

SLOUGH BOROUGH COUNCIL

REPORT TO: Overview & Scrutiny Committee **DATE:** 15th September 2016

CONTACT OFFICER: Stephen Fitzgerald; Interim Assistant Director, Finance & Audit & s151 officer

(For all enquiries) (01753) 875358

WARD(S): All

PART I **FOR COMMENT**

FINANCIAL & PERFORMANCE REPORT – Q1 2016-17

1 Purpose of Report

- To provide with the latest forecast financial information for the 16-17 financial year.
- To summarise the Council's performance against the balance scorecard indicators to date during 2016-17
- To update on the progress of the 34 projects in the Portfolio (including 9 Gold) and to highlight any key strategic issues, risks and interdependencies.

2 Recommendation(s)/Proposed Action

The Committee is requested to note the current financial forecast position, balanced scorecard and update on Gold projects

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

The report indirectly supports all of the strategic 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.

The report helps achieve the corporate 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

(a) Financial

The financial implications are contained within this report.

(b) Risk Management

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

(c) Human Rights Act and Other Legal Implications

None

(d) Equalities Impact Assessment

There is no identified need for the completion of an EIA.

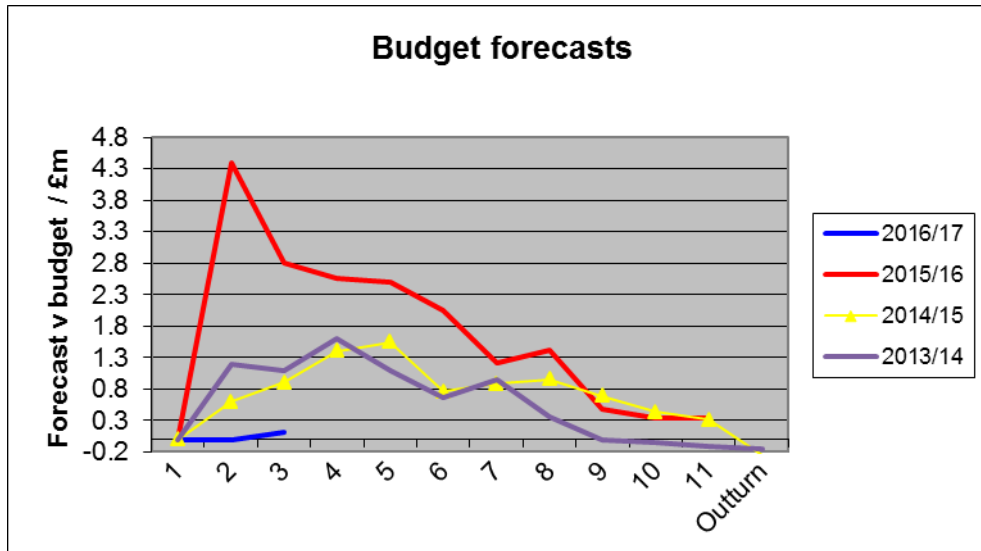
Executive Report

5 Introduction

- 5.1 This is the first quarter report to the Committee for the 2016-17 financial year in respect of the financial and performance position of the Council.

6 Financial Performance

- 6.1 The Council is forecasting overspend of **£0.119m** as at month 3. Most areas are spending within their budgets so far. Overspends within Regeneration, Housing and Resources (RHR) have been partly offset by underspends within the same directorate. Work is continuing within this directorate to minimise any potential overspends. The financial summary can be seen in Appendix A.



