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Date of issue: Friday, 27 January 2017

MEETING	**OVERVIEW & SCRUTINY COMMITTEE** (Councillors Nazir (Chair), Strutton, Bedi, N Holledge, Parmar, Sadiq, A Sandhu, R Sandhu and Usmani)
DATE AND TIME:	THURSDAY, 2ND FEBRUARY, 2017 AT 6.30 PM
VENUE:	VENUS SUITE 2, ST MARTINS PLACE, 51 BATH ROAD, SLOUGH, BERKSHIRE, SL1 3UF
DEMOCRATIC SERVICES OFFICER: **(for all enquiries)**	SHABANA KAUSER 01753 787503

SUPPLEMENTARY PAPERS

The following Papers have been added to the agenda for the above meeting:-

* Items 6, 7 and 8 were not available for publication with the rest of the agenda.

PART 1

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SLOUGH BOROUGH COUNCIL

REPORT TO: Overview & Scrutiny Committee **DATE:** 2nd February 2017

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WARD(S): All

PART I
FOR COMMENT & CONSIDERATION

REVENUE BUDGET 2017/18

1 Purpose of Report

To seek the Committee's comments on the Revenue Budget for 2017/18, and the decisions required for the Council to achieve a balanced budget for the year ahead.

The paper demonstrates the levels of Council Tax proposed at 4.71% (including the government's 3% precept for Adult Social Care), the Government grant assumptions and estimations required for the next financial year's budget.

To consider the Council Tax for the year ahead, and the associated Council Tax notices and resolutions required as per various Local Government Finance Acts as detailed in Appendix G.

To note the increase in Housing Rent Account rents and service charges (as detailed in Appendix J and set out in paragraph 2 below, to be considered by Council in January 2017).

To consider the increases in Fees and Charges as detailed in Appendix F.

2 Recommendation(s)/Proposed Action

The Committee is requested to scrutinise and comment on the Revenue Budget 2017/18, prior to Cabinet considering and recommending the budget to Council on 23rd February 2017:

Council Tax Resolution – In relation to the Council Tax for 2017/18

(a) That in pursuance of the powers conferred on the Council as the billing authority for its area by the Local Government Finance Acts (the Acts), the Council Tax for the Slough area for the year ending 31 March 2018 is as spe cified below and that the Council Tax be levied accordingly.

(b) That it be noted that at its meeting on 19 December 2016 Cabinet calculated the following Tax Base amounts for the financial year 2017/18 in accordance with Regulations made under sections 31B (3) and 34(4) of the Act:

(i) 41,174.7 being the amount calculated by the Council, in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax

Base) Regulations 2012 (the Regulations) as the Council Tax Base for the whole of the Slough area for the year 2017/18; and

(ii) The sums below being the amounts of Council Tax Base for the Parishes within Slough for 2017/18:

a)	Parish of Britwell	840.7
b)	Parish of Colnbrook with Poyle	1,866.4
c)	Parish of Wexham	1,329.6

(c) That the following amounts be now calculated for the year 2017/18 in accordance with sections 31A to 36 of the Act:

(i) £406,981,084 being the aggregate of the amounts which the Council estimates for the items set out in section 31A (2)(a) to (f) of the Act. (Gross Expenditure);

(ii) £ 354,279,115 being the aggregate of the amounts which the Council estimates for the items set out in section 31A (3) (a) to (d) of the Act. (Gross Income);

(iii) £52,701,969 being the amount by which the aggregate at paragraph c (i) above exceeds the aggregate at paragraph c (ii) above calculated by the Council as its council tax requirement for the year as set out in section 31A(4) of the Act. (Council Tax Requirement);

(iv) £1,279.96 being the amount at paragraph c(iii) above divided by the amount at paragraph b(i) above, calculated by the Council, in accordance with section 31B(1) of the Act, as the basic amount of its Council Tax for the year, including the requirements for Parish precepts.

(v) That for the year 2017/18 the Council determines in accordance with section 34 (1) of the Act, Total Special Items of £223,349 representing the total of Parish Precepts for that year.

(vi) £1,274.54 being the amount at paragraph c (iv) above less the result given by dividing the amount at paragraph c (v) above by the relevant amounts at paragraph b (i) above, calculated by the Council, in accordance with section 34 (2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item relates.

