

SLOUGH BOROUGH COUNCIL

REPORT TO: Cabinet **DATE:** 16 September 2013
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WARD(S): *All*
PORTFOLIO: *Cllr. Rob Anderson; Lead Commissioner for Finance & Strategy*

PART I **NON-KEY**

1 Purpose of Report

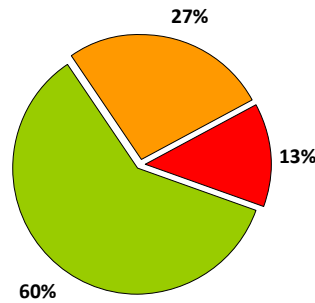
- The Cabinet is requested to note the latest forecast financial information for the 13-14 financial year.
- The Cabinet is requested to note the Council's performance against the balance scorecard indicators to date during 2013-14
- The Cabinet is requested to note the Council's performance on 'Gold' projects during 2013-14
- The Cabinet is requested to approve the revised 2013-14 re-profiled capital programme and utilisation of £150k of the 2014-15 Community Infrastructure Fund

2 Recommendation(s)/Proposed Action

The Cabinet are requested to note and comment upon the following;

- 2.1.1 The Council is forecasting an overspend of £1.1m as at month 3. Without remedial action this will have a significant impact on the Council's General Reserves. However the Council is working to take appropriate action to ensure that this position is mitigated in full or in part by the end of the financial year. This is an improved position compared to month 2 when the Council reported a potential £1.2M overspend. The main area showing an overspend is the Children's and Families service area with a forecast overspend of £1M. The Council is anticipating spending 75% of its revised capital programme for 2013/14.
- 2.1.2 The Council has four performance targets currently showing as red. Two of these relate to the initial assessments completed in children's social care. The other two are waste disposal to landfill levels and the increasing number of households in temporary accommodation.
- 2.2 The latest position for the Council's balanced scorecard demonstrates that at the end of June 2013 the Council's performance is as below:

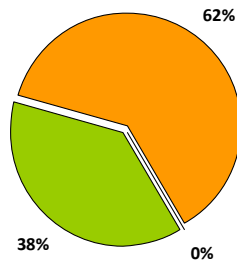
Balanced scorecard indicators 2012-13



2.3 Key areas of noteworthy concerns are the timeliness of both Initial and Core Assessments completed by Children’s services, the number of households in temporary accommodation and the proportion of waste sent to landfill.

2.4 The summary of the Gold projects at June 2013 indicates that the overall status of three of these are green, with five assessed as amber.

Gold Project Overall Status June 2013



3 The Sustainable Community Strategy, the JSNA and the Corporate Plan

3.1 Sustainable Community Strategy Priorities

The report indirectly supports all of the Community Strategy priorities and cross cutting themes. The maintenance of excellent governance within the Council to ensure that it is efficient, effective and economic in everything it does is achieved through the improvement of corporate governance and democracy by ensuring effective management practice is in place.

3.2 Corporate Plan 2013/14

The report helps achieve the Corporate Plan objectives by detailing how the Council has performed against its priority outcomes, as evidenced in the performance balanced scorecard and Gold projects reporting, and in delivering the Council’s budget in line with the approved budget.

4 Other Implications

4.1 Financial

The Financial implications are contained with this report, but in summary, the 2013-14 provisional forecasts would decrease the Council's general reserves by £1.1m.

4.2 Risk Management

Risk	Mitigating action	Opportunities
Legal	None	None
Property	None	None
Human Rights	None	None
Health and Safety	None	None
Employment Issues	None	None
Equalities Issues	None	None
Community Support	None	none
Communications	None	none
Community Safety	None	None
Financial; Detailed in the report and above	As identified	None
Timetable for delivery; A number of capital projects have been reprofiled into the 2013-14 financial year	The capital programme is being closely monitored by the capital strategy group in 2013-14.	None
Project Capacity	None	None
Other	None	None