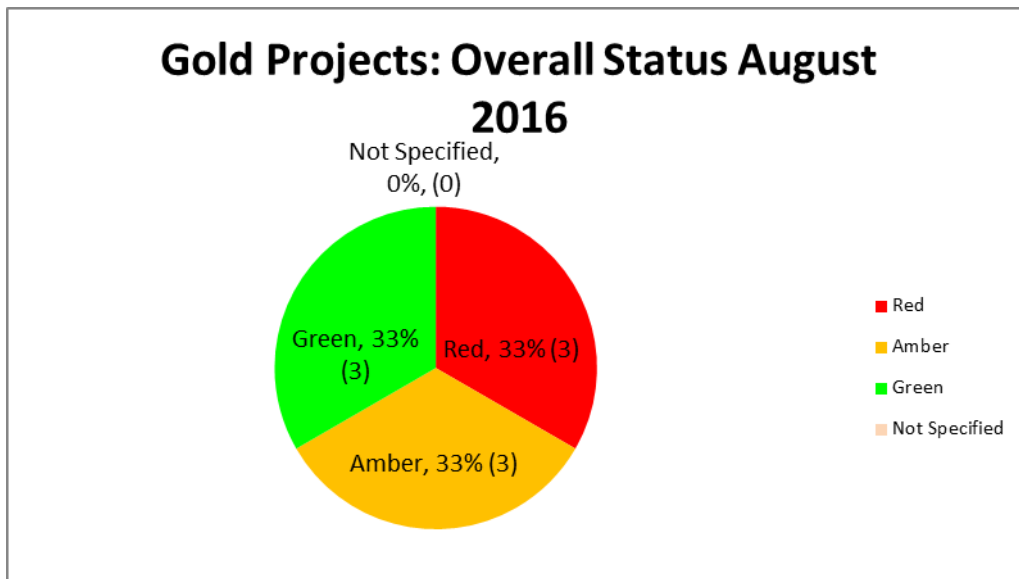
6.2 The RHR - Housing And Environment overspend of £457k is due to homelessness pressures on temporary accommodation costs and an overspend in the Home Improvements section due to changes in funding sources, including a reduction in the capital programme funding and therefore the number of projects that staff can work on.

6.3 It should be noted that there is potentially a forecast overspend of £250k within the Customer and Community services directorate which is due to agency staffing and reduction in DWP administration grants.

7 Gold Projects

7.1 The summary of the 9 Gold project updates submitted as of August 2016 indicates that the overall status of three projects have been assessed as 'Green', three as 'Amber' and three as 'Red'.

7.2



Council's Gold Project Update

7.2.1 The summary below provides an update on the Council's Gold Projects as of 9th August 2016. All Gold Highlight Reports from the Project Portfolio are provided in **Appendix C** which includes a covering report on the key strategic risks, issues and interdependencies for all Projects in the Portfolio.

7.3 Monthly Period Summary

This report covers 9 Gold Projects in total; all highlights report have been received in time

The status of Gold Projects is summarised as follows:

Risks and Issues					Gold Projects: Overall Status August 2016
Red	Amber	Green	Not Specified		
3	4	2		0	
9%	12%	6%		0%	
On Time					
Red	Amber	Green	Not Specified		
2	4	3		0	
6%	12%	9%		0%	
To Budget					
Red	Amber	Green	Not Specified		
0	2	7		0	
0%	6%	21%		0%	
Overall Status					
Red	Amber	Green	Not Specified		
3	3	3		0	
33%	33%	33%		0%	

Fuller details are provided in the table beneath, and in Appendix C.
**Project Manager / Sponsor assessed status of Gold Projects as of:
 9th August 2016**

Gold Project Name	Timeline	Budget	Risks + Issues	Overall Status	Sponsor Approval Status	CMT Recommendations
School Places Programme	Amber ↔	Green ↔	Red ↔	Amber ↔	Y	N/A
Adults Social Care Reform Programme	Amber ↔	Amber ↔	Amber ↔	Amber ↔	Y	N/A
The Curve	Red ↔	Amber ↔	Amber ↔	Red ↔	N	N/A
ERP	Amber ↑	Green ↑	Red ↔	Red ↔	Y	N/A
Vision & Purpose	Green ↔	Green ↔	Green ↔	Green ↔	Y	N/A
People and Culture	Green ↔	Green ↔	Green ↑	Green ↔	Y	N/A
Digital transformation	Green ↑	Green ↑	Amber ↔	Green ↑	Y	N/A

Gold Project Name	Timelin e	Budget	Risks + Issues	Overall Status	Sponsor Approval Status	CMT Recommendations
RMI Contract	Amber ↔	Green ↔	Amber ↔	Amber ↔	Y	It is recommended that the Project Sponsor and Interim Director of RHR discuss the current issue regarding property services data collation methodology. The data currently held by Property Services is in a format that does not fit business needs and if not change to meet the requirements of the RMI Contract could have a detrimental impact on the new contract and the management of it.
Environmental Services contract procurement	Red ↓	Green ↔	Red ↔	Red ↓	Y	N/A

