

SLOUGH BOROUGH COUNCIL

REPORT TO: Cabinet **DATE:** 9th February 2015

CONTACT OFFICER: Joseph Holmes; Assistant Director, Finance & Audit & s151 officer
(For all enquiries) (01753) 875358

WARD(S): All

PORTFOLIO: Councillor Rob Anderson, Commissioner for Finance & Strategy

PART I **KEY DECISION**

FINANCIAL & PERFORMANCE REPORT – Q3 2014-15

1 Purpose of Report

- To provide Cabinet with the latest forecast financial information for the 14-15 financial year.
- To summarise the Council's performance against the balance scorecard indicators to date during 2014-15.
- To summarise the Council's performance on 'Gold' projects during 2014-15.
- To approve the write offs contained within this report (paragraph 10).
- To approve the virements contained within this report (paragraph 11).

2 Recommendation(s)/Proposed Action

The Cabinet is requested to resolve:

- (a) That the current financial forecast position, balanced scorecard and update on Gold projects be noted.
- (b) That the write offs and virements contained within sections 10 and 11 of this report be approved.

3. The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan

3a. Slough Joint Wellbeing Strategy Priorities

The report indirectly supports all of the Wellbeing 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.

Five Year Plan 2014/15

The report helps achieve the Five Year 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 budgets.

4 Other Implications

(a) Financial

The financial implications are contained within this report.

(b) Risk Management

Risk	Mitigating action	Opportunities
Legal		
Property		
Human Rights		
Health and Safety		
Employment Issues		
Equalities Issues		
Community Support		
Communications		
Community Safety		
Financial		
Timetable for delivery		
Project Capacity		
Other		

(c) Human Rights Act and Other Legal Implications

None

(d) Equalities Impact Assessment

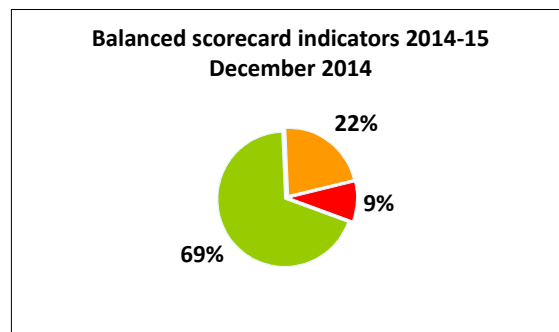
There is no identified need for the completion of an EIA

5 Supporting Information

- 5.1 The Council is forecasting to over spend by £0.69m as at month 9. Remedial action has managed to reduce the over spend by £270k compared to the previous month. The Council continues to work towards decreasing the over spend by the end of the financial year as the current position will have a significant impact on the Council's General Reserves. The Council has developed a recovery plan in Children's Social Care to reduce in year pressures and ensure the service lives within its financial means into the next financial year, and at the same time, all other Council service areas will continue to review all budget areas to drive out further underspends.
- 5.2 The main area showing an over spend continues to be the children's and families' service area with a forecast overspend of £1.38M. This area's overspend has increased by £160k during period 9 although this has been more than offset by an

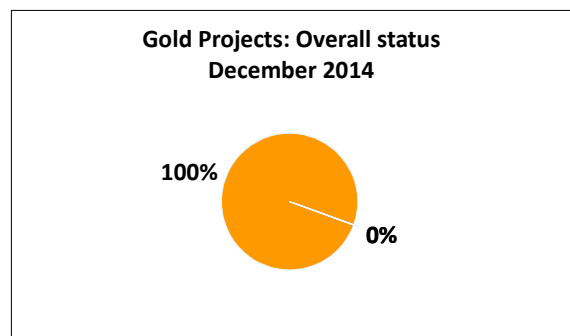
improved position within the Education (Non Schools) service area. The Budget Monitoring report for December 2014 is shown in appendix A.

- 5.3 The latest position for the Council's balanced scorecard demonstrates that at the end of December 2014 the Council's performance is as below:



- 5.4 Key areas of noteworthy concerns flagged as 'Red' status are:
- Average staff sickness rate (days lost per FTE);
 - Number of families placed in Bed & Breakfasts (B & B's);
 - Percentage of Single Assessments completed and authorised within 45 working days (in month) [although this has seen **significant** improvement, see below].

