

SLOUGH BOROUGH COUNCIL

REPORT TO: Overview & Scrutiny Committee **DATE:** 6th February 2014

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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 3 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 December 2013.

2 Recommendation(s)/Proposed Action

2.1 The Committee is requested to scrutinise and comment on the following aspects of the report, as recommended to Cabinet:

- (a) To note the latest forecast financial information for the 2013-14 financial year;
- (b) To note the Council's performance against the balance scorecard indicators to date during 2013-14;
- (c) To note the Council's performance on 'Gold' projects during 2013-14; and
- (d) To approve the write-offs detailed within the report.

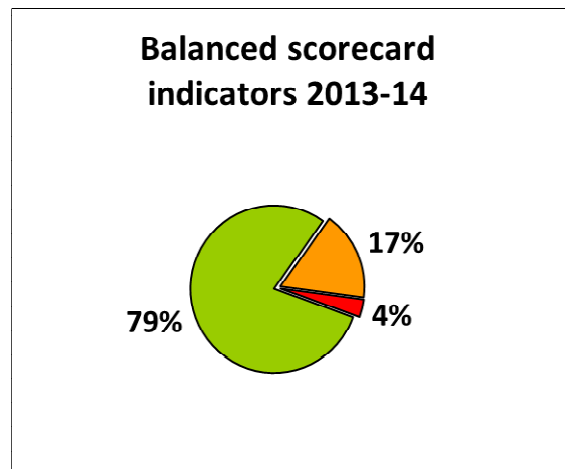
3 Executive summary

3.1.1 The Council is forecasting to underspend by £0.003m as at month 9. The move to a small underspend is the net result of an in-year savings initiative conducted over the recent months to bring the council's budget back into balance. This position needs to be maintained as any resulting overspend will have an impact on the Council's General Reserves. This is a much better position compared to month 8 when the Council reported a potential £0.363m overspend. Whilst the directorates are broadly showing a breakeven position at year end there are numerous budget pressures and overspends that are being matched with corresponding saving initiatives and underspends. The corporate items budget is showing a projected overspend of £0.66M for the current year. The existing contingency budget and additional savings highlighted during the year have not been sufficient to cover the additional budget pressures that have occurred. All of these savings and pressures are described in more detail later in the report and shown in Appendix E. The Budget monitoring report for December 2013 is shown in Appendix A.

3.1.2 The council has spent 28% of its available 2013/14 Capital Budget in the first nine months of the year. The latest projection for capital expenditure in 2013/14 is

£44.4m against a revised budget of £65.6m. This would represent 68% expenditure against the revised budget. A detailed Directorate breakdown of the month 8 capital monitoring can be seen at Appendix B.

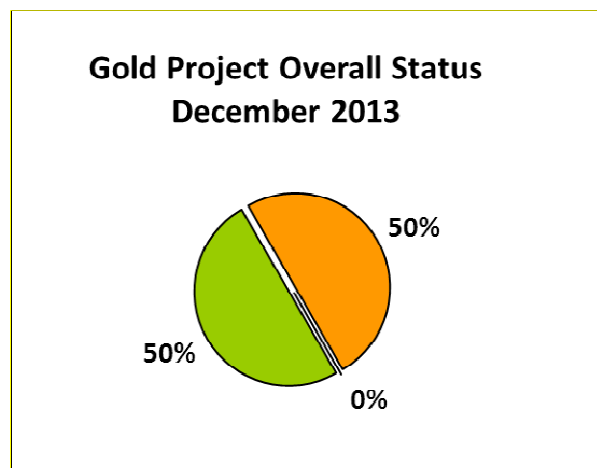
3.1.3 The latest position for the Council's balanced scorecard demonstrates that at the end of December 2013 the Council's performance is as below:



3.1.4 Key areas of noteworthy concerns remain:

- Children subject to Child Protection Plans. The number of children requiring this level of protection continues to increase and now stands at a number which exceeds our planned level.

3.1.5 The summary of the Gold projects at December 2013 indicates that the overall status of three of these are Green, with three 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 achieve

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 with this report, but in summary, the 2013-14 provisional forecasts would increase the Council's general reserves by £0.003m.

