

SLOUGH BOROUGH COUNCIL

REPORT TO: Overview & Scrutiny Committee **DATE:** 15th October 2009

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WARD(S): All

PART I **FOR CONSIDERATION & COMMENT**

PERFORMANCE AND FINANCIAL REPORTING FOR 2009/10

1 Purpose of Report

This report highlights the Council's overall performance from delivery of service to financial management. This month the report focuses on performance management, human resources statistics and the revenue monitoring position to August 2009.

2 Recommendation(s)

For consideration and comment.

3 Key Priorities – Taking Pride in Slough and Making a Difference to Communities

The budget is the financial plan of the authority and as such underpins the delivery of the Council's key priorities through the financial year.

Performance and budget monitoring throughout the financial year reflects on whether those priorities are being met and, if not, the reasons why, so Members can make informed decisions to ensure the Council remains within its available resources.

Community Strategy Priorities

This report indirectly supports the community strategy priorities. The maintenance of excellent governance within the Council to ensure it is efficient, effective and economic in everything it does is achieved through the improvement of corporate governance and democracy and by ensuring good people and management practices are in place

4 Other Implications

(a) Financial

These are contained within the body of the report.

(b) Human Rights & Other Legal Implications

While there are no Human Rights Act implications arising directly from this report, the authority is required to set and maintain an adequate level of balances. The Council operates within a legislative framework in the recruitment, employment and management of its workforce. The provision of workforce information ensures that our performance in areas can be monitored at a strategic level across the organisation.

Housing and Council Tax Benefit administration is governed by detailed statutory requirements.

All counter fraud enquiries and operations are carried out in compliance with the Human Rights Act, the Regulation of Investigatory Powers Act, Police and Criminal Evidence Act, and the Criminal Procedures and Investigations Act. The procedures developed from this legislation have been validated by the Council's Legal section.

(c) Equalities Impact Assessment

Statistical information provides the background evidence to inform employment decisions, the development of employment policy, procedures and practices and to project plan for future workforce development. This information is also used in the preparation of Equalities Impact Assessment Initial Screenings where appropriate.

(d) Workforce

The council collects vital HR information in support of the development of policies, practices, systems and approaches to: be an employer of choice; be a learning organisation; and ensure employee well-being and safety. In addition the results are used for external benchmarking and BVPI purposes.

The HR Monitoring Statistics are based on council employees only, and therefore exclude school employees.

5 Supporting Information

Performance Management

- 5.1 The purpose of this report is to:
- Advise members on the performance of indicators in the LAA Balanced Scorecard for quarter 1.
 - Update members on performance initiatives across the Council

Summary of LAA Performance Quarter 1

- 5.2 Of the 48 indicators in the LAA scorecard, 25 have been assigned a RAG status; 16 indicators have a status of green and 9 are red. A full commentary of performance against target is included in Appendix A. The following performance updates have been included in this overview report to draw

attention to where new data has been published or where revisions have been made to previous versions of the explanatory text.

Areas of significant improvement where performance has exceeded target include:

- 5.3 **NI 72 Achievement of at least 78 points across the Early Years Foundation Stage with at least 6 in each of the scales in Personal Social and Emotional Development and Communication, Language and Literacy.** Provisional 2009 outturn of 46.3% represents a considerable improvement from the 2008 figure of 33.0%, exceeding the 2008/09 target of 45%.
- 5.4 **NI 163 Working age population qualified to at least Level 2 or higher.** 2009 data not yet published. Latest data is data published for 2008 (67.09%) which is significantly improved performance compared with the 2006 baseline of 60.5% and has exceeded the 08/09 target by nearly 6%. Possible factors include improved school performance combined with migration of professionals into Slough attracted by new housing.
- 5.5 **NI 164 Working age population qualified to at least Level 3 or higher.** 2009 data not yet published. Latest data is data published for 2008 which is significantly improved performance (44.5%) compared with the 2006 baseline of 36.8% and has exceeded the 08/09 target by 6.3%. Possible factors include improved school performance combined with possible migration of professionals into Slough attracted by new housing.