- 5.5 The summary of the six Gold projects updates submitted as at December 2014 indicates that the overall status of all six projects have been assessed as **Amber**. None have been assessed as 'Green' or 'Red'.



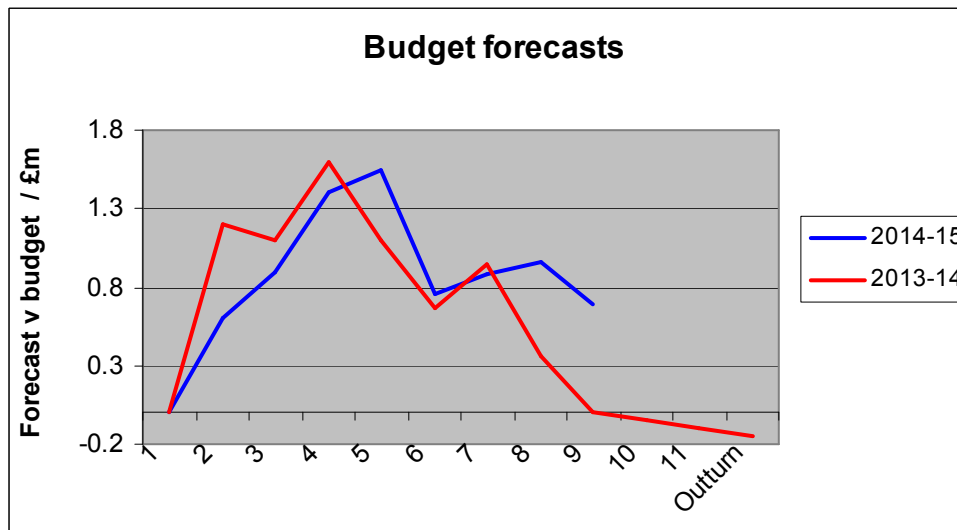
Executive Report

6 Introduction

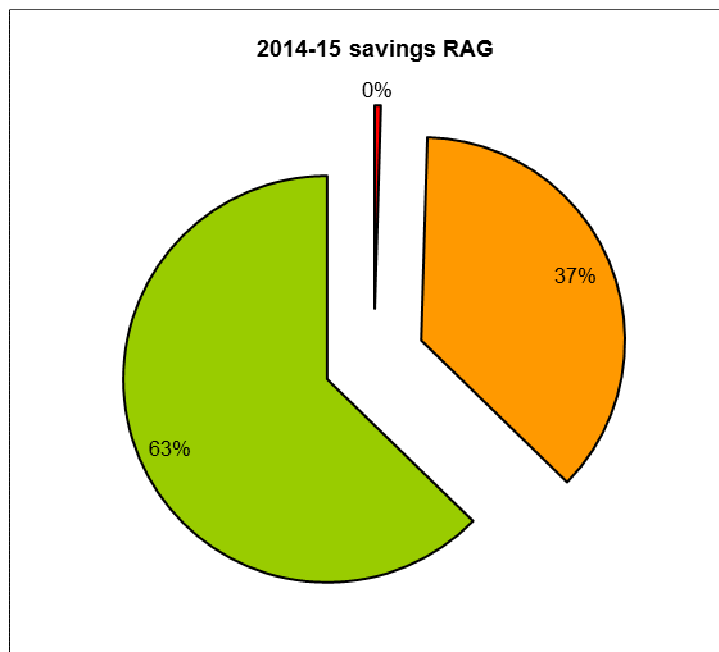
- 6.1 This is the month 9 report to Cabinet for the 2014-15 financial year in respect of the financial and performance position of the Council

7 Financial Performance

- 7.1 The Council is forecasting an over spend of £0.69m as at month 9. The main service area showing variation from budget is the Children and families services within the Wellbeing directorate.