4.2.1 Human Rights Act and Other Legal Implications

There are no Human Rights Act Implications of this paper

Equalities Impact Assessment

No identified need for the completion of an EIA

Executive Report

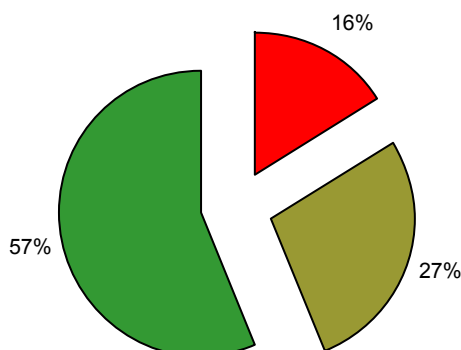
5 Introduction

This is the first report to Cabinet for the 2013-14 financial year in respect of the financial and performance position of the Council

6 Financial Performance

- 6.1 The Council is forecasting an overspend of £1.1m as at month 3. The main service areas showing variation from budget are Enforcement and Regulation, Wellbeing central management, Children and Families and Estates and Regeneration.
- 6.2 The forecast overspend in Enforcement and Regulation has many factors, many of which relate to income pressures on the services contained within this budget. These include planning fee income due to new legislation, on-street parking due to private parking and free parking and car park income due to closures and non renewal of season tickets. The forecast overspend in wellbeing is primarily due to increased pressures in the Children's service from increased placement costs and staffing costs as well as undeliverable savings for the 2013-14 budget. In Estates & Regeneration the main overspend relates to the Asset Management function. Additional staffing costs, unachievable income targets, higher than expected capital disposal costs and additional Age Concern costs have resulted in a current overspend in the service area and all of these are further detailed in appendix E.
- 6.3 There is a saving of £0.3m currently showing in the corporate line. This relates to additional investment returns by the Council prepaying its Local Government Pension Contributions to the Berkshire Pension Fund. There is a small loss in cash flow benefits of doing this as the Council is currently receiving a low rate of return on its investments like many other similar organisations.
- 6.4 Of the £9.4m of savings for 2013-14, a majority (57%) of these are showing as green, with £1.5m (16%) showing as red. Green and amber categories combined make up 84% of the overall savings targets. The main saving identified as red relates to procurement savings of £500k that have not yet been identified in full.

2013-14 Savings: RAG analysis



- 6.5 It should be noted that the above figures do not include phase 1 of the transactional services contract. There is a £2.7m gap within the existing budget requirement for this contract. There is no bottom line impact on the current budget monitoring report. This is due to additional one-off funding as a result of the latest Local Government finance settlement being used to fund as a one off measure during 2013/14; as per the previous Cabinet report on the MTFs, the Council will adjust for this financing gap in the 2014-15 budget.

7 Movements from Reserves

- 7.1 During May, CMT agreed to transfer £228k of one off funding from the Transformation fund to Children's & Families service to assist the Improvement Programme being undertaken within that service.

8 Council Performance

- 8.1 This month, 30 performance indicators have been RAG rated – the majority at Green (18; 60%) or Amber (8; 27%). Those rated as Green or Amber - taken together - account for 87% of measures. Four measures this month (13%) are Red rated as being off target by more than 5% in this report.

8.2 Noteworthy Improvements

None of the four indicators reported as **RED** rated in the previous report have improved to an **AMBER** or **GREEN** target level of performance. However, two of these have *improved slightly* since May (number of households in temporary accommodation, and core assessments completed to timescales).

8.3 Noteworthy Concerns

The following indicators are rated **RED** this month as being more than 5% adrift of their currently defined target values:

8.3.1 Percentage of Initial Assessments completed and authorised within 10 working days (in month)

This indicator has been in exception of target every month since August 2012, and performance in June was 49.0% - meaning fewer than half of these initial assessments were being completed within the target timescale of 10 working days.

Performance in June fell slightly further compared to May; the operational service responsible has conducted a series of detailed diagnoses of the issues and continues to target corrective actions to improve timescale compliance. Performance is strongly entwined with the issue of recruiting and retaining sufficient staff with appropriate skills and experience. The recent performance means compliance across the whole twelve months to end of June stands at 56.2%.

8.3.2 Percentage of Core Assessments completed and authorised within 35 working days (in month)

Performance in June has improved very slightly (by 2.6%) to 40.2%. This remains approximately half the performance level the Council desires. With the exception of March 2013, this indicator has fallen short of target aspirations each month since October 2012.

