

SLOUGH BOROUGH COUNCIL

REPORT TO: Overview & Scrutiny Committee **DATE:** 2nd December, 2010

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WARD(S): All

PART I **FOR COMMENT AND CONSIDERATION**

PERFORMANCE AND FINANCIAL REPORTING FOR 2010/11

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 October 2010 against the following key areas:

- i. Performance monitoring against the Corporate Balanced Scored Card and the LAA Balanced Score Card to October 2010 (Appendix A)
- ii. Revenue and capital monitoring position to October 2010 (Appendices B, C, D)

2. Recommendation(s) / Proposed Action

The Committee is requested to resolve that the following aspects of the report be noted:

- i. Performance and Project management
- ii. Financial performance – revenue and capital

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.

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.

4. 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.

5. Other Implications

(a) Financial

These are contained within the body of the report.

(b) Risk Management

Supporting Information

6. Performance Monitoring Update

6.1 The attached **SBC Corporate Scorecard** (Appendix A) provides Members with an update on performance during the period from 1st April to 31st October 2010, drawing attention to:

- I. areas of exception
- II. areas of improved performance; and
- III. an assessment of where improvement actions are needed for performance to achieve end of year targets.

6.2 The report comprises of exceptions from both:

- a) the **Balanced Score Card**– which relates to performance indicators selected by CMT members to determine the organisation health of the Councils, and
- b) the **LAA Score card** - which relates to indicators in the LAA.

6.3 Gold Project Update

The summary below provides Members with an update on Councils Gold Project as at November 2010.

Period Summary

- Planning for the Future and Customer Focus has now been added to the gold list.

Culture, Learning & Library Service Transformation Programme
(including Library Services Transformation, Cultural Offer and Olympic, Sports & Leisure Offer)

**PROJECT
MANAGER**

Jackie Menniss, (C&W)

ALL WARDS

Timeline	Budget	Issues & Risks	OVERALL STATUS	Date Updated
GREEN	GREEN	GREEN	GREEN	10/11/10

Key Points:

- Projects are delivered, on track or have been revised to more realistic timescales and the overall status stays green.
- Roles and responsibilities have been reassigned to release capacity within the management team to prioritise the projects.
- All budgets agreed and in place.

Adult Social Transformation Programme

PROJECT
MANAGER

Tracy Cartmell, (C&W)

ALL WARDS

Timeline	Budget	Issues & Risks	OVERALL STATUS	Date Updated
AMBER	GREEN	AMBER	AMBER	10/11/10

Key Points:

Overall the project is moving well, however, these areas are amber:

- Mental Health pilot
- The Information & Advice Strategy for the interim service directory and public information campaign
- PM working with Skills for Care regarding InLaws to produce workforce strategy
- Establish at least one ULO by December 2010; sign off of specification and budget at Programme board in December.

RECOMMENDATIONS:

- CMT agree to delegate corrective action to Project Board who are already taking steps to mitigate amber issues.

School Places in Slough

PROJECT
MANAGER

Robin Crofts (ECS)

ALL WARDS

Timeline	Budget	Issues & Risks	OVERALL STATUS	Date Updated
GREEN	GREEN	AMBER	GREEN	03/11/10

Key Points:

The single revised PID is currently under review by Clair Pyper.

The current identified risks are:

- Funding at risk of claw back if not spent by Aug 11
- Demand rises further than anticipated before Sep 11
- Likely more than 3 new infant annexes required by Sep 11.
- More candidate schools to be identified – meetings to be arranged between DECS and schools
- Cabinet paper will be taken to Cabinet 9th November with school options for Town Hall site

Neighbourhood Working

**WARDS IMPACTED:
CHALVEY, MANOR PARK AND
COLNBROOK & POYLE**

**PROJECT
MANAGER**

Keren Bailey, (GBE)

Timeline	Budget	Issues & Risks	OVERALL STATUS	Date Updated
GREEN	GREEN	GREEN	GREEN	01/11/2010

Key Points:

- Project plan for Nov – March currently being finalised based on priorities agreed at board on 12/10. To be signed off at next project board on 30/11
- These priorities include actions to support and further develop existing pilots, review of governance arrangements, communications to broaden understanding and involvement, review of opportunities for further pilots and development of neighbourhood charters.
- Progress and future plans considered and supported by joint Neighbourhood and Renewal, Community, Leisure and Environment panels on 19th October.
- Meeting held with PCT to facilitate future health involvement. Reports to be considered by LSP and Health and Well Being PDG

RECOMMENDATIONS: None at this stage. Detailed report considered by CMT in September.

