
Report to Resource & Audit Committee

Date: 2 May 2013

Subject: Financial Performance - Strategy & Customer Services

Report by: Head of Strategy & Customer Services

1.0 Purpose

- 1.1. The purpose of this report is to provide an update to the Committee on progress made to implement the 2013/14 budget approved by Council on the 8th February 2013. It also updates the Committee on the timetable for the preparation of service Business Plans.

2.0 Recommendations

- 2.1. The Committee is asked to note the report, comment on and challenge the progress detailed.

3.0 Background

- 3.1 At its meeting on the 1st June 2012, Council established new political decision making and scrutiny arrangements. The structure now comprises three service committees in addition to Council, a Resources and Audit Committee and the pre existing statutory committees. It is expected that reports on financial and non-financial performance are routinely submitted to each of the service committees.
- 3.2 To date Finance and Corporate Services Budget monitoring reports have been provided to each of the three Resources and Audit Committee meetings held to date. These reporting and monitoring arrangements are bedding in well and there is an opportunity for the regular discussion and challenge of performance and the information reported.
- 3.3. At this time of year, the Accountancy Team in partnership with services are completing year end activities in preparation for the submission of the Council's Annual Financial Statements. As a matter of course, elected members receive detailed briefings on the financial 'results' (outturn) prior to the submission of the Draft Financial Statements to Council. This year, Council will be asked to approve the Draft Financial Statements at its meeting on the 27th June 2013. As in recent years, arrangements will also be made for more detailed elected member briefing in advance of this date.

- 3.4 During the same period, services are in the process of implementing the Council's Budget, which was approved in February 2013. This includes making arrangements for implementing specified priority initiatives and budget savings.
- 3.5 In order that these matters are appropriately progressed, it is important that early action is taken to secure the desired results. To provide assurance and transparency over these activities, the focus of this report is on detailing action and progress taken to date to secure the planned outcomes. Similar reports are planned to each of the Service Committee meetings prior to the summer recess.

4.0 Priority initiatives

- 4.1 Appendix A summarises the priority revenue and capital initiatives approved in the Council's February Budget. The implementation of these initiatives is shared across the full range of Council services.
- 4.2 Table 1 below summarises progress against the initiatives which are being implemented by Strategy & Customer Services:

Table 1: Revenue and Capital Priority initiatives 2013/14

Initiative	Lead Officer	Commentary on progress
Foodbanks - £10,000	Head of S & C Services	Discussion have taken place with both Foodbanks to determine demand and potential funding requirements. An allocation will be made to both. SLAs are being drawn up prior to funds being released. It is anticipated this should be completed by end of May 2013 at the latest.
Business Improvement and settlement reviews	Director of F&C Services	Programme being defined. Preparatory work underway.

5.0 Progress in Delivering Planned Budget Savings in 2013/14

- 5.1 The 2013/14 budget incorporated savings of £273,000 for Strategy & Customer Services through a combination of budget challenge savings, management actions and specific Council decisions. Table 2 below summarises the progress made to date in securing these savings.

Table 2: Planned Budget Savings 2013/14

Description of Saving	Saving 2013/14	Progress	Comment
	£	£	
Increase clean mail income	1000	0	Monitored regularly - too early to say.
Realignment of members allowances and NIC	20000	20000	Budget realigned
OAP Associations	3500	3500	Budget realigned
Children's Panel Expenses	18000	18000	Budget realigned
Salary Budget Reduction - Business Support	30000	30000	Budget realigned
Hospitality Budget	2330	2330	Budget realigned
Professional Fees	5000	5000	Budget realigned
Payments to other agencies	3000	3000	Budget realigned
Misc Expenses	2000	2000	Budget realigned
Chinese New Year	2850	2850	Budget realigned
Loomis Cash Pickups	15000	15000	Budget realigned
Out of Hours Services	10000	10000	Budget realigned
Library Book Budget	10000	10000	Budget realigned
Opening Hours Dumyat	12000	12000	Budget realigned. New opening hours agreed with community council.
Woman & Girls Group	6000	6000	Budget realigned
Clacks 1000	10000	10000	Budget realigned
Former FS	80350	80350	Budget realigned
Adult & Culture	22800	22800	Budget realigned
R&I Post	19000	19000	Budget realigned

6.0 Business Planning

6.1 The preparations for production of the Service's Business Plan are also well advanced. This year significant effort has been made to deliver a more

integrated plan for the service including consideration of risk management and planned improvement activity as well as setting key objectives and performance indicators.

