

SLOUGH BOROUGH COUNCIL

REPORT TO: Overview & Scrutiny Committee **DATE:** 12th November 2013

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WARD(S): *All*

PORTFOLIO: *Cllr. Rob Anderson; Lead Commissioner for Finance & Strategy*

PART I **NON-KEY**

Finance and Performance report: Quarter 2 2013-14

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 2013.

2. Recommendation(s)/Proposed Action

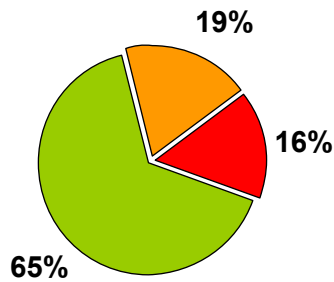
- 2.1 The Committee is requested to note and comment on the following aspects of the report:
- (a) To note the sale of Parlaunt Road; Cabinet approved this disposal at its meeting in November 2012. This property is an HRA (Housing Revenue Account) property and the anticipated capital receipt of up to £1.4m will be utilised to support the HRA;
 - (b) To note the latest forecast financial information for the 2013-14 financial year;
 - (c) To note the Council's performance against the balance scorecard indicators to date during 2013-14;
 - (d) To note the Council's performance on 'Gold' projects during 2013-14; and

3. Executive summary

- 3.1.1 The Council is forecasting an overspend of £0.7m as at month 6. Although the overspend continues to reduce, without remedial action this will have a significant impact on the Council's General Reserves. The Council is taking 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 when compared to month 5 and continues the gradual reduction of the forecasted overspend down to the budgeted position. The main area showing an overspend is the children's and families service area with a forecast overspend of £1.7M. The increase in overspend in this area (month 5 was projecting a £1.4M overspend) has been offset by savings in other services. The Budget Monitoring report for September 2013 is shown in appendix A.

3.1.2 The latest position for the Council's balanced scorecard demonstrates that at the end of September 2013 the Council's performance is as below:

Balanced scorecard indicators 2012-13



3.1.3 Key areas of noteworthy concerns remain:

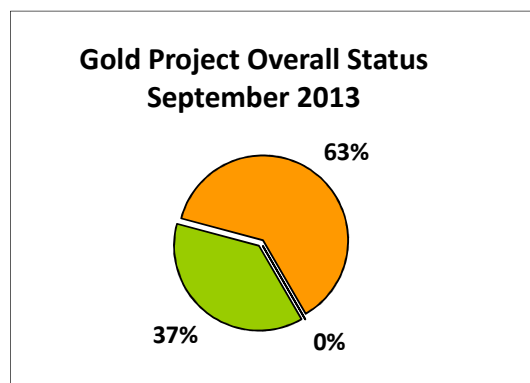
- The timeliness of both Initial and Core Assessments completed by Children's services
- Children subject to Child Protection Plans at month end completed by Children's services
- The number of households requiring housing in temporary accommodation.
- Speed of Processing of Housing Benefit and Council Tax Benefit claims:
(a) New Claims (b) Change of Circumstances

3.1.4 Please note the following indicator has been newly added to the Council's balanced scorecard:

Percentage of pupils achieving level 4 or above in reading, writing and mathematics at Key Stage 2.

This is a new nationally determined indicator that was introduced by the Department for Education this year to replace the percentage of pupils achieving level 4 or above in English & mathematics at Key Stage 2. Achievement in the 2012-13 academic year shows a 1% improvement on the previous year. The national average has also improved and Slough's performance in 2012-13 is 2% under the England average (76%).

3.1.5 The summary of the Gold projects at September 2013 indicates that the overall status of two of these are green, with six assessed as amber.



4. The Slough Joint Wellbeing Strategy, the JSNA and the Corporate Plan

4.1 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.

4.2 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.

5. Other Implications

5.1 Financial

The Financial implications are contained within this report, but in summary, the 2013-14 provisional forecasts would decrease the Council's general reserves by £0.7m.

5.2 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 re-profiled 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 |

5.2.1 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.