Housing Futures (ALMO move)

ALL WARDS

**PROJECT
MANAGER**

Vijay McGuire (GBE)

Timeline	Budget	Issues & Risks	OVERALL STATUS	Date Updated
AMBER	GREEN	AMBER	AMBER	10/11/10

Key Points:

- Development of accurate Address Register – there has been excellent progress in this work package. From 7/10 to 11/10 we have identified 101 additional HMOs (from 1391 to 1492) and 418 sheds (from 1759 to 2177)
- Providing ONS with information for development of Census Local Partnership Plan and associated Community Plans (Indian, Pakistani, Somali, Polish, Black African, Black Caribbean and Short Term Migrants)
- Identification of key social marketing strategies for the groups above and all other sub-population groups by ethnicity/nationality in Slough using PLASC data
- Supporting recruitment of Census field staff e.g. article in Citizen
- GP briefing session

- Lobbying for additional resources from ONS so would not sign off a partnership plan until this has been resolved.
- Still need to agree global budget together with TVP and RBFRS
- Comms and marketing strategy and plans for the general public need to be developed and signed off; recommendations to come to next Board for discussion with final sign off on 13th December.

2011 Census

ALL WARDS

PROJECT MANAGER Rob Wood (CE)				
Timeline	Budget	Issues & Risks	OVERALL STATUS	Date Updated
GREEN	AMBER	AMBER	AMBER	11/11/10

Key Points:

- Development of accurate Address Register – there has been excellent progress in this work package. From 7/10 to 11/10 we have identified 101 additional HMOs (from 1391 to 1492) and 418 sheds (from 1759 to 2177)
- Providing ONS with information for development of Census Local Partnership Plan and associated Community Plans (Indian, Pakistani, Somali, Polish, Black African, Black Caribbean and Short Term Migrants)
- Identification of key social marketing strategies for the groups above and all other sub-population groups by ethnicity/nationality in Slough using PLASC data
- Supporting recruitment of Census field staff e.g. article in Citizen
- GP briefing session
- Lobbying for additional resources from ONS so would not sign off a partnership plan until this has been resolved.
- Still need to agree global budget together with TVP and RBFRS
- Comms and marketing strategy and plans for the general public need to be developed and signed off; recommendations to come to next Board for discussion with final sign off on 13th December.
- Letter sent to Trevor Phillips i.e. equalities issues

RECOMMENDATIONS:

- General mobilisation of staff resources brought forward

REGENERATION: Britwell & Haymill
OF PARTICULAR INTEREST TO BRITWELL & HAYMILL

PROJECT MANAGER

Neil Aves (GBE)

Timeline	Budget	Issues & Risks	OVERALL STATUS	Date Updated
RED	GREEN	RED	RED	30/09/10

Key Points:

No further update received since the Review has taken place. However, the PM has offered time to Ward Members individually to discuss this project.

RECOMMENDATIONS:

That CMT review this project by the end of November once the outcome of the Review is known.

REGENERATION: Chalvey

OF PARTICULAR INTEREST TO CHALVEY

PROJECT MANAGER

Andrew Stevens (GBE)
 Mike Coles (*Phase 1 development*).

Timeline	Budget	Issues & Risks	OVERALL STATUS	Date Updated
GREEN	GREEN	AMBER	GREEN	12/11/10

Key Points:

- Phase 1 – Early Years Centre on schedule for January opening
- Road layout and site drainage issues to be included in Phase 1
- Gap in managing overview of project since NS left. Project Board met 5th November – agreed roles, membership, frequency of meetings, project phases and key issues
- Need to join up design plans re joint access/reception, kitchen etc. Meetings with Paragon and Head Of Early Years Centre planned
- Phase 1b Jan- March 2011 – accommodating existing users back into the building and defining requirements for phase 2. Chalvey Partnership leading consultation on potential uses for community hub and options for future management of the space. Further consultation with the community being finalised – taking place Dec/Jan. Internal discussions Jan- March 11. All will inform specification and plans for Phase 2

RECOMMENDATIONS:

- Project support needed (Kevin Gordon has agreed to find staff member to resource this)
- Project plan documentation including risk log requires development

Information provide by John Fritton outside of this update.