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
↔ indicates maintained status since last report or new Gold Project on the portfolio

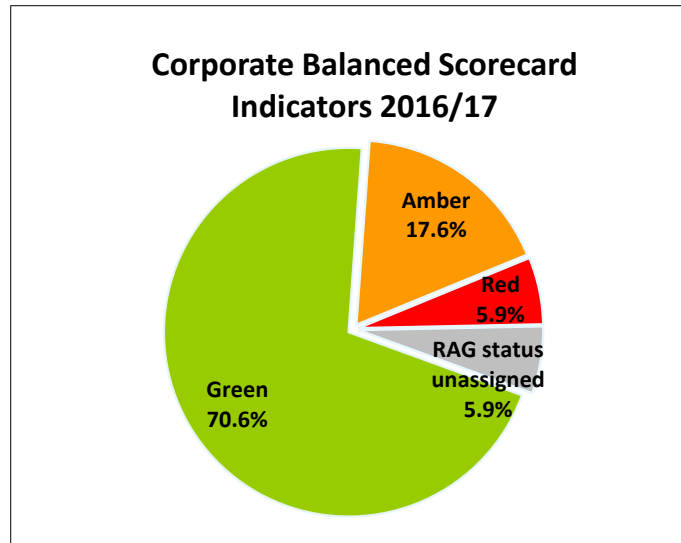
A covering report on the key strategic risks, issues and interdependencies for all Projects in the Portfolio plus all Gold Project Highlight reports is provided as **Appendix C**

8 Five Year Plan (5YP) Balanced Scorecard

- 8.1 This is the first quarter review of the Five Year Plan (5YP) Balanced Scorecard for 2016/17.
- 8.2 At the end of the first year of the 5YP, a review of the balanced scorecard was carried out by the Outcome Leads. Moving into the second year of the 5YP, the balanced scorecard has considerably reduced the number of indicators monitored from 91 to 17 core indicators which fall under the 3 themes of:
- Changing, Retaining and Growing
 - Enabling and Preventing
 - Using Resources Wisely
- 8.3 These 17 indicators are currently **provisional** pending a finalised agreement by the Outcome Leads.
- 8.4 Indicators that have been updated this quarter are highlighted in yellow in the '*date updated*' column. The majority of the indicators will be updated quarterly however some of the indicators are only determined once a year therefore will be updated as the results are available.
- 8.5 Currently 16 of the 17 indicators (94.1%) have been assigned a RAG status of either '**Red**' (1, 5.9%), '**Amber**' (3, 17.6%) or '**Green**' (12, 70.6%).
- 8.6 The remaining 1 indicator is recorded as:

RAG status unassigned (1, 5.9%) - which is to be agreed by Outcome 5 group.

8.7 The latest position for the Council's balanced scorecard demonstrates that at the end of quarter 1 - June 2016 the Council's performance is as below:



8.7.1 For each indicator the RAG status has been assigned by the responsible manager.

8.7.2 There is further work to be carried out to ensure that each of the indicators is allocated a target which is SMART (Specific, Measurable, Attainable, Relevant and Timely). Indicators where the target is entered as 'increasing' or 'decreasing' will be revisited to ensure that either a specific target or target tolerance is defined.