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

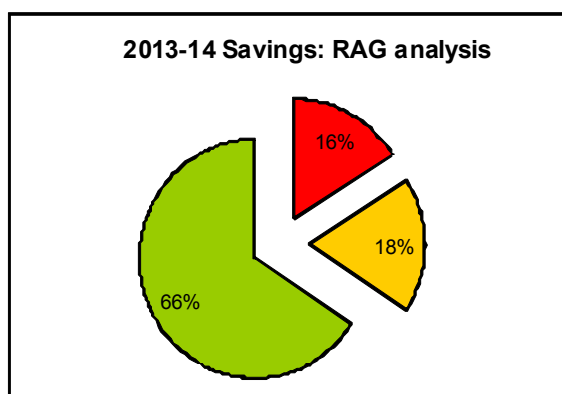
6 Supporting Information

This is the month 9 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 to underspend by £0.003m as at month 9. Corporate budget items is the only service area showing material net overspends (£0.660M) with Customer and Community services showing a net underspend of £0.530M.
- 7.2 Wellbeing saw increased commitments on the Children & Families social work teams and on the Non Schools budget following the appointment of a new interim Head of Service. The current projected budgeted position is an overspend, behind this is a significant pressure on the Children Looked After (Placement) budgets within Children and Families service. The total overspend within this service is £2.7m, this is offset in part by savings within the Adult Social Care service of £1m and Education (Non Schools) of £1m.
- 7.3 At this point in time, the Customer and Community Services Directorate is forecasting an under spend position of £530k, largely due to the £498k one-off additional in year savings put forward in November, plus the transfer of the Parks and Open Spaces service into CCS with a £32k favourable variance. Within the transactional service area the £250k 2013/14 savings target for phase 2 transactional savings will not be achieved due to the ICT and Customer services areas transferring later in the year than anticipated.
- 7.4 The Regeneration, Housing and Resources Directorate is forecasting an under spend position of £243k, a movement of £335k from that reported last month. This has been due to an accommodation charge to the HRA, a change in the corporate repairs criteria to emergency repairs and maintenance and a reduction in the projected staffing costs for the year.
- 7.5 Corporate Services is showing a projected overspend of £0.66M. This overspend relates to numerous budget issues and they are shown in detail at the bottom of Appendix E
- 7.6 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. The main saving identified as red relates to procurement savings of £473k that have not yet been identified and the Phase 2 transactional services contract. A detailed analysis of the savings can be seen at Appendix F.



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 reserve to fund restructuring costs of £366k to deliver ongoing savings.

9 Write-offs

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		144,388.91	2,373.57	34,263.38			181,025.86
Uneconomical to pursue			203.93	4,905.06			5,108.99
Vulnerable persons		5,175.45	187.14	39,767.47			45,130.06
Tenant no estate / no NOK			6,333.66				6,333.66
Statute Barred	99,908.86		161.30	11,815.13			111,885.29
Bankruptcy		12,281.24					12,281.24
Absconded	365,717.92						365,717.92
Dissolved	260,155.44						260,155.44
Proposal to Strike							
Statute Debarred	85,536.83	2,636.60					88,173.43
8090 Report (System Error)			12,372.83				12,372.83
Liquidation	31,425.14						31,425.14
Administration	14,617.62					9.34	14,626.96
Receivership							
Misc.	546,591.07	72,391.80		29,285.16			648,268.03
Credit Balances	(45,869.65)						(45,869.65)
Deceased		2,622.86		37,420.20		450.00	40,493.06
	1,358,083.23	239,496.86	21,632.43	157,456.40		459.34	1,777,128.26

10 Virements

Virements over £250k during the third quarter of the current financial year were as follows.

Service Area		Amount £'000	Reason
From	To		
Contingency	All Directorates	380,140	Release of 2013/14 Pay Inflation
Appropriations	Wellbeing	5,970	Release of Wellbeing Grants Reserve
Appropriations	Wellbeing	228,500	Release of Transformation Fund (Cabinet Report 16th Sep 2013)
Contingency	All Directorates	1,661,730	Release of 2013/14 Non-Pay Inflation
Appropriations	All Directorates	527,760	Release of 2012/13 Carry Forwards

11 Council Performance

- 11.1 The latest available validated performance positions have been ascertained. This month, 29 performance indicators have been RAG rated – the majority at **Green** (23; 79%) or **Amber** (5; 17%). Those rated as Green or Amber - taken together -

account for 96% of measures. One measure this month (4%) is **Red** rated as being off target by more than 5% in this report.