This aspect of performance is bound up with compliance on initial assessments reported above, and the operational service has conducted a series of detailed diagnoses of the issues and continues to target corrective actions including a concerted effort to reduce reliance on temporary agency staff.

Performance in recent months means compliance across the twelve months to end of June 2013 now stands at 64.9%.

The timeliness of any assessment is a critical element of the quality of that assessment and of the outcomes for the child. The speed with which an assessment is carried out after a child's case has been referred into local authority children's social care should be determined by the needs of the individual child and the nature and level of any risk of harm faced by the child. From 15th April 2013 the national Working Together 2013 guidance has removed the need to conduct separate initial and core assessments, and requires local authorities to determine their own local assessment processes. However it also sets a maximum timeframe for the assessment to conclude which is no longer than 45 working days from the point of referral. This maximum timeframe is, in essence, an amalgamation of the previous 10 and 35 day requirements into a single assessment phase. Slough's current position to not meet target timescales in the two separate measures is therefore likely to result in a breach against single assessment requirements once the Council adopts that way of working.

8.3.3 Number of households in temporary accommodation

At end of June 2013, SBC was supporting 95 households in temporary accommodation. This represents an improvement on May, when 100 households were supported in this fashion.

Homelessness has generally increased both locally, regionally and nationally, and the demand for temporary accommodation is predicted to further increase. The Council is increasing our permanent offers to those cases on the housing register but have a significant fall in the number of vacancies that the Council get in each year. SBC have created a new social lettings agency to discharge our duty into the private rented sector, and are taking steps to increase capacity for this demand.

8.3.4 Percentage of municipal waste sent to landfill

This month reports final full-year results for 2012-13, when the Council disposed of 9.9% of all municipal waste through landfill, thereby incurring landfill charges on some 5,161 tonnes of waste.

The greater than planned for use of landfill disposal has arisen as a consequence of three main factors: the Energy from Waste plant being offline for longer than anticipated and therefore unable to process waste whilst closed for maintenance; a planned cessation of the Green Waste kerbside collection of compostable materials during the winter months, and a changing pattern of

materials used in household products (e.g. non-recyclable bags and pouches in place of historic glass bottles and jars).

Slough is developing a long term strategy for waste collection and disposal, with preferred routes of reduction, recycling and reuse, and disposal of residual materials through incineration (thereby generating energy from waste). This includes options to secure use of an additional incineration facility and to find alternate methods for disposing of the significant volume of food wastes generated in Slough.

The full Corporate Balanced Scorecard is provided as **Appendix C**.

8.4 Council's Gold Project Update

8.4.1 The summary below provides Cabinet with an update on the Council's Gold Projects as at the 30th June 2013. Individual project progress reports have been made by Project leads, with endorsement from the Project Sponsor, and are provided in **Appendix D**.

8.4.2 Monthly Period Summary

This report covers eight Gold Projects in total; highlight reports have been received for all.

8.4.2.1 Of the eight project highlight reports submitted, all have been confirmed as agreed and authorised by the Project Sponsors with the exception of:

- School Services Review
- Workforce Strategy.

8.4.2.2 Of the eight submitted highlight reports, just three have been assessed to have an **overall** status of 'Green' and five as 'Amber'. For '*Timeline*' three projects have been evaluated at 'Green' status and five at 'Amber'. For 'Budget' six are assessed as 'Green', one at 'Amber' and one has no budget allocated. For '*Issues and Risks*' three have been evaluated at 'Green' status, five at 'Amber'. Details are provided in the table beneath.

8.4.2.3 Only one of the projects has been assessed as 'Green' for all aspects: this is the 'Accommodation & Flexible Working' project.