Planning for the Future

**PROJECT
MANAGER**

CMT

ALL WARDS

Key Areas:

- a) **Accommodation Project** - CMT have agreed outline plan
- b) **Workforce Planning** – closing date for Management consultation 19th Nov, additional Level of support for displaced staff agreed by CMT; preparing for the issuing of redundancy notices in Housing on 22nd Nov.
- c) **Income and Debt Management (incorporating RIO)** – Draft Policy for Debt Management Produced , Areas for RIO Business cases shortlisted, to be agreed by CMT on the 17th Nov

Customer Focus
(formerly Duty Desks)

**PROJECT
MANAGER**

Kevin Gordon
Lisa Nuttall

ALL WARDS

Timeline	Budget	Issues & Risks	OVERALL STATUS	Date Updated
GREEN	GREEN	AMBER	AMBER	15/11/10

Key Points:

- Full Approach and Programme Plan agreed with CMT
- Secondment of staff to support Housing Benefits pilot to take place in next period
- Work started on how ICT will support the revised Customer Services Hub
- Project team aims to have full timetable of when services will move into the new service hub arrangements agreed with Directorates areas by end of November.

7. Financial Reporting

7.1 The Council’s net revenue budget for 2010/11 is £103.9m.

7.2 The Housing Services agreed net operating budget for 2010/11 is a surplus of £213k.

8. Projected Outturn Position as at 31st October 2010

8.1 There is currently a projected under spend position for the 2010/11 General Fund of £746k. This compares to a reported overspend at this stage last year of £854k reported

as at end October 2010. Members should also note the possible emerging issues and opportunities in sections 6 and 7 respectively.

8.2 For the Housing revenue account there is currently a projected under spend position of £1,248k from the budgeted surplus position of £213k agreed at the start of the year. This shows a favourable movement of £1,073k from that reported last month.

8.3 The position is summarised in Table 1, overleaf, and detailed in Appendix B.

Table 1 - Projected as at 31st October 2010

Directorate	Gross Budget pre-Govt reduction	Govt Reduction	Gross Budget post-Govt reduction	Current Net Budget A	Projected Outturn B	Variance Over/(Under) Spend C = B - A	Change	Previously Reported
	£'M	£'M	£'M	£'M	£'M	£'M	£'M	£'M
Community and Wellbeing	51.504	(0.605)	50.899	36.990	36.976	(0.014)	0.061	(0.075)
Education and Childrens Services	180.555	(0.891)	179.664	24.533	24.451	(0.082)	0.226	(0.308)
Green and Built Environment	39.370	(0.646)	38.724	26.263	26.263	0.000	0.000	0.000
Central Directorates	87.857	(0.633)	87.224	22.396	22.085	(0.311)	(0.193)	(0.118)
Corporate	0.279	(0.140)	0.139	0.074	0.074	0.000	0.000	0.000
Total Cost of Services	359.565	(2.915)	356.650	110.256	109.849	(0.407)	0.094	(0.501)
% of revenue budget over/(under) spent by Services						-0.37%	0.09%	-0.45%
Treasury Management	3.334	0.000	3.334	3.334	2.995	(0.339)	0.000	(0.339)
Contingencies & earmarked reserves	2.274	0.000	2.274	1.443	1.443	0.000	0.000	0.000
Area Based grant *	(12.663)	1.609	(11.054)	(11.054)	(11.054)	0.000	0.000	0.000
Total General Fund	352.510	(1.306)	351.204	103.979	103.233	(0.746)	0.094	(0.840)
% of revenue budget over/(under) spent in total						-0.72%	0.09%	-0.81%
Capital Reductions		(0.407)						
Add back ABG income adj		(1.609)						
Total Govt Reductions		(3.322)						
Housing Services				(0.213)	(1.461)	(1.248)	(1.073)	(0.175)