(vii) Valuation Bands

Band	Slough Area £	Parish of Britwell £	Parish of Colnbrook with Poyle £	Parish of Wexham Court £
A	849.69	44.06	32.93	24.48
B	991.31	51.41	38.42	28.56
C	1,132.92	58.75	43.91	32.64
D	1,274.54	66.10	49.40	36.72
E	1,557.77	80.79	60.38	44.89
F	1,841.00	95.47	71.36	53.05
G	2,124.23	110.16	82.33	61.21
H	2,549.08	132.19	98.80	73.45

Being the amounts given by multiplying the amounts at paragraph c (iv) and c (vi) above by the number which, in the proportion set out in section 5 (1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with section 36 (1) of the Act, as the amount to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

(viii) That it be noted that for the year 2017/18 the Thames Valley Police Authority precept has been increased by 1.99%. The following amounts are stated in accordance with section 40 of the Act, for each of the categories of dwellings shown below:

Band	Office of the Police and Crime Commissioner (OPCC) for Thames Valley £
A	113.52
B	132.44
C	151.36
D	170.28
E	208.12
F	245.96
G	283.80
H	340.57

These precepts have not been formally proposed or agreed by the Thames Valley Police and may be revised when agreed.

(ix) That it be noted that for the year 2017/18 the Royal Berkshire Fire Authority has been increased by 1.99% as the following amount in precept issued to the Council, in accordance with section 40 of the Act, for each of the categories of dwellings shown below:

Band	Royal Berkshire Fire Authority £
A	41.66
B	48.60
C	55.55
D	62.49
E	76.37
F	90.26
G	104.15
H	124.98

These precepts have not been formally proposed or agreed by the Royal Berkshire Fire Authority and may be revised when agreed.

(x) Note that arising from these recommendations, and assuming the major precepts are agreed, the overall Council Tax for Slough Borough Council including the precepting authorities will be as follows:

Band	Slough £	Office of the Police and Crime Commissioner (OPCC) for Thames Valley £	Royal Berkshire Fire Authority £	TOTAL £
A	849.69	113.52	41.66	1,004.87
B	991.31	132.44	48.60	1,172.35
C	1,132.92	151.36	55.55	1,339.83
D	1,274.54	170.28	62.49	1,507.31
E	1,557.77	208.12	76.37	1,842.26
F	1,841.00	245.96	90.26	2,177.22
G	2,124.23	283.80	104.15	2,512.18
H	2,549.08	340.57	124.98	3,014.63

(xi) That the Section 151 Officer be and is hereby authorised to give due notice of the said Council Tax in the manner provided by Section 38(2) of the 2012 Act.

(xii) That the Section 151 Officer be and is hereby authorised when necessary to apply for a summons against any Council Tax payer or non-domestic ratepayer on whom an account for the said tax or rate and arrears has been duly served and who has failed to pay the amounts due to take all subsequent necessary action to recover them promptly.

(xiii) That the Section 151 Officer be authorised to collect (and disperse from the relevant accounts) the Council Tax and National Non-

Domestic Rate and that whenever the office of the Section 151 Officer is vacant or the holder thereof is for any reason unable to act, the Chief Executive or such other authorised post-holder be authorised to act as before said in his or her stead.

Fees and Charges –

(e) That the Cabinet resolves to increase Fees and charges as outlined in Appendix F for 2017/18.

Pay Policy –

(f) That the Pay Policy outlined in Appendix M be noted for Council approval:

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 strategic priorities and cross cutting themes. The maintenance of good governance within the Council to ensure that it is efficient, effective and economic in everything it does achieve through the improvement of corporate governance and democracy by ensuring effective management practice is in place.

3b **Five Year Plan Outcomes**

The report helps achieve the Five Year Plan outcomes by contributing to the Council's financial planning and ensuring the five outcomes are adequately resourced.

4 **Other Implications**

(a) Financial

Detailed within the report.