Project Manager / Sponsor assessed status of Gold Projects as at 30th June 2013

	Gold Project Name	Overall status	Timeline	Budget	Issues + Risks	Sponsor authorisation status
1	Accommodation & Flexible Working	GREEN	Green	Green	Green	Approved
2	Britwell Regeneration	GREEN	Amber	Green	Green	Approved
3	Learning Disabilities Change Programme	GREEN	Green	Green	Amber	Approved
4	Safeguarding Improvement Plan	AMBER	Amber	Green	Amber	Approved
5	School Places in Slough	AMBER	Amber	Green	Amber	Approved
6	School Services Review	AMBER	Green	Amber	Amber	Draft

	(SSR)					
7	Transactional Services - Phase 2 (Customer Services and ICT)	AMBER	Amber	Green	Amber	Approved
8	Workforce Strategy	AMBER	Amber	n/a	Green	Draft

The individual Gold Project Updates are provided as **Appendix D**.

9 Write Offs

9.1 A total of £385k has been written off during the first quarter of 2013/14. The majority of this total relates to NNDR debt. The write off across the council's services for the first quarter, including the reason for write off, can be summarised as follows

Reason	NNDR	Former Tenant Arrears	Sundry Debtors	Housing Rents	Housing Benefits	Total
	Value £	Value £	Value £	Value £	Value £	Value £
Unable to trace		3,307.61	8,713.07		4,212.95	16,233.63
Uneconomical to pursue			2,943.73		128.95	3,072.68
Vulnerable persons		9,483.31	1,311.85			10,795.16
Tenant no estate / no NOK		6,662.30				6,662.30
Statute Barred			856.64			856.64
Bankruptcy	6,716.36				8,305.67	15,022.03
Absconded	106,201.41					106,201.41
Dissolved	177,598.47					177,598.47
Out Of Time	135,087.78				127.54	135,215.32
8090 Report (System Error)		947.78			172.26	1,120.04
Liquidation	14,025.19					14,025.19
Administration	14,038.92					14,038.92
Receivership	557.83					557.83
Misc.	830.06		10,226.67	1,003.00	1,106.69	13,166.42
Credit Balances	(134,231.96)					(134,231.96)
Deceased					5,001.34	5,001.34
	320,824.06	20,401.00	24,051.96	1,003.00	19,055.40	385,335.42

10 Capital

10.1 The summary of capital expenditure as at month 3 on a consolidated and directorate basis can be shown as follows:

Directorate	Expenditure			Balance
	Budget	Actual	Projection	
LABV	14,372	819	14,025	347
Heart of Slough	1,020	10	820	200
Resources (excluding Heart of Slough)	4,910	878	3,892	1,018
Wellbeing	11,876	496	10,405	1,471
Chief Executive	109	0	59	50
Customer & Community Services	12,639	252	8,383	4,256
Housing Revenue Account	21,381	983	12,228	9,153

Total	66,307	3,438	49,812	16,495
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- 10.2 The council has spent 5.19% of its available 2013.14 Capital Budget in the first three months of the year. Spend is traditionally low in the first 3 months of the financial year and the position will be further distorted by accruals being processed at the end of 2012/13. The latest projection is capital expenditure in 2013/14 of £49.812m against a revised budget of £66.307m. More detailed directorate narrative is attached as appendix B. The forecast spend is 75% of the overall capital programme.
- 10.3 The Council's capital programme has been revised to include re-profiling from the 2012/12 financial year into the 2013/14 financial year. The original capital programme stood at £55.4m for 2013-14 before any re-profiling of spend from 2012-13 through to 2013-14. Cabinet are also asked to approve bringing forward of £150k of the £180k capital budget for MUGAs (Multi-Use Games Areas) in respect of the Community Infrastructure Fund in the 2014-15 capital programme. This will increase the 2013-14 Capital programme by £150k and reduce the 2014-15 capital programme by £150k. Given the forecast level of re-profiling in the overall capital programme, there is unlikely to be any increased need to borrow additional funds for 2013-14.

11 Comments of Other Committees

This report is due to Overview & Scrutiny on the 10th September

12 Conclusion

The Council is currently forecasting an overspend. The Council will report back to Cabinet on progress to address this overspend at future meetings.

13 Appendices Attached (if any) *(If there are no appendices delete the heading.)*

- 'A' - Revenue Budget forecasts
- 'B' - Capital Summary
- 'C' - Balanced Scorecard
- 'D' - Gold projects
- 'E' - Revenue budget commentary

14 Background Papers*(This is compulsory)*

Financial detail provided from the Council's financial ledger