Areas that have red RAG status assigned include;

- 5.6 **NI 45 Young offenders' engagement in suitable education, employment or training.** Although there is a significant gap between quarter one performance and target, this level of performance has improved compared to the performance (59.76%) for the same period in 08/09. The continued economic downturn is impacting on performance with a risk of further deterioration to this indicator.
- 5.7 **NI 59 Initial assessments for children's social care carried out within 7 working days of referral Department of Children, Schools and Families.** Performance for the first quarter is lower than target, although it should be noted that performance is higher than the last published Statistical Neighbour and England average (March 2008). Whilst performance has dropped since March 2008, the number of completed initial assessments has increased by 46% compared to 2007/08. It is now considered that the target of 80% may have been too ambitious in the context of a nationally raised profile and increased awareness of children's safeguarding issues.
- 5.8 **NI 73 Achievement at level 4 or above in both English and Maths at Key Stage 2.** Provisional 2009 outturn indicates that Slough is ranked in the lower quartile nationally for this indicator, ranked 141st nationally out of 152 local authorities. It sits joint 11th out of 11 in its SN Group. The England average is 72% and the South East region average is 72% also. Well below 2008/09

target of 74%. To raise the achievement level the Raising Achievement team provide targeted support and guidance to schools that are below DCSF floor targets. Schools to provide booster classes and breakfast club / after school provision to assist particularly vulnerable groups. Additional targeted support for children with behavioural, SEN needs, looked after children and their carers.

- 5.9 **NI 92 Narrowing the gap between the lowest achieving 20% in the Early Years Foundation Stage Profile and the rest.** 2009 performance of 37.3% is a considerable improvement from previous year of 43.5% in narrowing the achievement. National and statistical neighbours comparator data not yet available. 3.1% above the narrowing the gap 2008/09 target of 34.2%. Significant factors in underachievement at this stage include the level of parental educational attainment, English language skills and income level. As such, Adult skills classes and cross-cutting efforts to reduce child poverty will also have significant contributions to make in raising performance. Other support programmes include extension of the “free” Early Years provision to 2 year olds and ensuring appropriate skills are in place at Early Years providers.
- 5.10 **NI 102 Achievement gap between pupils eligible for free school meals and their peers achieving the expected level at Key Stages a) 2 and b) 4.** Provisional performance for summer 2009 results at KS2 is 26% which is in line with 2008 results. This performance level is 3.5% above the narrowing the gap 2008/09 KS2 target. Key Stage 4 results (Part B) will be available in October 09. To raise the achievement level the Raising Achievement team provide targeted support and guidance to schools that are below DCSF floor targets. Schools to provide booster classes and breakfast club / after school provision to assist particularly vulnerable groups. Additional targeted support for children with behavioural, SEN needs, looked after children and their carers.
- 5.11 **NI 186 Per capita CO2 emissions in the LA area.** High Reduction is good: 2006 data from DEFRA shows an increase in overall emissions of 1.59% compared to the 2005 baseline. Current SBC targets are for reductions of 9% by 2011 from 3 sectors – transport, domestic housing and business buildings. The transport sector is on target but production of CO2 from domestic homes and businesses is increasing. Data related to home insulation shows more than 60% of properties have no cavity wall insulation.
- 5.12 The Carbon Management Board has signed up to stretched targets that will strengthen the Council’s leadership role in the community to persuade the business sector, other bodies and residents to reduce CO2 emissions.

Project Management update

- 5.13 59 members of staff have now completed Prince2 project management training and of those 57 have successfully passed the foundation exam. A draft set of Prince2 templates is now available for staff to use on SBCinsite together with a list of the Council’s Gold projects. A further prince2 foundation course is planned for the beginning of October.

Carbon Management

- 5.14 At the beginning of September Slough signed up, as one of ten councils, to join the nationwide 10:10 campaign to reduce their carbon emissions by 10% in 2010. The launch was held at the Tate Modern and attended by several members of staff who now have the task of spearheading the council's campaign to achieve its ambitious carbon reduction targets. The first of a series of initiatives is the Switch Off campaign.
- 5.15 Assisted by the Carbon Trust, SBC's 'switch off' campaign aims to encourage all employees to switch off electrical items when they are not being used. Leaflets and posters will be appearing around the Council reminding staff to 'switch off' when they have finished with an appliance E.g. switch off PC monitors at the end of the day – a recent walk round on one section of SMP found dozens of monitors still switched on at the end of the day.
- 5.16 Green champions will also encourage staff to be aware of the costs involved in NOT switching off.

Human Resources

- 5.17 The HR statistical information attached in Appendix B outlines the HR Statistics for Quarter 1 (1st April – 30th June 2009).
- 5.18 In relation to this quarter's statistics areas to particularly note include:
- 5.19 **Turnover** remains stable at 1.4% for quarter 1 (1.7% for the same period last year). This slowdown in turnover may be attributable to the retention of staff due to the wider economic situation. There were 87 leavers within the quarter, 28 of which were part of the TUPE transfer arrangements in line with the reprovisioning programme of older people's services within Community and Wellbeing directorate.
- 5.20 There were 15 voluntary redundancies as a direct result of the restructuring process, with only 3 compulsory redundancies after redeployment opportunities had been explored.
- 5.21 **Sickness Absence** – Based on the number of returns submitted for quarter 1 sickness levels had slightly reduced to 2.3 days lost per FTE (2.8 days lost per FTE for quarter 4). However, a subsequent retrospective adjustment to capture delayed returns and maintain accurate statistical information moves this figure to 2.5 days per FTE for quarter 1.
- 5.22 The most common reason for sickness absence continues to be Infections with an associated cost of £56,122. There were 60 reported cases of probable swine flu (plus school and children's centre staff) during the pandemic period. Our reporting processes have been extended to capture Swine Flu absence as a category and actual figures of days lost per FTE will be reported next quarter. Sickness due to stress saw a decrease of 116 days and a reduction in salary cost due to absence of £2,884 within the quarter.