9. Month on Month Movement in Variances

9.1 **Community and Wellbeing** are reporting an under spend position of £14k which is a adverse movement of £61k on the position reported last month. This change is fundamentally due to an increase in costs across Community Services and Adult Social care due to an increase in external care packages with 11 new clients being placed in October as well as care package revisions totalling £144k. This has been offset by a saving of £74k for the provision of free swimming arising from a reduction in the contribution required to support Slough Community & Leisure. Further details can be seen in Appendix B.

9.2 **Education and Children's Services** are reporting an overall under spend position of £82k which is an adverse movement of £226k on last months reported position. The following sets out to Members the background of the current ECS budget position and the mitigating action to be adopted to alleviate the budget pressures being experienced.

There is continuing pressure on the budget in Children and Families due to the number of looked after children which has begun to stabilise, but is still subject to volatility. The budget pressure is due to a combination of placement costs rising because more younger children have been admitted to care, court fees, and contact visits. Work has already been undertaken to rigorously check all admissions to care and consider alternative arrangements where possible; to make savings to bring down the overspend in Children and Families; and use one-off savings in other areas of the Education and Children's Services budget to offset the projected overspend as a result of the rise in the number of looked after children.

This position is inevitably not sustainable and the department is looking at the creation of capacity on an annual basis by the implementation of weekly and monthly review meetings to ensure that every historic and potential placement is appropriately made. This strategy is obviously linked to meet the needs of individual clients and opportunities have been realised and clients have been re-directed to alternative services where specific needs can still be met and which provide increased value for money. Whilst this is producing some release of pressure the continued net increase in the overall client base and its associated cost is subsuming any savings that this strategy is currently providing. A specific area in which the strategy to create capacity is being pursued is the aim to increase the number of foster carers available to meet current client levels. This will be achieved from the remodelling of services to release resources to implement this increase.

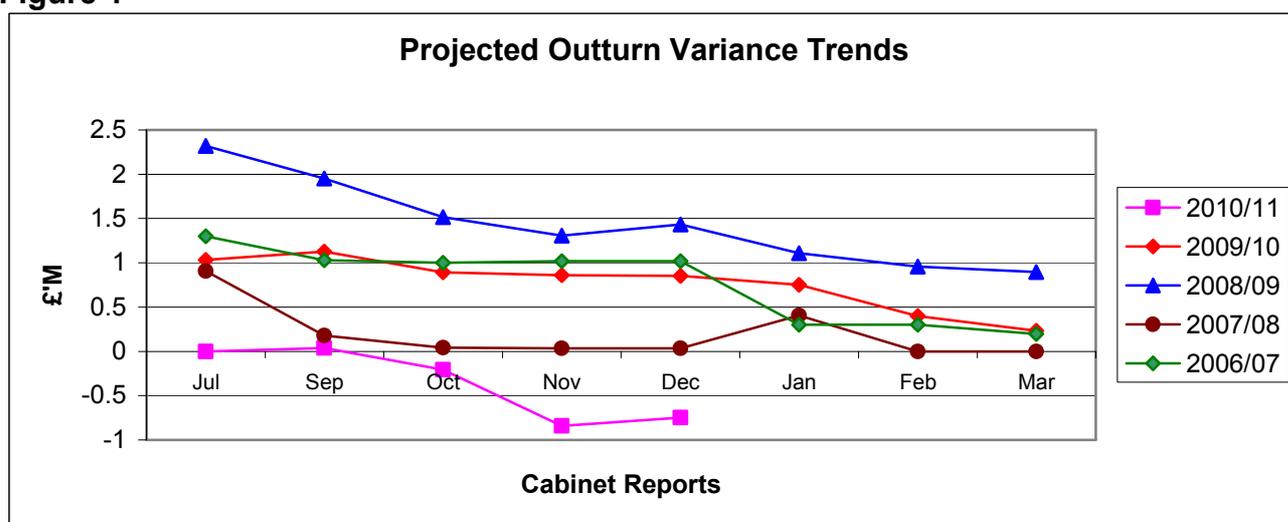
The increase in spend since last month is made up of an increase in Children Looked After activity and increased Contact requirements resulting in additional costs of £335k. These are offset by net savings across Family Support services, adoption and Kinship care totalling £74k with an overall increase in Children and Families spend of £261k. Savings within the inclusion Branch of £35k have arisen from a change in the arrangements for purchasing homecare support and by holding a vacant post to the year end within the substance misuse team. Details can be seen in Appendix B.