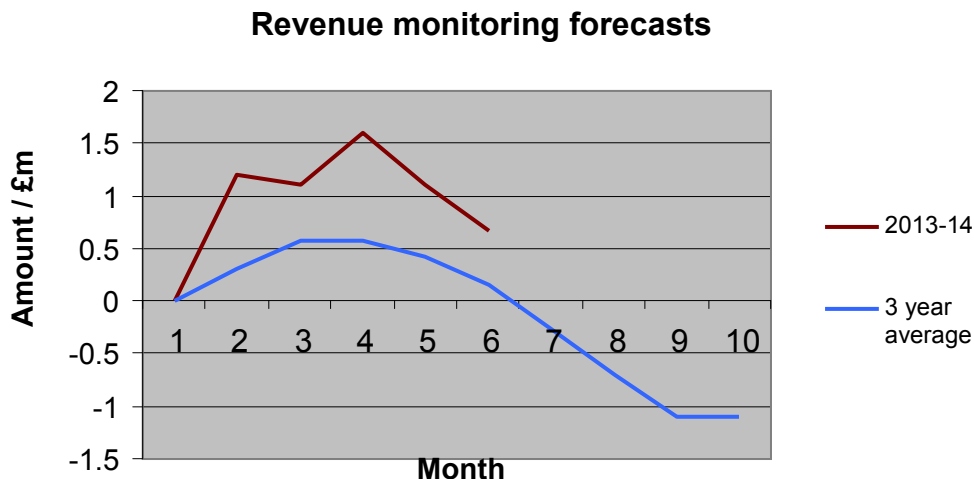
6. Supporting Information

This is the month 6 report to Cabinet for the 2013-14 financial year in respect of the financial and performance position of the Council.

7. Financial Performance

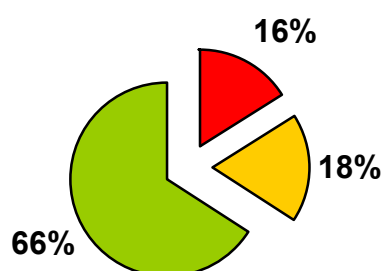
Revenue

- 7.1 The Council is forecasting an overspend of £0.7m as at month 6. The main service areas showing variation from budget are enforcement and regulation, Wellbeing, Children and families and estates and regeneration.



- 7.2 The forecast overspend in enforcement and regulation predominantly continues to 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 increased overspend in Children and Families is a result of the continuing growth in client numbers, highlighted in previous budget reports. These increasing pressures have been offset to an extent due to savings in other areas of the Wellbeing directorate. 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.
- 7.3 Of the £9.4m of savings for 2013-14, a majority (66%) 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. There has been a positive movement since the Quarter 1 report to Cabinet, which showed an equivalent figure of 73% of savings as Amber or Red.

2013-14 Savings: RAG analysis



Capital

| Directorate | Expenditure | | | Balance |
|---------------------------------------|---------------|---------------|---------------|---------------|
| | Budget | Actual | Projection | |
| Slough Regeneration Partnership | 14,372 | 1,862 | 5,512 | 8,860 |
| Heart of Slough | 1,020 | 46 | 820 | 200 |
| Resources (excluding Heart of Slough) | 4,974 | 1,456 | 3,891 | 1,083 |
| Wellbeing | 11,223 | 3,772 | 11,109 | 114 |
| Chief Executive | 109 | 103 | 109 | 0 |
| Customer & Community Services | 12,639 | 1,416 | 8,190 | 4,449 |
| Housing Revenue Account | 21,381 | 1,988 | 16,040 | 5,341 |
| Total | 65,718 | 10,643 | 45,671 | 20,047 |

- 7.4 The capital programme is currently showing 16% spend year to date. It is currently forecast that 70% of the capital programme will be spent during the current financial year. The main area of re-profiling that needs to be completed is in respect of the Curve project. This project is currently progressing to timescale and will require a movement of over £8m of allocated budget from the 2013-14 financial year into the next financial year.

8. Movements from Reserves

- 8.1 At the May CMT, it was 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. There has been a release of a specific earmarked reserves to fund restructuring costs of £366k to deliver ongoing savings.