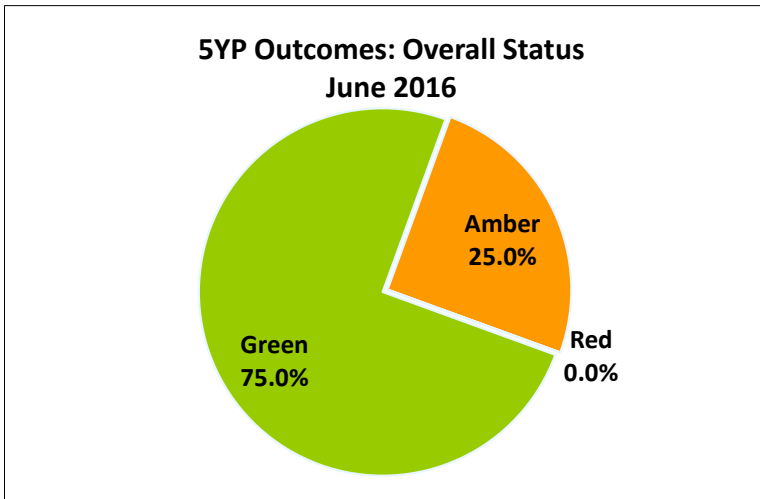
8.7.3 CMT are requested to review the list of 17 indicators and remove or replace those that are not measurable or otherwise surplus to requirements.

8.7.4 Where performance is below target, details of the corrective actions that will be undertaken will be sought.

8.7.5 Key areas of noteworthy concerns flagged as '**Red**' status are:

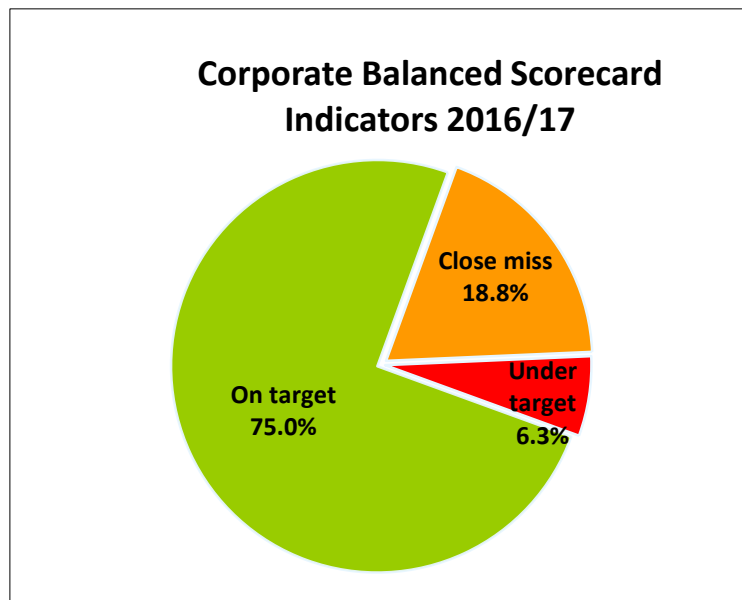
- Prevalence of childhood with 'excess weight' at end of primary school (Year 6) as measured by the NCMP

8.8 Alongside the performance measures, a textual update for each Outcome is presented in a 'highlight report' prepared by the individual lead officer for each Outcome Group. The summary of the seven 5YP outcome highlight reports submitted as at June 2016 indicates that the overall status of four has been assessed as '**Green**', one as '**Amber**', one as '**Amber/Green**' and one is '**unassigned**'.