(b) Risk Management

Risk	**Mitigating action**	**Opportunities**
Legal	None	none
Property	None	None
Human Rights	None	None
Health and Safety	None	None
Employment Issues	A number of posts may be affected by changes proposed. If necessary these will be managed through the council's restructure, redundancy and redeployment policy and procedure.	None
Equalities Issues	To be assessed per each	None

	proposed saving	
Community Support	None	None
Communications	None	None
Community Safety	None	None
Financial	Detailed within the report	None
Timetable for delivery	Risk of overspend and making further savings elsewhere	Decisions that could bring savings proposals forward
Project Capacity	None	None
Other	None	None

(c) Human Rights Act and Other Legal Implications

The Council has a number of statutory functions to perform. Any savings must not undermine the Councils responsibilities to provide minimum levels of provision in key areas. The set of savings proposals for 2017/18 does not recommend any savings that will affect the council's ability to carry out its statutory functions. However, Members should be mindful of the cumulative year on year effects of savings and reductions in services and continue to make assessments of the impact on statutory functions. All the savings proposals included within this report will be closely monitored throughout the financial year and reported to Cabinet via the Monthly Financial Monitoring reports.

(d) Equalities Impact Assessment

Equalities Impact Assessments have been undertaken for all savings proposals and will be reported to full Council.

(e) Workforce

Where necessary the Council has a number of measures to minimise compulsory redundancies including;

- Developing staff skills to redeploy to alternative roles.
- Obtaining staff savings from deletion of vacant posts.
- Opportunities for Voluntary Redundancies.

The Revenue Budget is built on the assumption that there will be no significant impact on staffing.

5 Supporting Information

5.1 Summary

5.1.1 2017/18 is set to be another difficult year financially for the Council, with a continued reduction in Government funding, as well as an increased demand for Council services. The Council has managed to, wherever possible; protect Council services whilst ensuring that there is sufficient budget for the next financial year to deliver its key outcomes.

5.1.2 There remain difficult years ahead for the Council due to the financial pressures that it faces, but the budget for the 2017/18 ensures that the Council's finances are based on solid footings for the future.

5.1.2 This paper sets out the revenue budget for 2017/18 and the associated plans and assumptions contained within it. The Capital Strategy, which accompanies this report for approval, sets out the wider financial implications of decisions made in investing in the borough's infrastructure. The Treasury Management Strategy, also on tonight's agenda, details how the Council will undertake transactions concerning investments and borrowings and relates closely to the capital strategy as well as having an impact on the revenue budget savings proposals for 2017/18.

Chart 1: Funding summary

No.	*2016-17*	**Funding**	**2017-18**
1	48.69	Council Tax	52.48
2	30.00	Retained Business Rates	30.30
3	18.48	Revenue Support Grant	13.18
4	1.37	Education Services Grant	0.26
5	3.64	New Homes Bonus	3.20
6	0.84	Other non-ring fenced grants	1.36
7	0.84	Collection Fund	-0.30
8	**103.73**	**Total Budgeted income**	**100.48**
9	106.58	Prior year baseline (adj.)	103.73
10	2.30	Base budget changes	2.70
11	5.75	Directorate Pressures	2.90
12	0.33	Revenue Impact of Capital Investment	0.33
13	-1.10	Other adjustments	3.23
14	-10.00	Savings identified	-12.41
15	**103.86**	**Net Expenditure**	**100.48**

5.2 Income

5.2.1 The Council has as highlighted in the chart below, the following main sources of income:

NNDR (Business Rates)

5.2.2 The amount of retained Business Rates is determined by the Council's best estimates of the amount it calculates it will receive in Business Rates for the year ahead and submitting these estimates to central government. The government then allows the Council to retain 49% of this income, subject to a further tariff that the Council must pay Central Government. For 2017/18 the tariff has been set at **£18.9m**. The Government sets the tariff based on the historical average of business rates collected set against the level of spend the Government believes the Council should have. If, ultimately, Business Rates receipts are greater than the estimate, the Council retains 30% of this growth. However, if Business Rates decrease, the Council is liable for 50% of the reduction from its submitted estimate.

Revenue Support Grant (RSG)

5.2.3 The Council also receives Revenue Support Grant (RSG) direct from central government. RSG is determined, and comes from, Central Government and consists of Government's expectation of what the Council should spend in line with the Government's deficit reduction plans.

5.2.3.1 For 2017/18, the Council will receive £13.18m in RSG.

Council Tax

5.2.4 Another main source of Council income is derived from Council Tax receipts. The overall amount raised is based on the Council Taxbase (i.e. the number of properties in the borough) as per the report to Cabinet in December 2016 multiplied by the average band D Council Tax amount. For 2017/18 the Council Tax levels across the borough currently assume a 4**.**71**%** increase for the Slough Borough Council element at £1,217.21 for a band D equivalent (3% of this increase is due to the government's Adult Social Care precept and only 1.71% for the Council to fund all other services). This leads to an assumed Council Tax income of **£52.50m** for the Council in 2017/18.