- 7.2 Although the bottom line is largely unchanged the pressure on Children Social Care (CSC) services has risen again to £1.4m, an increase of £160k as a result of increased pressure on the LAC Placement and Legal Fees budgets. There were 12 new LAC residential clients including 1 mother & baby placement and 2 secure clients who had their placements substantially extended. The net cost of all changes including other placement closures and changes is approximately £180k. This is £110k more than we allowed for in our forecast. In addition to this there was a substantial increase in the number of legal new cases referred for action in the past month which has added about £50k to the Legal Fees forecast. These have been offset by reduced forecast of £170k on the SEND and other Non-Schools budgets.
- 7.3 The Children Social Care service is now overspending by nearly £1.4m. This includes making full use of the staffing contingency of £2.4m and permanent growth of £3.33m. The most significant and volatile underlying pressure is in the Looked after Children and Family Placement budgets. This is largely due to the increase in court mandated mother and babies placements. These typically cost over £3k per week and are normally for 12 week periods. This forecast assumes planned increase in placements of £70k per month for the rest of the year.
- 7.4 The other significant overspending budgets are Legal Fees and Early Help. Legal Fees has increased this month by £53k due to an increase in the number of cases referred to the Joint Team since the last report. The over spend is now £230k but is still an improvement on the adverse variance of £360k in this budget last year. The pressure on the Early Help Budgets has increased slightly to £177k.
- 7.5 The 2014-15 budgets were set with over £12.5m of savings proposals included. Below is a graph summarising these savings proposals on a red, amber, green basis of their delivery. As at the end of quarter 3, just under two thirds of the savings are on track to be delivered. Any amber or red savings will be monitored closely to ensure that they move towards green status. Some of the largest amber savings relate to ASC and they have active monitoring plans in place so there should not be any major long term pressures coming through.



7.6 Housing Revenue Account

HRA	Revised Budget £'000	Outturn £'000	Variance £'000	%	Change in month
Expenditure	39,754	38,354	(1,400)	(3.5%)	500
Income	(36,161)	(36,161)	0	0	0
Total	3,593	2,193	(1,400)	(38.9%)	500

7.6.1 For period 9, the forecast underspend for the Housing Revenue Account is £1.55m on Repairs & Maintenance offset by pension and staffing pressures.

8 Capital Expenditure

8.1 The summary of capital expenditure as at month 9 on a consolidated and directorate basis can be shown as follows:

	Expenditure	Dec-14	Projection
Directorate	Budget	Actual £000s	£000s
Resources	24,035	8,416	22,277
Wellbeing	6,280	3,519	6,492
Chief Executive	76	0	76
Customer & Community Services	12,530	2,175	7,687
Housing Revenue Account	19,155	7,976	14,680
Total	62,076	22,086	51,212

- 8.2 The council has spent 35.6% of its available 2014-15 Capital Budget in the first two quarters of the year. The latest projection is capital expenditure in 2014/15 of £51.212m against a revised budget of £62.076m. More detailed directorate narrative is attached as appendix B. The forecast spend is 82.5% of the overall capital programme.
- 8.3 Spend is traditionally low in the first three quarters of the financial year before picking up in the final quarter. In 2013/14, 35% of the capital budget had been spent by the end of December 2013, but this rose to 65% (or approximately an extra £15m by the end of the financial year).
- 8.4 A more detailed capital expenditure on a directorate basis is shown in Appendix B

9 Council Performance

- 9.1 This month, 32 performance indicators have been RAG rated – the majority at **Green** (22; 69%) or **Amber** (7; 22%). Those rated as either **Green** or **Amber** - taken together - account for 91% of measures. Three measures this month (9%) are **Red** rated as being off target by more than 5% in this report.

9.2 Noteworthy Improvements

This month the following indicators were previously reported as either **Red** or **Amber** have improved to a **Green** target level of performance:

9.2.1 **Business Rates collection rate: Percentage of total amount due for 2014-15 collected to date** [improved from **Amber** to **Green**]

A collection profile has been amended with effect from December 2014 as more business rate payers are paying over 12 instalments. The collection rate for December is 0.6% above the target. The collection rate when compared to 2013-14 is slightly down but this is because there was a change in legislation which allows Customers to pay over 12 instalments in this financial year as opposed to 10 instalments in previous years and 27.5% of the debt is now being paid over 12 instalments.