9.3 **Green and Built Environment** are continuing to report an overall break even position which includes a number of compensating variances which are unchanged from those reported last month. These fundamentally comprise pressures against Planning and Car Parking income offset by a reduction of £150k in levels of bad debt for Car Parking from a total provision of £343k and savings against staffing budgets. More details can be found in Appendix B. The department report a pressure arising due to a shortfall in the indexation costs associated with a number of major contracts, negotiations are on-going with contractors in attempts to contain this pressure within existing resources but there is still a risk of a significant shortfall.

9.4 **The Central Directorates** have reported an under spend position of £311k which is a favourable movement of £193k from the position reported last month. The fundamental variance being the receipt of an unexpected business rates refund of £226k in respect of Landmark Place relating to the period 2005/06 to 2008/09. Other variances include savings of £17k arising from the re-negotiation of the contract to access the Legal reference library offset by a pressure of £60k from the latest estimated level of income from the recovery of court costs for council tax arrears. Further details can be seen in Appendix B.

- 9.5 **Treasury Management** are reporting an overall under spend position of £339k which is unchanged last month. This comprises the following;
- 9.6 **Treasury Management - Refinancing** are reporting an under spend of £104k arising from the refinancing of debts in connection with two existing loans due to mature in September and November next year and £34k secured in interest savings following further debt refinancing via the PWLB.
- 9.7 **Treasury Management - Impact of Capital re-programming.** The re-profiling of the capital programme has identified revenue savings of £235k in the current year. However it is very important to bring to the attention of members that the overall size of the capital programme has not changed and this saving has only occurred because of the re-profiling of when schemes will be undertaken. This means that pressures will occur in latter years, e.g. 2013/14 and beyond when re-profiled schemes come on line and these pressures will need to be addressed as part of the 2011/12 budget build process covering these years. In addition further work is currently taking place at the moment on the Minimum Revenue Provision (MRP) position. Members will be updated on the outcome of this in future budget monitoring reports.
- 9.8 Figure 1 below illustrates the monthly projected outturn positions over the last 5 years.

Figure 1



- 9.9 **The Housing Revenue Account** is showing an under spend of £1,248k. An in-year surplus of £213k on the Housing Revenue Account (HRA) was approved by Cabinet for 2010/11. The latest projection indicates an outturn surplus of £1,461k which is an under spend of £1,248k against budget compared to last months under spend position of £175k. This change has primarily arisen from the release of surplus ex-People 1st cash balances of £1,215k. Other savings including those arising from the cessation of costs associated with the transfer into SBC from the former People 1st organisation. These are offset by pressures from reduced income from interest of £128k on internal funds as a result of interest rates remaining at a lower level than originally budgeted for and £200k arising from the net effect of any termination costs that will be incurred in year, offset against savings from posts becoming or being held vacant throughout the year from the proposed new structure for Housing Services. Further details can be found in Appendix B. In overall terms, a new working balance carried forward at 31st March 2011 on the HRA is projected to be £10.468m.

10. Emerging Issues / Risks

Introduction

- 10.1 Although the headline position is showing a projected under spend position of £746k at this stage of the financial year it is important to note that a significant level of gross savings have had to be achieved incorporating the £3.3m of 'in-year reductions' as a result of the governments £6.2bn of reductions across the public sector.
- 10.2 Therefore the Council needs to be vigilant to ensure that the savings are delivered in full and in a timely fashion, i.e. during 2010/11. Appendix C details the areas of savings by directorate and their current status.
- 10.3 Consequently it is prudent to consider the option of delivering known 2011/12 savings early to begin to mitigate the risk of achieving the required savings target over the next 4 years. **Indeed Cabinet on 20th September 2010 have agreed the pre CSR 2011/12 savings and so departments should be implementing those identified areas now.**
- 10.4 A review of the allocation of support costs between the Housing Revenue Account and the General Fund is being undertaken over the next 4 weeks. The outcome of any changes arising from this may have an impact on the overall budget monitoring position for each service.