The Provisional Local Government Finance Settlement announced that local authorities responsible for adult social care will be given an additional 1% flexibility on their current council tax referendum threshold to be used entirely for social care. The adult social care precept will increase from the current 2% to the new threshold of 3% in 2017/18 and 2018/19. The council has increased its Council Tax in line with the new ASC precept, at 3%.

Specific Grants

5.2.5 The Council also receives income from specific Government grants and these are included in appendix I. The Council budgets for an anticipated nil net cost on these specific grants; i.e. that all expenditure will be contained within the income received from Government and that the local Taxpayer does not fund these activities.

5.2.6 Specific grant income streams are generally announced at per the Local Government Finance Settlement. The total amount of non-ring-fenced Government Grants anticipated for 2017/18 is **£3.98m**. Grants included are the New Homes Bonus (£3.20m), and Education Services Grant (estimated at £0.26m) and ASC (£0.52m).

5.2.7 Significant changes were announced to New Homes Bonus, following the publication of the consultation paper a year ago. The Government is implementing its preferred option: to reduce legacy payments from 6 years to 5 years in 2017-18 and then to 4 years in 2018-19. More unexpectedly, a "deadweight" factor will also be introduced, so that no NHB payments will be made to a local authority whose housing growth is less than 0.4%. Furthermore, from 2018-19 the Government will withhold payments from authorities not supporting housing growth (appeals, local plan).

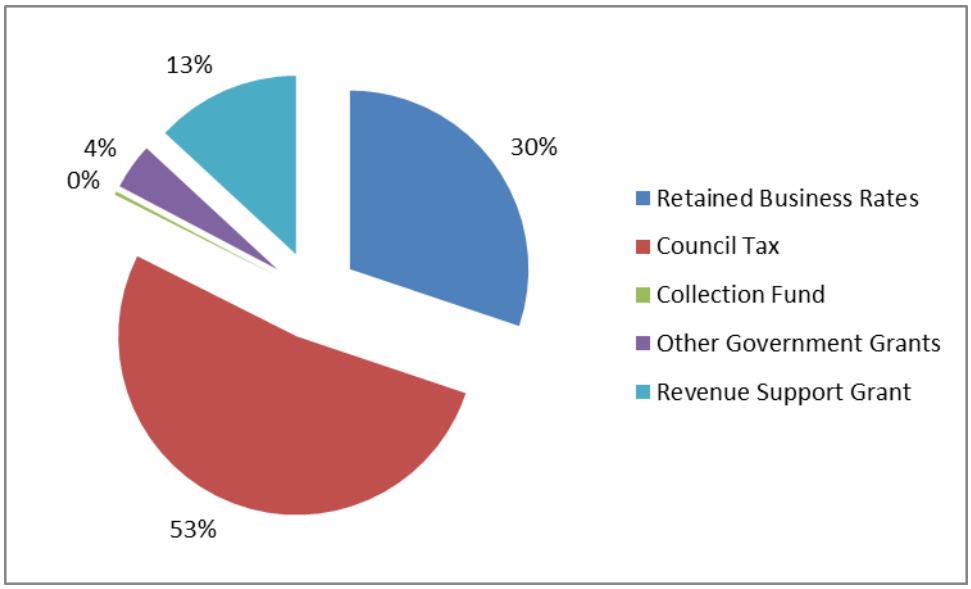
5.2.8 As expected, the main focus is on adult social care. Savings from NHB will be used to contribute towards adult social care funding. A new £240m adult social care support grant will be created in 2017-18, for one year only, and distributed according to relative need. Slough's allocation for 2017/18 is £0.52m

Collection Fund

5.2.9 The final factor to take into account is the Collection Fund. This is a statutory account which details the actual income received in respect of Council Tax and retained business rates compared to the estimates made in January 2016 for the 2016-17 budget. At present this is anticipated to produce a deficit of **£0.3m.**

5.2.10 The total income available to the Council for the 2017/18 for its net budget is therefore **£100.48m**.

Chart 1.1: Council income sources



5.2.11 2017-18 Budgets for Schools, Academies and Free Schools.