- 5.23 The total salary cost due to sickness was £247,127 compared to £297,004 last quarter (a significant drop of £49,877).
- 5.24 **Workforce Profile** – The number of staff from BAME backgrounds now represents 40.4% of the overall workforce, showing a slight upward trend of 0.2% from the previous quarter; and 4.1% higher than the Slough census comparator figure of 36.3%. At the request of Employment & Appeal Committee, Sikh is reported as a separate category and currently 1.2% of council staff have declared this as their ethnic group.
- 5.25 The gender breakdown of the staff has remained stable at 29% males compared to 71% females.
- 5.26 The number of staff declaring a disability remains stable at 6.6% of the total workforce despite the overall drop in staff numbers this quarter.
- 5.27 **Vacancies** – reported vacancy levels have dropped again this quarter. This is as a direct result of continuing data cleansing within the directorates.

Financial reporting

- 5.28 The Council's net revenue budget for 2009/10 is £102.6m. This excludes the schools' budget of £92m funded through the Dedicated Schools Grant.
- 5.29 There is currently a projected overspend for 2009/10 of £893k giving a decrease of £232k from that reported last month. This position coupled with the possible pressures arising from the emerging issues in paragraph 6 aligned to additional client activity across social care, possibly intensifying particularly with the forthcoming winter months which may question the likelihood of a balanced budget at the year end.
- 5.30 The position is summarised in Table 1, overleaf, and detailed in Appendix C.

Table 1 - Projected as at 31st August 2009

Directorate	Current Budget	Projected Outturn	Variance Over/(Under) Spend	Change	Previously Reported
	B	C	D = C - B		CABINET (22nd Sept 2009)
	£'M	£'M	£'M	£'M	£'M
Community and Wellbeing	33.326	33.802	0.476	(0.225)	0.701
Education and Childrens Services	25.116	25.064	(0.052)	(0.012)	(0.040)
Green and Built Environment	26.927	27.015	0.088	0.006	0.082
Central Directorates	22.848	22.879	0.031	(0.001)	0.032
Corporate	(0.085)	0.265	0.350	0.000	0.350
Total Cost of Services	108.132	109.025	0.893	(0.232)	1.125
% of revenue budget over/(under) spent by Services			0.83%	-0.21%	1.04%
Treasury Management	3.544	3.544	0.000	0.000	0.000
Contingencies & earmarked reserves	(0.735)	(0.735)	0.000	0.000	0.000
Area Based grant *	(8.312)	(8.312)	0.000	0.000	0.000
Total	102.629	103.522	0.893	(0.232)	1.125
% of revenue budget over/(under) spent in total			0.87%	-0.23%	1.10%