Directorate Specific

10.5 Community and Wellbeing:

- Mitigating action is being taken to lessen potential pressures arising from clients placed in this residential facility by Other Local Authorities (OLAs), and thereby qualifying for ordinary residence. This has been the subject of ongoing negotiations between the service provider and the authority. The provider has entered into a voluntary agreement with the council not to accept OLA placements. Due to an embargo based on quality issues at this residence, Slough has been unable to make placements. OLAs have been informed of the embargo, which is still in force and to date no out of borough clients have been placed there. Further updates will be provided when these are available.
- There are two Employment Tribunal claims within the Adult Social Care division that are currently in the preliminary court stages. These are being dealt with by Legal. Legal costs are currently forecast to be contained within budget, but the final legal costs could escalate over budget provision.
- There is an ongoing risk to the amount of Continuing Health Care (CHC) funding received from the PCT. The PCT are looking to awarding CHC from the date of assessment completion rather than the date of assessment. Further detailed calculations are needed but initial estimates suggest that if agreed, the authority would stand to lose funding of about £200k. SBC will strongly contest any change in practice should this arise and discussions are ongoing with the PCT. No such instances have been reported in October and this will continue to be closely monitored and reported on.
- In addition, a result of closures and other budget pressures in local health economy. It is expected that the local authority will come under increasing pressures in relation to increased demand for social care. This is being closely monitored and further updates will be provided as appropriate.

10.6 Education and Children's Services:

- The level of client activity within the looked after settings of the Children & Families division continues to be volatile as demand levels remain buoyant.
- Within the Youth Offending Team, an unexpected invoice was received at the end of last year for £18k in respect of an outstanding service charges for Connaught House relating to 2006. Provision for this was made but officers are in dispute with the landlord. YOT officers expect a possibility of further charges that could be made in respect of subsequent years. The departments long term plan is to vacate these premises when the break clause in the existing contract is reached.
- Further increases in levels of looked after children and referral and assessment activity will result in additional budget pressures although management are exploring mitigating strategies to combat this.

10.7 Green and Built Environment:

- The economy remains a key risk for the directorate's income as outlined within 'Volatile Areas/Demand Led'.
- Climate change continues to impact on winter maintenance and subsequent repairs, flooding and grounds maintenance costs. Innovative measures to negate the impact are being sought.
- Proposed changes to the Housing Revenue Account ring fencing may result in further costs and expenditure being charged to the General Fund rather than HRA. While this may not happen within 2010/11 it is likely that any legislative change will be enforceable from April 2011 and, therefore, needs to be included in the Directorates PPRG submissions.
- Potential settlement from Employment Tribunal in Private Sector Housing
- A new/interim contract is still awaited from the Valuation team in respect of the bus station in order that a charge can be made. As a consequence no billing has taken place since November 2009. Currently it is estimated that income amounting to £60k is at risk.
- A number of highways properties that had been leased to Co-op Homes were handed back in December 2009. Details of the new management arrangements are still awaited from the Valuation team but there is concern that the income this generates is at risk unless this issue is quickly resolved. Currently it is estimated that income amounting to £30k is at risk.
- The cost of the new pest control contract is likely to result in an end of year budgetary pressure of approx £30k. Negotiations are being held with the contractor with a view to reducing the costs of the service. The disparity between the cost to the Council of rat treatments against the charges made to customers is causing this pressure.

All of these risks will be closely monitored and the impact clearly identified and reported as and when it is clear they are likely to become a reality.

10.8 Central Directorates:

- The current economic situation with regards to increasing pressure on Housing Benefits.
- The data centre (server room) move out of the Town Hall to the Slough Trading Estate is due to take place in early December. A full assessment of costs connected with the move is being undertaken.