5.2.12 The School funding formula factors for 2017/18 are the same as reported in 2016/17. The schools existing Dedicated Schools Grant (DSG) has been used to fund an estimated number of children in the new Grove School (SASH2) which opens in September 2017.

5.2.13 The Department for Education (DFE) has made some changes to the index of deprivation affecting children (IDACI) banding and prior attainment. This has, however, had limited effect on the overall School budgets for 2017/18. All pupil led factors are being protected by the Minimum Funding Guarantee (MFG) which ensures that no school loses more than 1.5%.

5.2.14 The school forum was advised of the estimated draft budget on the 10th January 2017. This included the December allocation table listed below:

Description	Allocation £M	Comment
School block budget	£ 123.79	Fixed
Early years budget	£ 15.20	Provisional
High needs budget	£ 22.13 (this includes an increase in growth allowance of £310k and academy place	The Academy place budget has increased from £3.69m to £4.23m. This is a reduction in Slough's "top up" budget of £540k. The DFE has increased our funding by £310k; therefore

	funding which the DFE will recoup from Slough's High needs block.)	the net deduction is £230k. Other additions to the HNB has transferred the responsibility for Post 16 to SBC, which will be passported to 6th form providers.

5.2.15 A selected group of Head Teacher who are members of the School Block Task Group met after the School Forum meeting to discuss and review in detail each factor of the School block budget.

5.3 Expenditure

5.3.1 The Council's base budget for 2016/17 stood at £103.73m and it is against this figure that all adjustments are completed. The adjustments included:

(1) Base budget **£2.7m** – these are movements due to inflationary pressures, pay award (assumed at 1% for 2017/18), incremental rises and other adjustments related to previous years and virements. Appendix B has further details.

(2) Directorate Growth **£3.2m** – these are the totals of increased pressures on the council for 2017/18. Appendix C provides details of these.

(3) Savings of **£12.4m**. The items above combined with the reduced overall income to the Council leave a savings target that needs to be closed. Appendix A details the proposals behind the savings

(4) Other Adjustments – This is the return of £1.1m of general reserves, used to fund the 2016/17 revenue budget and a reversal of £1.8m for one-off income amounts included within the 2016/17 budget. The budget allows for a contribution of £0.342m to General Fund reserves.

5.3.2 The savings target is driven by the increases to the base budget, i.e. the structural costs of operating an organisation the size of the Council with its current conditions, service pressures and the reduction to RSG. These overall cost rises are offset by any growth in Council Tax income and / or retained Business Rates as well as any movements from other non-ring fenced grants and the Collection Fund.

5.3.3 As can be seen from the above, the main driver for savings is the Government funding reduction to Revenue Support Grant. Though additional income from Council Tax and Business Rates partial offsets this, the scale of funding reduction is such that this is by far the primary driver for savings.

5.4 Strategy

5.4.1 The council has been regularly monitoring the levels of savings required for the year ahead, and a report was presented to Cabinet in December detailing the levels of savings required and providing an early sight of the savings proposals themselves. Cabinet have approved for £8.54m of savings to be included in the 2017/18 Revenue Budget with a further £3.87m to be approved, and these are contained within appendix A to this report.

5.4.2 The rationale for outcomes based budgeting was also to drive more innovation in the delivery of Council services and to take a more strategic look over the life of the MTFS to commence schemes that will re-shape services or deliver significant income in future financial years. These will need to be approved on an annual basis per the Council revenue budget setting process, but this provides a clear trajectory for where the Council is seeking to make change in the future. As can be seen from the chart, there are significant new income streams that the Council will be pursing to enable the delivery of the 5YP but also to protect other services areas from even further reductions in budgets due to overall reduction in Government funding.

5.4.3 Following the multi-year settlement provided by government to Slough Borough Council, the Council has decided to provide similar financial certainty to the Slough Children's Services Trust (SCST) on the amount it intends providing as part of the Trusts' Core Contract, as follows:

2017/18	2018/19	2019/20
£24.411m	£24.811m	£25.211m

5.5 Reserves

5.5.1 The Council holds a variety of reserves, and these are detailed further in appendix D. It is vital for the Council to hold a minimum level of reserves to ensure that if there is an overspend in the financial year due to demand pressures or emergencies, that the Council can cover this without going out to residents immediately requesting additional Council Tax; the general reserve gives the Council more time to deal with impact of overspends on the services that are delivered.