- 6.2 Consideration of the draft Plans by CMT is scheduled for 8 May 2013. Following this, the Business plans will be presented to the relevant service committees. It is anticipated that the Support Services Business Plan will be presented to the 20 June 2013 meeting of the Resources and Audit Committee.

7.0 Conclusions

- 7.1 This is the fourth financial performance report under the new Committee reporting arrangements. The focus of this report aims to bring greater assurance and transparency over the progress made in implementing the Council's budget for 2013/14.
- 7.2 The report also provides an update on progress and timescales for finalising the Service Business Plan.
- 7.3 As with previous reports, this approach is designed to link with other reporting arrangements. The Service Committee financial reports will feed into the corporate financial reporting through the Resources and Audit Committee, and Council Budget Strategy updates.

8.0 Sustainability Implications

- 8.1 N/A.

9.0 Resource Implications

- 9.1 The financial implications are outlined within the report.

10.0 Exempt Reports

- 10.1 Is this report exempt? Yes (please detail the reasons for exemption below) No

11.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

- (1) **Our Priorities** (Please tick)

The area has a positive image and attracts people and businesses

Our communities are more cohesive and inclusive

People are better skilled, trained and ready for learning and employment

Our communities are safer

Vulnerable people and families are supported

Substance misuse and its effects are reduced

Health is improving and health inequalities are reducing
 The environment is protected and enhanced for all
 The Council is effective, efficient and recognised for excellence ✓

(2) Council Policies (Please detail)

None

12.0 Equalities Impact

12.1. Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations? N/A

13.0 Legality

13.1. In adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes ✓

14.0 Appendices

Appendix A: Schedule of priority initiatives

15.0 Background Papers

15.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

Yes ✓ (please list the documents below) No

Clackmannanshire Council General Services Revenue and Capital Budget 2013/14

Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Stuart Crickmar	Head of Strategy & Performance	2127

Approved by

NAME	DESIGNATION	SIGNATURE
Stuart Crickmar	Head of Strategy & Performance	Signed : S Crickmar
Nikki Bridle	Director of Finance & Corporate Services	Signed : N Bridle

APPENDIX A

Political priority initiatives 2013/14

Initiative	£000	Commentary
Environmental Improvement Fund	100	<p>Continuation of the new Fund for environmental improvement projects which was established in February 2012. The fund aims to leverage additional 'in kind' and financial resources through increased community ownership, involvement and participation. Prior to disbursement of the second round of funding, a review of the first year's activity and the criteria will be undertaken to identify any potential refinements required.</p> <p>(£100K to be ring fenced within Invest to Save Fund on the basis that additional capacity and resource is leveraged. There is no expectation that disbursements need to be repaid, the focus being 'cost avoidance'.)</p>
Minimum Living Wage £7.45/ £7.50	42	<p>Minimum Living Wage of £7.20 per hour has been implemented following appropriate consultation and engagement with Trade Unions. This proposal will see an increase from £7.20 per hour to £7.45 per hour. A further change to £7.50 per hour may follow subject to the conclusion of the current ongoing COSLA discussions.</p>
Alva Pool	75	<p>Additional support to be provided to OLE following transfer of the asset and opening of the facility.</p>
Mill Glen, Tillicoultry	50	<p>Additional investment to allow for the completion of safety works on footpaths.</p>
Food Banks	10	<p>A sum of up to £10k to be provided as match funding from the existing Culture and Community budget.</p>
Local Authority Mortgage Scheme		<p>Propose to adopt the Local Authority Mortgage Scheme in Clackmannanshire which will establish the provision of an indemnity guarantee to help access to affordable housing to those first time buyers who need it. This will involve depositing some of the Council's cash balances up to the value of the total indemnity with the mortgage provider (£3m). The cash investment will earn a premium interest rate return which will offset the cost of any potential defaults. There is therefore no direct financial impact to Council. More detail on the scheme is provided at Appendix G.</p>

Initiative	£000	Commentary
Nursery staffing		Transfer of teaching staff from schools to nursery sector to enhance early support and intervention as the initial step in achieving a doubling of nursery teachers. The proposed change is planned to be cost neutral in 2013/14.