* Included in Directorate base budgets

Month on Month Movement in Variances

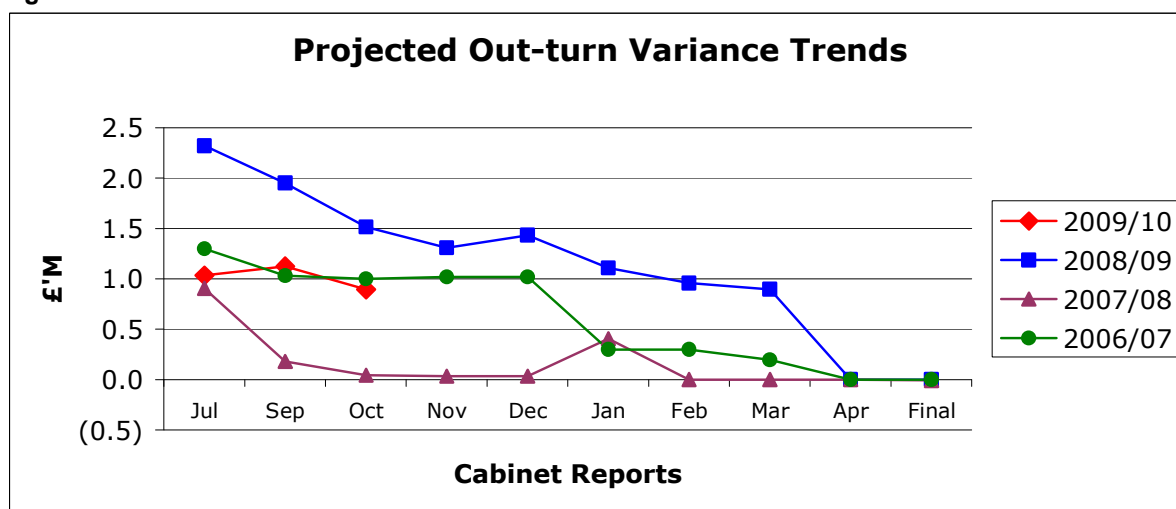
- 5.31 Community and Wellbeing have reported a reduction in their overspend of £225k from that reported last month to give a projected overspend of £476k. This reduction comes as a result of efforts to achieve the action savings plans. Fundamentally, an expensive client has been assessed to be removed from residential care and is now placed at home. Also success in achieving funding from Health partners on Continuing Care clients aligned to funding attracted from the supporting programme has resulted in this shift in expenditure downwards.
- 5.32 Education and Childrens Services are currently reporting an underspend of £52k which is broadly the position reported last month. However, it should be noted that this favourable position takes into account the release of corporate funds and Migration funding to mitigate demographic pressures and alleviate social work case loads without which the position would be in the region of £0.5m overspent. Divisionally, the main variances are:
- 5.33 Green and Built Environment have reported an increase in their overspend of £6k to give a projected overspend position of £88k. This has been due to a further increase in the loss of projected income relating to planning fees and Wexham Nursery of £70k mostly offset by the saving on concessionary fares against the prior year's provision and management of vacant posts of £64k.
- 5.34 The Central Directorates have reported a reduction in their position of £1k, to give a projected overspend of £31k. This has been due to additional costs now anticipated within Audit and Risk Management offset by projected savings

from the management of vacancies. The central directorate look to 'hold' vacant posts as a basis of managing this overspend.

5.35 The Corporate pressure reported last month, being the prudent assessment of the Business Process Re-engineering (BPR) savings relating to the Customer Service Centre now being unachievable (£350k) is still included in the overall position. This will be a cost that requires funding from across the Council directorates or from contingency if appropriate.

5.36 Figure 1 below illustrates the monthly projected outturn positions over the last 4 years. This shows, by comparison, the current projected position now being the second lowest outturn at this stage of the year.

Figure 1



Emerging Issues / Risks

5.37 Although the headline position is showing a projected overspend of £0.9m, it is important to note there are emerging issues which may result in a positive or negative impact on this variance. These risks should not be underestimated and at this stage of the year should be seen as a significant factor in the council looking to achieve a year end break-even position

5.38 Community and Wellbeing:

- Winter Pressures – The department has no contingency to cope with a surge in new placements that may occur in the coming winter months. The departments' strategy of 1 in 1 out may not contain this change in demand.

5.39 Education and Children's Services:

- The costing of £90k included as part of the Education & Children's service directorate reflects a recent court judgement (Southwark Judgement) which requires local authorities to assess and respond to homeless 16 year old as in need of Local Authority Care, rather than supporting them under homelessness legislation. This is creating

considerable pressure on social work assessment resources and although £90k has been earmarked this variance is being reviewed and any movement reported in future monitoring reports.

5.40 **Green and Built Environment:**

- The red bin recycling scheme has had an impact on landfill waste costs. This may result in savings which could help to partially offset any pressures in the service area;
- Higher levels of activity in the Housing Needs area as a result of the economic recession are evident, although any financial impact is still unclear at this stage this may result in an adverse impact on revenue;
- An issue from 2007/08 surrounding VAT liabilities on Home Improvement Agency fee income has yet to yield a demand for payment from HMRC. Should this not come to fruition, a saving of £34K may be achieved.

Management Action

- 5.41 The position as at the end of July 2009 leaves an overall pressure for the Authority of £0.9m which needs to be contained by the year end.
- 5.42 Directorate action plans have been presented in detail to CMT and a summary budget report on 23rd September 2009, this form the basis and backdrop to achieving a breakeven position.

Virements

- 5.43 In accordance with the Financial Procedural rules, virements require the approval of officers and Members.
- 5.44 There have been no virements requiring Member approval since the last report (dated 3rd September 2009).

6 Conclusion

The joint Performance Management report will continue to be developed during 2009/10 in line with Member requirements.

7 Appendices Attached

- A** LAA Balanced Scorecard – Qtr 1 2009/10
- B** HR Statistics – Qtr 1 2009/10
- C** Schedule of Directorate Variances to Budget 09/10

8 Background Papers

Finance - Detailed working papers are held in Corporate Finance and the relevant departments.