9.2.2 **Number of households in temporary accommodation including hostels** [improved from **Amber** to **Green**]

The number of households in temporary accommodation reduced from 101 in October to 91 in both November and December 2014.

Homelessness is increasing both locally, regionally and nationally, and targets for 2014/15 are being reviewed in light of this national change. The demand for temporary accommodation is predicted to 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.

9.2.3 **Percentage of Single Assessments completed and authorised within 45 working days (for those completed in month)**

This indicator has achieved **significant** improvement (to 85.9%); however since the target set is 100% this still remains at **Red** rag status.

9.3 Noteworthy Concerns

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

9.3.1 Average staff sickness rate (days lost per FTE)

This has been previously reported.

9.3.2 Number of families placed in Bed & Breakfasts (B & B's).

The number of families placed in B & B's have reduced from 39 in November 2014 to 26 in December 2014 however is above our target of nil.

We have had an increase in the Homeless Approaches. The Housing Demand team are short of staff and decisions on homelessness are exceeding the 33 day KPI. As a result households are remaining in TA for longer without a homeless decision. We have also had several families that have been served with NTQ's requesting Reviews on the decisions. This means that households are remaining in TA once a decision is made pending the outcome of a Review.

9.3.3 % of Single Assessments completed and authorised within 45 working days (in month) *Provisional data:*

This indicator has achieved *significant* improvement (to 85.9%). For assessments completed in the month, December had 176 of 205 completed to timescales - not quite as good as November, but still a massive improvement on a long term trend of poor compliance. For the year to date this stood at 1,751 of 2,526 – 69%. The nationally set target for this measure is demanding, at 100% hence this is still at **Red** rag status.

The following indicators were rated **AMBER** this month as being up to 5% adrift of their currently defined target values:

9.3.4 Number of Slough primary schools in special measures or with notice to improve

Work is underway between the council and school leadership teams to address concerns raised and implement improvement activity at individual schools.

St Ethelbert's has been deemed to be making 'reasonable progress towards the removal of special measures' at the third monitoring inspection.

Marish has been deemed as making 'reasonable progress' at the first monitoring inspection since the school was judged to have serious weaknesses.

Godolphin Infants has been deemed as 'requiring further improvements' at the first monitoring inspection since the school was inspected as subject to 'special measures'.

Both Colnbrook and Foxborough are awaiting their first Ofsted inspection since converting to academy status.

9.3.5 Prevalence of childhood obesity at start of primary school (Reception) as measured by the NCMP

This has been previously reported.

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

This has been previously reported.

9.3.7 Speed of Processing of Housing Benefit and Council Tax Support (previously 'Council Tax Benefit') claims:

(a) New Claims

(b) Change of Circumstances

Performance speeds within December have improved in comparison with November's position, with 'New Claims' within target however 'Change of Circumstances' was marginally above target of 10 days. Please note that that target is an annual target and will fluctuate monthly.

The cumulative performance for the year-to-date also misses the target for New Claims (target is 20 days) and for Changes of Circumstances (target is 10 days). It is not unusual for the turnaround times to be higher at the beginning of the year as a large number of claims are submitted when main billing occurs.

As the year progresses and the number of new claims and changes reduced it usually evens out the overall figure.

The targets for last year of 20 days for New Claims and 10 days for change in circumstances' were achieved and we have no reason to suggest that they will not be achieved this year.

SBC is working with our contracted deliverer of this service to improve Speed of Processing times.

9.3.8 The percentage of household waste sent for reuse, recycling or composting.

Oct 2013 to Sept 2014 results of 29.1 shows a small reduction on 2013-14 levels (29.4), and a narrow miss of the target (30.7%).

Ongoing reduction in the amount of waste recycled through red bin wheeled kerbside service to be addressed through new collection service as rendered through Waste Strategy 2015-2030.

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

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

PROVISIONAL DATA

This month the proportion of safeguarding referrals requiring progression to strategy meetings is below the target tolerance at 17.2%.