9. Write-offs

- 9.1 The write-offs below are requested for approvals. The main item relates to a significant write-off dating back a number of years which was previously assessed as eligible for, and received, mandatory charitable relief but which has now been re-assessed as being ineligible for this relief; due to case law the Council are unable to bill for this period.

| Reason | NNDR | Council Tax | Former Tenant Arrears | Sundry Debtors | Housing Rents | Housing Benefits | Total |
|----------------------------|--------------|-------------|-----------------------|----------------|---------------|------------------|--------------|
| | Value £ | Value £ | Value £ | Value £ | Value £ | Value £ | Value £ |
| Unable to trace | | | 51,367.06 | 9,221.17 | | | 60,588.23 |
| Uneconomical to pursue | | | 10,240.35 | 2,447.24 | | | 12,687.59 |
| Vulnerable persons | | | 1,688.43 | 1,422.93 | | | 3,111.36 |
| Tenant no estate / no NOK | | | 607.41 | | | | 607.41 |
| Statute Barred | | | 1,772.62 | 274.25 | | | 2,046.87 |
| Bankruptcy | 7,209.30 | | | | | | 7,209.30 |
| Absconded | 990.98 | | | | | | 990.98 |
| Dissolved | 150,144.86 | | | | | | 150,144.86 |
| Proposal to Strike | 9,340.55 | | | | | | 9,340.55 |
| No power to pursue | 818,899.90 | | | | | | 818,899.90 |
| 8090 Report (System Error) | | | 460.12 | | | | 460.12 |
| Liquidation | 85,737.62 | | | | | | 85,737.62 |
| Administration | 252.21 | | | | | | 252.21 |
| Receivership | | | | | | | |
| Misc. | 11,090.53 | | | 5,037.93 | | | 16,128.46 |
| Credit Balances | (62,367.52) | | | | | | (62,367.52) |
| Deceased | | | | | | | |
| | 1,021,298.43 | | 66,135.99 | 18,403.52 | | | 1,105,837.94 |
| | 1,021,298.43 | | 66,135.99 | 18,403.52 | | | 1,105,837.94 |

10. Virements

10.1 No intra-directorate virements over £250k occurred during the first quarter of the financial year.

11. Council Performance

11.1 The latest available validated performance positions have been ascertained. This month, 32 performance indicators have been RAG rated – the majority at **Green** (21; 66%) or **Amber** (6; 19%). Those rated as Green or Amber - taken together - account for 85% of measures. Five measures this month (16%) are **Red** rated as being off target by more than 5% in this report.

11.2.1 Noteworthy Improvements

The following indicators which were reported as either AMBER or RED in the previous report have now improved to a GREEN target level of performance.

11.2.2 The percentage of household waste sent for reuse, recycling or composting. A significant increase in recycling due to reinstatement of green garden waste collections and an overall increase in the amount of waste recycled at the Chalvey Household Waste Recycling Centre. Data is available on a quarterly basis only (some months in arrears), and is subject to stringent validations by Defra and Eurostat before release.

11.2.3 Percentage of municipal waste sent to landfill.

An exceptional performance for quarter 1 due to peak performance from Energy from Waste ('EfW') and new revised approaches by contractor and waste management team to reduce landfill by recycling carpets and mixed plastics at HWRC.

Data is available on a quarterly basis only (some months in arrears), and is subject to stringent validations by Defra and Eurostat before release.

11.2.4 Number (and %) of Adult Safeguarding Alerts that led to a strategy meeting per month

Provisional data: This month the proportion of safeguarding referrals requiring progression to strategy meetings (at 40%) remains within target tolerance.

Across the whole of the 2013-14 period to date, this value remains on target tolerance (at 36.5%).

Activities underway to ensure this is maintained include:

- All safeguarding alerts are triaged by a Designated Safeguarding Manager ('DSM') to determine whether they need to progress through the safeguarding process.
- The levels of response guidance has been reissued to all DSMs enabling them to determine the need for a safeguarding response to keep individuals safe or whether other processes are more appropriate e.g. care management review, referral to other agencies e.g. Women's Aid, Anti Social Behaviour Team.

11.3 Noteworthy Concerns

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

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

Performance in August rose slightly compared to July but on the whole has been between 49 - 53% for the last six months; performance across the whole year to end of August was 52.3%.

Note: From 14th October 2013 Children & Families will move to the Single Assessment (as per Working Together 2013) which has a timescale compliance of no more than 45 working days; at this point the Initial Assessment will no longer be conducted.