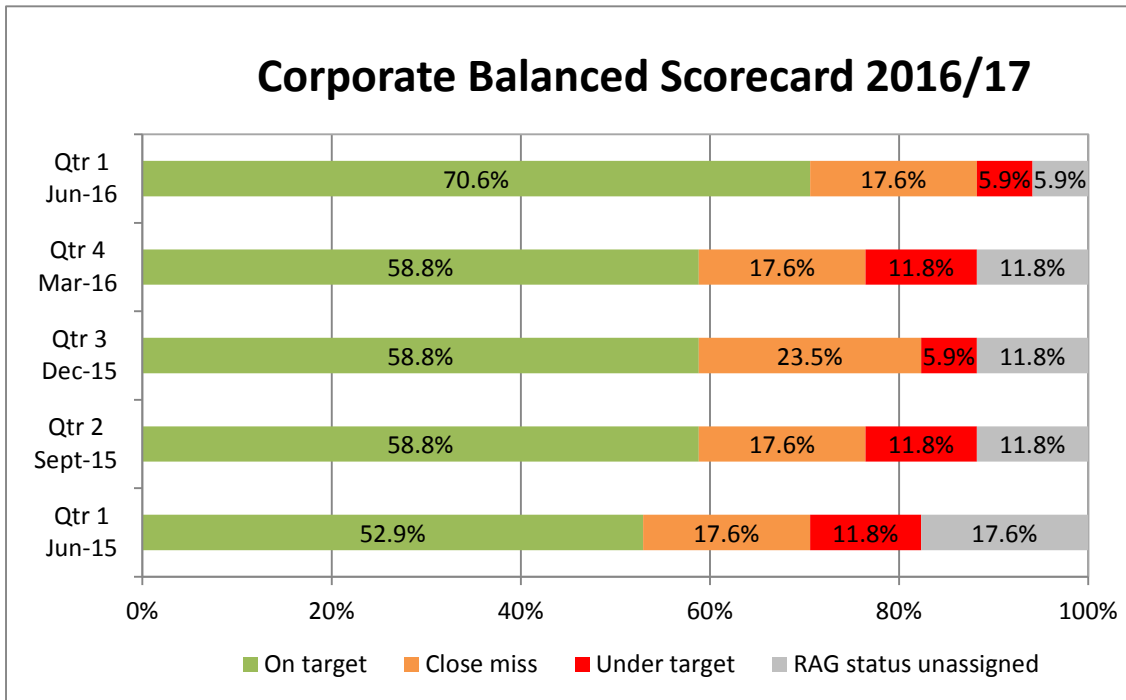
9 Council's 5YP Balanced Scorecard update

9.1 This quarter, of the 16 performance indicators that were RAG rated – the majority are rated as 'Green' (12; 75.0%) or 'Amber' (3; 18.8%). Those rated as either 'Green' or 'Amber' - taken together - account for 93.8% of measures. Only one measure this quarter (6.3%) is Red rated as being off target by more than 5% in this report.



9.1.1 Comparison with previous quarter

Please refer to the summary table below comparing the RAG status of the 17 indicators from the 5YP Balanced Scorecard with the position in previous quarters. Quarter 1 of 2016/17 has the highest percentage of indicators rated as 'Green – on target' at 70.6% (12 indicators), showing improved performance results across this set.



9.1.2 Noteworthy Improvements

This quarter, the following indicator which was previously reported with a target level of performance of either **Red** or **Amber** has improved:

- **Crime rates per 1,000 population: All crime (cumulative from April)**
[Improved from **Red** to **Green**]

The rolling year to date crime as at Jun 2016 has decreased from the previous quarter period by 0.23 from 81.92 to 81.69 – a small decrease but something to build on.

Slough crimes are still above the England average; however Slough has improved to better than the MSG (Most Similar Group) average.

One reason for the reduction is that it has been almost a full year since police made changes and improvements to their recording practices – a change that wouldn't be noticeable until almost a year's worth of data had been collated under the new measures.

It is anticipated that with better recording of offences the true scale of crime locally and nationally will be showcased.

It is no surprise that the MSG and England figures also decreased in Q1 (Apr-Jun) period due to these changes.

In an effort to stay on top of crime and be aware of any future or emerging issues the Community Safety Manager has been working to set up the Performance Management Group (PMG) to monitor crime in Slough and support interventions based on threat, harm and risk. Meetings will be held monthly and will feed into the SSP Performance Group.

- **Council Tax in year collection rate (%)**
[Improved from **Amber** to **Green**]

The collection rate at the end of June 2016 was 30.91% which is 0.01% above the profiled target for this point in the year.

9.1.3 Noteworthy Concerns

The following indicator is rated **'Red'** this quarter as being more than 5% adrift of their currently defined target values:

- **Prevalence of childhood with 'excess weight' at end of primary school (Year 6) as measured by the NCMP**

In 2014/15 the percentage of children with 'excess weight' at the end of primary school in Slough of 38.8% is above the England and South East averages of 33.2% and 30.1%.