- **Healthy eating initiatives:** Continuation of additional funding to support the establishment of healthy eating initiatives for primary schools, including breakfast clubs
- **Choice based lettings facility:** Development of online choice based letting access for current and potential tenants. This development is supported by the development of the Allocations Policy report. Carry forward of previous year's resource. The cost of this will be recharged to the HRA.
- **Review of Leisure facilities:** Carry forward of the 2012/13 earmarked provision pending the approval of a Leisure Strategy, the outcome of a facilities planning exercise undertaken by Sports Scotland and consideration of the 5000+ consultation responses undertaken during 2012/13.

Capital budget 2013/14-2019/20 new investment initiatives

Initiative	£000	Commentary
ICT Strategy	600	Additional investment in IT of £100k in 2013/14 for IT systems changes required as a consequence of Welfare Reforms and £500K in 2015/16 to replace the Council's 30 year old Financial information system which is critical to developing the Council's financial management and reporting arrangements and taking forward initiatives to support the business improvement agenda.
Digital Broadband	300	£300k over three years to improve broadband coverage to 85% under the Scottish Government's Next Generation Broadband initiative. (Currently approved 'in principle' by Council).
Roads	5,250	An additional £750k each year to provide for replacement street lighting columns (£250K) and backlog improvements to roads per Roads Asset Management Plan (£500K p.a.). This level of investment (£2.1m each year) exceeds the RAMP estimate of the amount required to maintain the current condition of Clackmannanshire's roads (£1.42m each year).
Flood Prevention	100	An additional £50K in 2013/14 and 2014/15 to facilitate lands improvement and flood mitigation works.
Village and small town centre initiative	1,000	An additional £250k in alternate years from 2013/14 to 2019/20. This programme of activity aims to provide funding to enhance the main streets in the towns and villages across the area.
Business Improvement and settlement reviews	7,500	£1.250 million each year starting 2014/15 to facilitate capital improvements and asset rationalisation required to deliver Business Improvement in local service delivery.
Streetscape Programme	875	£125k each year commencing 2013/14 to establish a new Streetscape programme focussed on making environmental improvements to main residential and thoroughfare areas. This will include street furniture and hardscaping. The Programme will also be mirrored within the HRA capital budget to ensure it is equally applicable for HRA asset

Initiative	£000	Commentary
		enhancement.
Heritage Improvements	755	Focussed in Alloa Town Centre at Greenside and Tillicoultry Cemeteries and surrounding area. Potential to leverage additional funding to be explored. Proposed activities at Greenside include the creation of additional parking spaces to service Kilncraigs.
Speirs Centre	250	Additional funding to augment existing programmed sum and allow for completion of construction project. The sum also includes enhanced provision for the procurement of display cases to present the County's collection of historical information and museum artefacts within the new Speirs complex.
The Orchard	372	To create additional temporary accommodation for single people. Investment to convert and reuse The Orchard, Tullibody. The project will convert 10 maisonettes into 18 flats to create additional bespoke temporary accommodation units. The business case for this initiative has 'in principle' approval from the Health, Housing and Care Committee on 17 January.
Tillicoultry/Alva cycle route	200	£200K in 2013/14 as potential match funding to establish the cycle route. The project would be funded in partnership with Sustrans.
St Johns/ Claremont	50	Existing planning consent requirement to establish a footpath to enhance access to school campus. £50k match funding to be secured in partnership with Sustrans.
TOTAL	17,252	Over 7 financial years between 2013/14 to 2019/20.