10.9 Housing Services:

The proposed new structure for the Housing Services team has recently been released. The impact of this restructure in terms of efficiency savings and associated costs has been quantified and is factored into the projected outturn for the service. Additional costs relating to recruitment and assessment centres are being collated and will be included in future budget reports. It is fully expected that the new structure will create significant efficiency savings from 2011/12, with one off costs being met in the current year.

11. Emerging Opportunities

Introduction

11.1 Note the requirement in paragraph 6.2 to take 2011/12 agreed savings early in 2010/11.

11.2 Whilst departments face emerging issues as identified above there are also opportunities that may emerge to mitigate any adverse financial occurrences. Whilst reliance should not be placed upon them and thus caution should be taken it should be noted that if they come to fruition they could have a favourable impact on the overall council position.

Directorate Specific

11.3 Community & Wellbeing

- Identification of efficiencies in the provision of day services providing opportunities going forward.
- Application of rigorous contract negotiations continue with block suppliers to deliver greater efficiency and value for money.
- Opportunities continue to be explored to exceed fees increase and gain efficiency projections in Adult Social Care.
- Additional income generation opportunities through culture and community services are being explored.

11.4 Education & Children's Services

Within the Children & Families division current investigation into the terms and conditions of Sure Start funding is being explored with a view to offsetting social care costs for children aged under 5 where appropriate. Part of this strategy is being implemented and the financial outcome is being assessed.

11.5 Green & Built Environment

- Maximise external grant funding opportunities by using 'Grant Finder' software to locate new grants but should be noted against a backdrop of reducing government grant.
- Option appraisals on shared service arrangements relating to regulatory services and building control
- Discussions with neighbouring councils are taking place to develop initiatives to help bring down waste management costs
- Developing the Highways Asset Management Plan will support whole life costing methodology on road and pavement resurfacing methodology and provide better value for money

- Recovery of assets and money through proceeds of crime by using a financial investigator to assist in criminal investigations

11.6 Central Directorates

- The re-alignment of Support Services will allow opportunities for savings across the current year to be implemented and so secure the full year effect in the next financial year.

11.7 Housing Services

- Given the pending restructure of virtually all council services, particularly in central departments, there will be an inevitable review and challenge of all support costs and services provided and charged to the Housing Service. Both the risks and opportunities will be incorporated in the budget build for 2011/12. There is a likelihood that savings will arise from the restructure.
- The recent announcement of potential reforms to the Housing Revenue Subsidy system indicate potential flexibilities in how the Council may spend housing income. We will continue to monitor announcements in this area in order to quantify the effect on the HRA budget going forward.

12. Agreed Base Savings 2010/11

- 12.1 As members will be aware from the previous monitor to provide assurance that the recommendations around savings and growth agreed during the 2010/11 budget build process have been achieved a full list of growth and savings is attached as Appendix B to this report but an overall summary by department. Table 2 below indicates that overall the savings items are exceeding target for delivery. This is fundamentally as a result of increased income of £339k from Treasury Management as reported in paragraphs 5.5 to 5.7 and a saving of £25k within Community & Wellbeing as a result of a management action to mitigate a corresponding pressure against an in year savings target (this is identified in table 3, paragraph 9.1). These savings are partially offset by a £60k shortfall in income within Improvement & Development in respect of the recovery of court costs for council tax and rates.

**Table 2 – PPRG Growth & Savings
Departmental Growth & Savings Analysis 2010-11**

Department	Growth Proposals				Savings Proposals			
	Target	Estimated Outturn	Variance	Status	Target	Estimated Outturn	Variance	Status
	£'000	£'000	£'000		£'000	£'000	£'000	
Community & Wellbeing	940	940	0	GREEN	-1,232	-1,257	-25	GREEN
Education & Children's Services	959	959	0	GREEN	-1,333	-1,333	0	GREEN
Green & Built Environment	103	103	0	GREEN	-281	-281	0	GREEN
Resources	130	130	0	GREEN	-461	-461	0	GREEN
Improvement & Development	70	70	0	GREEN	-655	-595	60	RED
Chief Executive	0	0	0	GREEN	-89	-89	0	GREEN
Corporate	1,723	1,723	0	GREEN	-1,440	-1,779	-339	GREEN
Total	3,925	3,925	0	GREEN	-5,491	-5,795	-304	GREEN

