted in increased income of £34k. Additional IT expenditure anticipated (£30k) in respect of a new server and IT support.</p>
	0 Total Variance

Appendix A (Cont.)

Directorate:	Customer and Transactional Services	Period - 6	September 2011
Main Variances			
Service Area	Change £'000	Explanation	
	233	Variance reported last month	
Information Technology	0	No change	
Customer Service Centre	0	No change	
Total ICT and Information Technology	0	No change	
Benefits, Council Tax and NNDR	0	No change	
Transactional Finance	0	No change	
Transactional HR and Payroll	0	No change	
Logistics Team	0	No change	
Strategic Management	(82)	Reduction of forecast variance by £82k as budget identified in other cost centres and to be vired.	
	151	Total Variance	

Appendix A (Cont.)

Directorate:	Chief Executives Directorate	Period - 6	September 2011
Main Variances			
Service Area	Change £'000	Explanation	
	0	Variance reported last month	
Chief Executive's Office	0	No change	
Communications	0	No change	
Policy	0	No change	
	0	Total Variance	

Appendix A (Cont.)

Directorate:	Resources and Regeneration	Period - 6	September 2011
Main Variances			
Service Area	Change £'000	Explanation	
	(257)	Variance reported last month	
Management unit	(11)	Minor adjustments	
Finance & Audit	(15)	Employee costs	
Professional Services	(23)	Transformation, in year savings	
Transport and Planning	(57)	Improved Debt collection	
Strategic Housing	(47)	Transformation savings realised earlier than budget	
Environment Services	(15)	Joint arrangement for Coroners service	
Property Services	46	Void costs on Commercial properties	
	(359)	Total Variance	