However across the whole of the 2014-15 period to date, this value is above the target tolerance (at 41.2%). Performance has been flagged to Safeguarding team, and data accuracy investigations are underway.

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. woman's Aid, Anti-Social Behaviour Team.

9.3.10 Percentage of Adult Safeguarding strategy meetings taking place within 5 working days of referral per month

PROVISIONAL DATA

This month the percentage of safeguarding strategy meetings taking place within 5 working days of referral is below the target tolerance (at 25.0%).

Across the whole of the 2014-15 period to date, this value is also above the target tolerance (at 74.8%).

Activities are being sustained to maintain target achievement as follows:

- All operational team administrators have been reminded by email that data should be recorded in a timely manner to ensure that data is accurate. Team Managers have been asked to check this in team meetings and supervisions.
- All DSMs have been emailed and spoken to by Heads of Service to ensure that all safeguarding strategy meetings will be held within five working days other than in truly exceptional circumstances. This was discussed and agreed at January Care Governance Board.
- The Slough Safeguarding Procedure has been reviewed to provide more clarity on the use of virtual as well as actual strategy meetings to ensure adherence to time guideline. It is suspected that virtual strategy meetings have occurred but not been comprehensively recorded.

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

9.4 Council's Gold Project Update

9.4.1 The summary below provides Cabinet with an update on the Council's Gold Projects as at the 31st December 2014. Individual project progress reports have been made by Project leads, with endorsement from the Project Sponsor, and are provided in **Appendix E**.

9.5 Monthly Period Summary

9.5.1 This report covers six Gold Projects in total; highlight reports have been received in time for this report.

9.5.2 Of the six project highlight reports submitted, all have been confirmed as agreed and authorised by the Project Sponsors with exception of the following which were submitted in draft format.

- Fit for the Future Programme;
- Safeguarding Improvement Plan.

9.5.3 The '*key project deliverables*' section of the Safeguarding Improvement Plan will be completed for next months report.

9.5.4 Of the six submitted highlight reports, all six have been assessed to have an **overall** status of '**Amber**'.

9.5.5 For '*Timeline*' one project has been evaluated at '**Green**' status and five at '**Amber**'.

9.5.6 For 'Budget' three are assessed at 'Green' and two at 'Amber' with one at 'Red'.

9.5.7 For '*Issues and Risks*' all six have been evaluated at 'Amber'.

9.5.8 No projects have been assessed as at 'Red'.

Fuller details are provided in the table beneath, and in the Appendix E.

**Project Manager / Sponsor assessed status of Gold Projects as at:
31st December 2014**

Gold Project Name	Overall status	Timeline	Budget	Issues + Risks	Sponsor approval status	CMT recommendations
Accommodation & Flexible Working	AMBER	Amber	Amber	Amber	Approved	<ol style="list-style-type: none"> 1. To support the project board with the proposed changes to working practices and promote these within your service areas, including flexible working, clear desk policy, general tidiness etc. 2. Reliance on Partners – Where CMT members have management of partners under their area, support this project by ensuring the provider delivers as required i.e. Arvato, Interserve etc. 3. Further funding required to cover unexpected costs as previously mentioned, to fund roof replacement, upgrade of the intruder and fire alarm etc. CMT asked to support this additional requirement. Capital Strategy Board has already been made aware and an updated business case will be submitted.
Fit for the Future Programme	AMBER	Amber	Green	Amber	Draft	<ol style="list-style-type: none"> 1. Leadership and management development: <ul style="list-style-type: none"> • Support development opportunities for MDP participants to take part in corporate projects • Support take up and facilitation of MDP • Support review of Scheme of Delegation via SMTs. 2. Governance: <ul style="list-style-type: none"> • CMT to consider how to acquire or develop project, programme management and transformation capacity 3. Customer Focus: <ul style="list-style-type: none"> • SD CCS to steer focus, capacity and targets for achieving savings outcomes 4. Staff sickness: <ul style="list-style-type: none"> • None for CMT 5. IT infrastructure: <ul style="list-style-type: none"> • CMT to support ICT strategy and delivery to ensure infrastructure supports modern E learning methods including availability of video and audio 6. Staff engagement <ul style="list-style-type: none"> • All SLT to commit to team visits, effective communication and to build communication plans into any change programme.