11.2 Noteworthy Improvements

The following indicators were reported as **AMBER** in the previous report but have now improved to a **GREEN** target level of performance.

11.2.1 Prevalence of childhood obesity at end of primary school (Year 6) as measured by the NCMP

The latest annual data release for 2012-13 year was published in December.

Slough has a higher rate of childhood obesity than national average (18.9%) although this has decreased marginally from the previous year's findings, with the gap between Slough and England narrowing.

In the allied measurement of obesity amongst children in Reception year, the figures reveal a small increase in obesity rate, and a marginal widening of the gap compared to England.

Partnership actions and impact are being reviewed and revised by the relevant Priority Group of the Children & Young People's Partnership.

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

(a) New Claims; (b) Change of Circumstances

Within December, both components of this indicator achieve the target values: processing new claims (16.26 days) and processing Changes of Circumstances (9.73 days).

The speed of processing measures have both improved steadily month after month, although with one-quarter of the year remaining the cumulative performance for 2013-14 still remains in excess of target (at 21.38 and 11.83 days respectively).

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.

11.3 Noteworthy Concerns

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

11.3.1 Children subject to Child Protection Plans at month end

(a) Number

(b) Rate per 10,000 local children.

Provisional data shows that December resulted in a small increase in the number of children subject to a child protection plan. Since the end of March the number of children subject to a CP plan has increased by 97 children (an increase of 66%).

Our target was originally set with the aim of being within $\pm 15\%$ of the Statistical Neighbour average (at March 2012) but we have seen a significantly larger than expected number of children suffering abuse or neglect and requiring this level of protection. More recent comparator rates for March 2013 have just been published, and the service will reflect on these and assess an appropriate target position for Slough.

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

11.4 Council's Gold Project Update

11.4.1 The summary below provides CMT with an update on the Council's Gold Projects as at the 31st December 2013. Individual project progress reports have been made by Project leads, with endorsement from the Project Sponsor, and are provided in **Appendix D**.

11.4.2 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.

11.5 Monthly Period Summary

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

11.5.2 The *Transactional Services - Phase 2 (Customer Services and ICT)* project completed on schedule on the 1st December 2013, and therefore has been removed from the gold project list.

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

- *Fit For the Future*

11.5.4 The Safeguarding Improvement Plan project has been assessed as 'Red' for Issues and Risks.

11.5.5 None of the projects have been assessed as 'Green' for all aspects.

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

**Project Manager / Sponsor assessed status of Gold Projects as at:
31st December 2013**

	Gold Project Name	Overall status	Timeline	Budget	Issues + Risks	Sponsor authorisation status
1	Accommodation & Flexible Working	GREEN	Green	Amber	Green	Approved
2	Fit for the Future Programme	GREEN	Green	Green	Amber ↓ (was Green)	<i>Draft</i>
3	Learning Disabilities Change Programme	Green	Green	Green	Amber	Approved
4	Safeguarding Improvement Plan	AMBER	Amber	Amber ↓ (was Green)	Red	Approved
5	School Places Programme <i>new</i>	AMBER	Amber	Green	Amber	Approved
6	The Curve	AMBER	Amber	Amber	Amber	Approved

N.B. Arrows show direction of change in Rag rating since the last Project Highlight report

↓ Indicates a reduction in status

↑ Indicates an improvement in status

No arrow indicates maintained status since last report

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

12 Capital

12.1 The detailed Capital Monitoring report was presented at the Capital Strategy Board meeting on the 28th January 2014. The Consolidated Capital Expenditure as at 31st December 2013 can be found in the following table:

Directorate	Expenditure			Balance
	Budget	Actual	Projection	
Slough Regeneration Partnership	14,372	2,437	4,370	10,002
Heart of Slough	1,020	304	695	325
Resources (excluding Heart of Slough)	6,300	2,041	5,356	944
Wellbeing	9,404	6,638	9,317	87
Chief Executive	61	273	61	0
Customer & Community Services	13,099	2,477	8,333	4,766
Housing Revenue Account	21,381	4,180	16,315	5,066
Total	65,637	18,350	44,447	21,190

12.2 A detailed directorate breakdown of the month 9 capital monitoring can be seen at Appendix B.

13 Comments of Other Committees

This report is due to the Overview & Scrutiny Committee on the 12th November 2013

14 Conclusion

The Council is currently forecasting a small underspend when compared to previous quarters of the financial year. The Council will continue to report back to Cabinet on progress 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