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

Performance in August rose by 21% compared to July but on the whole has been between 40 - 46% for the last six months; performance across the whole year to end of August was 54.1%.

Note: From 14th October 2013 Children & Families will move to the Single Assessment (as per Working Together 2013) which has a timescale compliance of no more than 45 working days; at this point the Core Assessment will no longer be conducted.

11.3.3 Children subject to Child Protection Plans at month end

(a) Number

(b) Rate per 10,000 local children.

August saw a net rise of 47 compared to the end of July (this follows the net rise of 29 in July). At current knowledge of comparison values, a range of between 142 to 192 children represents appropriate safeguarding practice - based on being $\pm 15\%$ of the latest SN average (March 2012). More recent comparator data will become available shortly.

11.3.4 Number of households in temporary accommodation

At end of September 2013, SBC was supporting 93 households in temporary accommodation. This represents a reduction in numbers when compared to August, when 96 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. We are increasing our permanent offers to those cases on the housing register but have a significant fall in the number of vacancies that we 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.

11.3.5 Speed of Processing of Housing Benefit and Council Tax Benefit claims:

(a) New Claims

(b) Change of Circumstances

The speed of processing new claims and change of circumstances for September of 26.3 and 12.4 days are over the targets set at the beginning of the contract (i.e. 20 days and 10 days). Now that the benchmarking has taken place these targets are being revised as part of the KPI review that should be concluded in the following months. The turnaround have increased slightly in September as the service was dealing with the knock on effect of summer leave and the delay in responses from Customers over the summer period, we do expect that the turnaround times will revert to around previous months in the next reporting period.

Please note that the turnaround times are based on the DWP measurement which measures from the date the Customer submits an application form to the date it is processed, this is calendar days and takes into consideration the time taken for Customers to respond to queries from the service and to supply supporting information.

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

12. Council's Gold Project Update

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

12.2 Please note that the highlight reports are submitted using the standardised format requested by the Chief Executive. The intention of this format was 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.

12.3 Monthly Period Summary

This report covers eight Gold Projects in total; highlight reports have been received for all with the exception of:

- Workforce Strategy

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

- School Services Review

12.5 Of the eight submitted highlight reports, three have been assessed to have an **overall** status of 'Green' and five as 'Amber'. For '*Timeline*' two projects have been evaluated at 'Green' status and six at 'Amber'. For 'Budget' seven are assessed as 'Green' and one at 'Amber'. For '*Issues and Risks*' two have been evaluated at 'Green' status, six at 'Amber'. Details are provided in the table beneath.

12.6 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 September 2013**

| | Gold Project Name | Overall status | Timeline | Budget | Issues + Risks | Sponsor authorisation status |
|---|--|-----------------------|------------------|------------------|-----------------------|-------------------------------------|
| 1 | Accommodation & Flexible Working | GREEN | Amber (G) | Green | Green | Approved |
| 2 | Britwell Regeneration | GREEN | Amber | Green | Green | Approved |
| 3 | Learning Disabilities Change Programme | AMBER (G) | Amber (G) | Green | Amber | Approved |
| 4 | Safeguarding Improvement Plan | AMBER | Amber | Green | Amber | Approved |
| 5 | School Places in Slough | AMBER | Amber (G) | Green (A) | Amber | Approved |
| 6 | School Services Review (SSR) | AMBER | Green | Amber | Amber | Draft |
| 7 | Transactional Services - Phase 2 (Customer Services and ICT) | AMBER | Amber | Green | Amber | Approved |
| 8 | Fit for the Future Programme ¹ | GREEN | Green | Green | Green | Approved |

Where the previous quarter's report was different this has been included in brackets

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

¹ Replaces workforce strategy project

13. Comments of Other Committees

13.1 None relevant.

14. Conclusion

14.1 The Council is currently forecasting a reduced overspend when compared to first quarter of the financial year. The Council will continue to report back to Cabinet on progress to address this overspend at future meetings.

15. Appendices Attached

'A' - Revenue forecasts summary

'B' - Capital narrative & summary

'C' - Balanced Scorecard

'D' - GOLD projects update

'E' - Revenue forecasts narrative

16. Background Papers

N/a