Learning Disabilities Change Programme	AMBER	Green	Green	Amber	Approved	CMT to note the report and the progress that is being to deliver the savings and improved outcomes for people.
Safeguarding Improvement Plan	AMBER	Amber	Red	Amber	Draft	<ol style="list-style-type: none"> 1. CMT to discuss, challenge and support progress and proposed actions as appropriate. 2. CMT note and challenge the performance outcomes. 3. CMT to approve the Risk register and ratings 4. CMT to stay apprised of and be involved in identifying key transition work programmes/issues, to ensure readiness for a trust and redress the impact of a trust on the Council. 5. CMT to ensure their respective areas of responsibility actively champion and support the delivery of cross council contribution to improvement, particularly though not exclusively in relation to corporate parenting responsibilities, LAC redesign, new workforce strategy and housing options and service experience for care leavers & corporate parenting duties, and the availability of management information to support continuous improvement across the service and LSCB partnership.
School Places Programme	AMBER	Amber	Green	Amber	Draft	<ol style="list-style-type: none"> 1. To support the project team by ensuring there is sufficient capacity and capability to plan, drive and accelerate the provision of SEN places. 2. There are competing priorities for all non-school sites - there is a need to incorporate the allocation of sites into the overall Asset Management Strategy for the Council.
The Curve	AMBER	Amber	Amber	Amber	Approved	<ol style="list-style-type: none"> 1. Note progress and activity on site. 2. Note management of risks to project timeline and budget. 3. Take appropriate action to address risks as indicated above.

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 E**

10 Write Offs

10.1 A net total of £1.662m has been written off during the third quarter of 2014/15. As in the previous quarters the majority of this total relates to NNDR debt (a net £1.5m). The write off across the council's services for the third quarter, including the reason for write off, can be summarised as follows. The write offs below are requested for approval.

Reason	NNDR	Council Tax	Former Tenant Arrears	Sundry Debtors	Housing rents	Housing Benefits	Total
	Value £	Value £	Value £	Value £	Value £	Value £	Value £
Unable to trace	0.00	0.00	26,677.52	(408.25)	0.00	89,958.79	116,228.06
Uneconomical to pursue	0.00	0.00	12.19	1,945.12	0.00	0.00	1,957.31
Vulnerable persons	0.00	0.00	3,928.02	0.00	0.00	619.97	4,547.99
Deceased	0.00	2,047.14	17,835.41	(263.27)	0.00	4,528.30	24,147.58
Statute Barred	2,664.00	655.03	0.00	0.00	0.00	0.00	3,319.03
Bankruptcy	2,747.87	875.51	0.00	(669.11)	0.00	0.00	2,954.27
Absconded	710,153.48	8,062.24	0.00	1,298.21	0.00	0.00	719,513.93
Instruction from Client	0.00	0.00	0.00	3,752.00	0.00	0.00	3,752.00
Nulla Bona (Returned from Bailiff)	0.00	0.00	0.00	51.13	0.00	0.00	51.13
Unable to Enforce	0.00	0.00	0.00	377.88	504.97	0.00	882.85
Dissolved	220,244.87	0.00	0.00	0.00	0.00	0.00	220,244.87
Proposal to Strike	350,626.82	0.00	0.00	0.00	0.00	0.00	350,626.82
Liquidation	203,208.12	0.00	0.00	0.00	0.00	0.00	203,208.12
Receivership	1,154.82	0.00	0.00	0.00	0.00	0.00	1,154.82
Administration	25,046.60	0.00	0.00	0.00	0.00	0.00	25,046.60
Misc.	128,821.91	29.80	286.28	0.00	0.00	47.18	129,185.17
Credit Balances	(144,422.58)	0.00	0.00	0.00	0.00	0.00	(144,422.58)
	1,500,245.91	11,669.72	48,739.42	6,083.71	504.97	95,154.24	1,662,397.97

Of the above, £868k relates to write offs commenced from before April 2012.