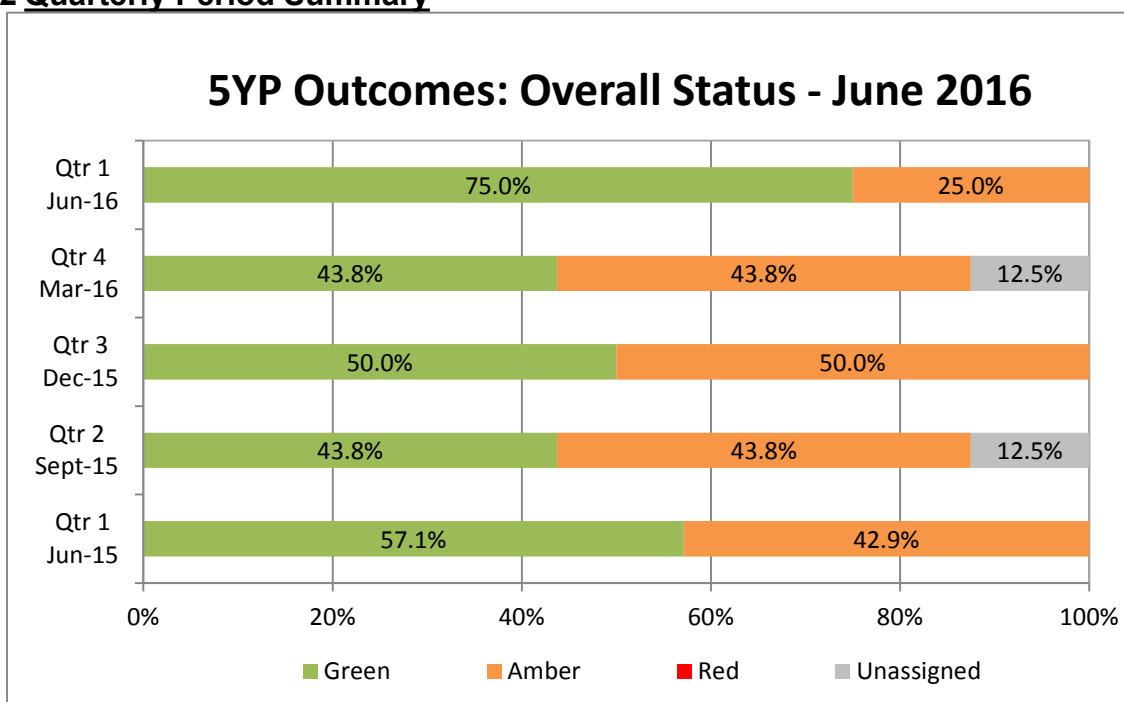
All primary schools are now using the 10 minute 'Disney shake up' Change4life resources. Three schools participated in the commissioned 'Let's Get Going' programme and a further two courses have been commissioned for the new term.

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

10 Council's 5YP Outcome update

10.1.1 The summary below provides CMT with an update on the Council's 5YP outcome updates as at the 30th June 2016. Individual outcome progress reports have been made by Outcome Leads and are provided in **Appendix E**.

10.1.2 Quarterly Period Summary



10.1.3 This report covers the Five Year Plan (5YP) 7 outcomes in total; highlight reports for all have been received in time for this report with the exception of:

- *Outcome 2: "There will be more homes in the borough, with quality improving across all tenures to support our ambition for Slough."*

10.1.4 Of the seven Outcome Group highlight reports which have been RAG-rated as at June 2016, the overall status of four have been assessed as 'Green', one as 'Amber', one as 'Amber/Green' and one is 'unassigned'.