13. In year savings 2010/11

- 13.1 Following the announcement made by the Department for Communities and Local Government (DCLG) on 10 June 2010 regarding permanent reductions to grant funding of £3.3m in the current financial year departments have identified a series of

compensating savings to deliver this which was endorsed by Cabinet on 12 July 2010. Most of the reductions were made to grant funded streams but with the balance coming from core budgets. However sources of permanent funding to meet the overall reductions were short by £36k. The total number of staffing affected amounted to 4.6fte which will be a cost against the Council's central £750k contingency set aside for redundancies (after partnership commitments). To provide members with assurance that these are being achieved a full list of these savings is attached as Appendix C to this report but an overall summary by department is shown in table 3 overleaf. Whilst there is a shortfall identified against Community & Wellbeing, this is mitigated by a management action to exceed a PPRG savings target (which is identified in table 2, paragraph 8.1 above).

Table 3 – In year savings
Departmental In Year Savings Analysis 2010-11

Department	In Year Savings Targets			
	Target	Estimated	Variance	Status
	£'000	Outturn £'000	£'000	
Community & Wellbeing	-605	-580	25	RED
Education & Children's Services	-891	-891	0	GREEN
Green & Built Environment	-646	-646	0	GREEN
Resources	-200	-200	0	GREEN
Improvement & Development	-308	-308	0	GREEN
Chief Executive	-125	-125	0	GREEN
Corporate	-140	-140	0	GREEN
Total - Revenue	-2,915	-2,890	25	RED
Green & Built Environment	-407	-407	0	GREEN
Total - Capital	-407	-407	0	GREEN
Total Savings	-3,322	-3,297	25	RED

14. Capital

- 14.1 The overall council capital programme is £123m for the period 2010/11 to 2016/17. The programmed spend for 2010/11 is £57m which is a reduction of £2m on that previously reported.
- 14.2 Members will recall that the total capital spend for 2009/10 was £30m and in view of this it is highly unlikely that the programmed spend of £57m in the current year will be delivered. In preparing the proposed revised capital programme, departments and AMG have considered the overall capital strategy and service priorities to enable delivery of the Council's business plans and within projected resources available, at a prudent and sustainable level. The overall asset management strategy is currently being reviewed and is expected to be reported to the December 2010 Cabinet, following which, the capital programme will be further reviewed and revised and reported back as part of the 2011-12 budget process. The Council's future revenue business plans will also impact on the capital programme as any change/s to the service provision could result in either a capital asset being identified as surplus to requirement and therefore potential additional capital receipt or additional capital required to upgrade an asset to enhance the service provision. These will also be considered and reviewed as part of the budget build process.
- 14.3 The overall programmed spend for the HRA capital programme is £10.8m for 2010/11 which is unchanged from the position reported last month. Following the decision to bring

back Housing Services “in-house”, the Council will no longer receive supported ALMO borrowing for future years. Housing Officers are therefore currently reviewing the remainder of future years’ HRA capital programme to ensure how best it can be delivered within the available HRA resources to meet the Decent Homes target. This will be reported by the Housing Department once the review is completed including the element of the capital programme that is the responsibility of the leaseholders.

15. Conclusion

- 15.1 The position as at the end of October 2010 leaves an overall headline under spend position of £746k against the General Fund revenue account. Against the Housing revenue Account the position as at the end of October 2010 leaves an overall headline under spend position of £1,248k. Close scrutiny is required from the Directorate management teams to ensure 100% delivery and thus not weaken the base budget position for 2011/12 and beyond.
- 15.2 The General Fund capital programme is indicating a total programmed spend of £57m in the current year against £123m for the period 2010/11 to 2016/17. The Housing Capital Programme is showing a total programmed spend of £10.8m for 2010/11. Housing Officers are currently reviewing the remainder of future years’ HRA capital programme to ensure how best it can be delivered within the available HRA resources to meet the Decent Homes target. This will be reported by the Housing Department once the review is completed including the element of the capital programme that is the responsibility of the leaseholders.