11 Virements

11.1 Virements during the third quarter of the current financial year requiring approval are as follows:

Service Area		Amount £'000	Reason
From	To		
Reserves	Wellbeing	500.00	Release of 2013/14 Carry Forwards (PFI)
Regeneration, Housing and Resources	Chief Executive	120.00	Transfer of Carry Forward for Town Centre Function
Regeneration, Housing and Resources	Contingency	277.00	Release of Reserve and allocation of Major Contracts Saving
Reserves	Wellbeing	156.00	Release of Transformation Funding for C & F

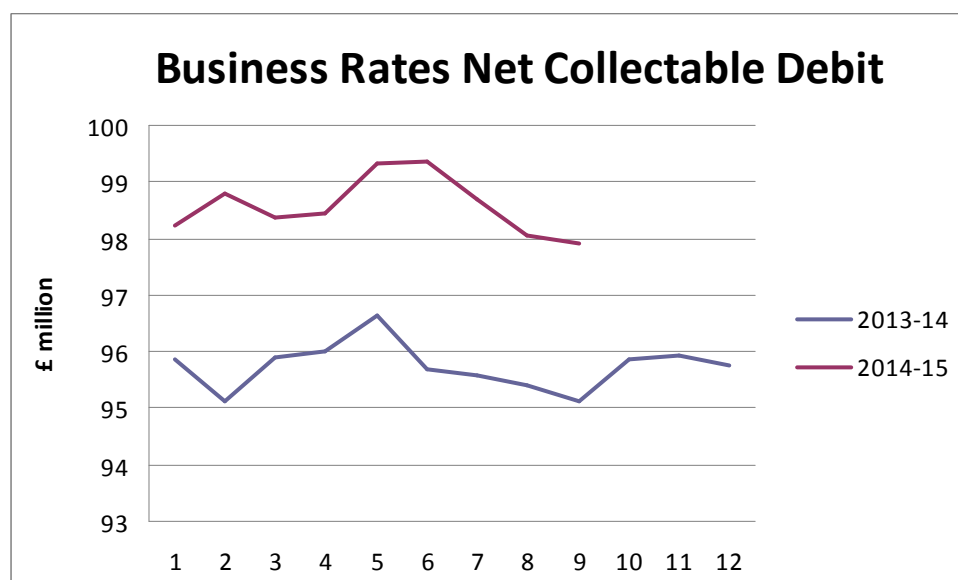
12 Income Monitoring

12.1 The Council set its budget in February 2014.

Funding	2014/15 Budget Setting £m	2014/15 Projection £m	Variance £m
Council Tax	43.85	44.08	0.23
Retained Business Rates	27.13	27.83	0.70
Revenue Support Grant	32.47	32.47	0.00
Education Services Grant	1.96	1.76	(0.20)
NHS Monies to Support Social Care	2.36	2.36	0.00
New Homes Bonus	2.01	2.01	0.00
Other Non-Ring fenced Grants	1.03	0.93	(0.10)
Collection Fund	1.30	1.90	0.60

12.2 It is important to note that due to the Collection Fund accounting arrangement in place within Local Government, any surplus on Council Tax income and retained Business Rates will be of benefit to the Council in the next financial year.

12.3 It is also important to note how volatile Business Rate income is, see the graph below



12.4 The Council is expected to receive £102k less Local Service Support Grant than the assumption at budget setting. This will be adjusted for in future year's budget and the medium term financial strategy.

13 Conclusion

13.1 The Council overspend continues to reduce and the council remains hopeful that it will be able to take appropriate action to ensure that this position is mitigated at least in part by the end of the financial year. The summary of the six Gold projects as at December 2014 indicates that all six have been assessed overall as **Amber**.

14 Appendices Attached

- 'A' - Summary revenue forecasts
- 'B' - Capital Monitor
- 'C' - Revenue narrative
- 'D' - Balanced Scorecard
- 'E' - Gold projects summary

15 Background Papers

- '1' - Supporting working papers held in finance