10.1.5 For 'Timeline' five Outcomes have been evaluated as 'Green' status, one as 'Amber' and one is 'unassigned'.

10.1.6 For 'Budget' three are assessed as 'Green', three as 'Amber' and one is 'unassigned'.

10.1.7 For 'Issues and Risks' five have been evaluated as 'Amber', one as 'Amber/Green' and one is 'unassigned'.

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

**Outcome Leads assessed status of 5YP 8 Outcomes as at:
30th June 2016**

	5YP Outcome	Overall status	Timeline	Budget	Issues + Risks	Key issues of risk / obstacles to progress
1	Slough will be the premier location in the south east for businesses of all sizes to locate, start, grow and stay	GREEN	Green	Green	Amber	
2	There will be more homes in the borough, with quality improving across all tenures to support our ambition for Slough	No 5YP update received				
3	The centre of Slough will be vibrant, providing business, living, and cultural opportunities	GREEN	Green	Amber ↓ Was (Green)	Amber	<ul style="list-style-type: none"> Resource allocation Budget identification
4	Slough will be one of the safest places in the Thames Valley	AMBER /GREEN	Green	Amber	Amber /Green	<ul style="list-style-type: none"> Permanent CS Partnership manager in post. Procurement of DA services to cover transition with contract arrangements and new provision from April 2016. Contract in place from 1st April 2016 with DASH. Vacancies in Neighbourhood Services and capacity to deliver. Staff attendance at WRAP training session; need to maintain momentum. Prevent Co-ordinator in place 1st September. CSE Co-ordinator post in place and based in Slough Children's Trust.
5	Children and young people in Slough will be healthy, resilient and have positive life chances	No RAG status assigned				
6	More people will take responsibility and manage their own health, care and support needs	AMBER	Amber	Amber	Amber	<ul style="list-style-type: none"> Timescale for delivery of all actions not achieved. Monitoring of delivery of actions through outcome 6 steering group and ASC programme board – and corrective actions taken or escalation of risk/issues to transformation board/CMT. Ability to deliver the revenue

						<p>savings. Monitoring through ASC DMT and corrective action or escalation taken.</p> <ul style="list-style-type: none"> • Impact on key performance targets. Monitoring through ASC DMT and corrective action or escalation taken. • Key prevention services do not reduce the number of people requiring support or reducing level of needs for care support. Development of a new prevention strategy and return on investment key part of this strategy. • More people request support than anticipated for new responsibilities under the care act – demand for services outstrips available funding. Monitoring of this via ASC DMT and ASC Programme board – corrective actions taken or escalation of risk/issues to transformation board/CMT. • Management of lots of change at same time – capacity and change fatigue. Monitoring of this via ASC DMT and ASC Programme board – corrective actions taken or escalation of risk/issues to transformation board/CMT. • Management information and data. New PID and performance framework being developed - Monitoring of this via ASC DMT and ASC Programme board – corrective actions taken or escalation of risk/issues to transformation board/CMT.
7	The council's income and the value of its assets will be maximised	GREEN	Green	Green	Amber	<ul style="list-style-type: none"> • Maximising the use of capital resources - Ability to deliver the capital programme in line with expectations of spend. • Maximising savings from procurement / commissioning – Ensuring that the strategic commissioning cycle is embedded across the organisation / complied with to deliver best value. • Ensuring sufficient support to administer the LAPP scheme – demand is unknown at present (Risk mitigated in part by limiting the scheme to 10 to begin with).
8	The council will be a leading digital transformation organisation	GREEN ↑ (was AMBER)	Green ↑ (was Amber)	Green ↑ (was Red)	Amber	<ul style="list-style-type: none"> • Capital investment requirements higher than present budget allocation • Lack of in house capacity to deliver transformation.

The individual 5YP Outcome Updates are provided as **Appendix E**.

11 Capital

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

	Revised 16-17 Budget	Actual June 2016	Projected Outturn	Slippage %
Directorate	£000s	£000s	£000s	£000s
Resources	33,774	2,891	10,196	70%
Wellbeing	29,275	4,285	22,972	22%
Customer & Community Services	23,306	687	15,535	33%
Chief Executive	33	0	33	0%
Housing Revenue Account	13,344	2,538	11,805	12%
Affordable Housing	10,909	1,122	9,921	9%
Total	110,641	11,523	70,461	36%

11.2 The Council expects to spend 64% of the total programme by the end of the 2016/17 financial year. A more detailed directorate narrative is attached as Appendix B.

12 Conclusion

12.1 The Council overspend is currently estimated to be of **£0.119m** although work is ongoing to reduce this and the council remains hopeful that it will be able to take appropriate action to ensure that a position as close to breakeven as possible is achieved by the end of the financial year.

13 Appendices Attached

- 'A' - Summary revenue forecasts
- 'B' - Capital Monitor
- 'C' - Gold Projects Update
- 'D' - 5YP Balanced Scorecard
- 'E' - 5YP Outcome Performance Updates

19 Background Papers

- '1' - Supporting working papers held in finance