5.5.2 As per this report, the minimum level of recommended General Fund reserve has been set at 5% of the Council's net revenue budget. The current volatility and uncertainty over government funding in terms of Revenue Support Grant, Better Care Fund, Education Services Grant and New Homes Bonus as well as welfare reform costs pressures means that it is estimated an additional £2m of balances are required to cover these contingencies. This would mean a minimum level of **£7.2m** at the proposed budget figures. The current level of general reserves as at 31.3.2016 is £8.1m.

5.6 Risk Management

5.6.1 Given the level of savings for 2017/18, it is vital to ensuring the long term stability of the Council that these are delivered to enable a balanced budget, but also that the savings package as a whole is considered across the Council and that the sum of the savings do not create difficulties for other parts of the Council when delivering services for its residents.

5.6.2 During the 2017/18 financial year, as has been the case in 2016/17, there will be monthly monitoring of the savings proposals to identify which are green, i.e. on track to be delivered, amber or red (not expected to be delivered in year). This will enable the Council to adjust it's future budget position for any unmet savings as well as ensure that it can take appropriate in year steps to rectify any growing overspends that arise.

5.7 Impact on service budgets

5.7.1 The table below highlights the changes to service budgets as a result of all of changes detailed in the budget and associated papers.

Table 2.1: Impact on service budgets

	2016/17 £m	Inflation £m	Other Adjustments £m	Growth £m	Savings £m	2017/18 £m
Wellbeing	60.0	1.4	0.0	1.1	(1.8)	60.6
Customer and Community Services	17.3	0.4	0.0	0.4	(1.4)	16.7
Regeneration, Housing and Resources	23.1	0.7	1.8	0.4	(2.6)	23.4
Chief Executive	3.8	0.2	0.0	0.0	(0.1)	4.0
Corporate	(0.1)	0.0	0.0	0.0	0.0	(0.1)
Net Cost of Services	**104.0**	**2.7**	**1.8**	**1.9**	**(5.9)**	**104.7**
Below the Line	(0.3)	0.0	1.4	1.3	(6.5)	(4.1)
Budget Requirement	**103.7**	**2.7**	**3.2**	**3.2**	**(12.4)**	**100.5**

This table includes internal restructures as well as a result of all of the increase in costs from pressures and base budget adjustments and reduced by savings items. This table highlights how budgets are changing in their entirety rather than where savings are being made

6 Medium Term Financial Strategy (MTFS)

6.1 The MTFS seeks to set out the background to the Council's current financial position, and estimate its future financial position, and highlight some of the key strands to deliver a balanced position over the period of the MTFS.

6.2 Given the scale of the ongoing reductions in Central Government spend, the Council has, and will increasingly need to, deliver public services in a more joined up, effective and efficient manner. Maintaining the current levels and delivery of existing services is unlikely to be an option to the Council in the future.

6.3 The Council is well prepared to meet the financial challenges of the coming years. It has a history of ensuring a balanced budget is delivered, as well as over recent years increasing general reserves to a sustainable level to meet the future financial challenges. The Council has successfully delivered a number of change projects in recent years, with a number of the Council's services being delivered by private sector partners. At the same time, the Council has maintained investment in its infrastructure through the approval of capital budgets to deliver a variety of programmes. The Capital Strategy going forward will be even more focussed on delivering revenue savings through the effective use of infrastructure investment.

6.4 As can be seen from the above the relative importance of Council Tax and retained business rates grows over the period of the MTFS from 75% to almost 100% of the Council's income; the Council will by the end of the MTFS be much less reliant upon Government funding. To reflect this, the Council has made retaining existing businesses and attracting new businesses, as well as ensuring a strong supply of housing two of the key outcomes within the new 5YP.

6.5 The Financial Model

Below is a summary of the financial model that drives the anticipated figures included within this document. Also included below the model are some of the key assumptions contained within the model.

The MTFS financial model

	16/17	17/18	18/19	19/20	20/21
	£'000	£'000	£'000	£'000	£'000
Opening Budget	107,658	103,735	100,476	98,131	96,963
Base Budget Changes	2,299	2,700	2,700	2,700	2,700
Directorate Pressures	5,752	3,204	(192)	0	0
Revenue Impact of Capital Investment	330	330	250	750	750
Other Adjustments	(2,180)	2,918	0	0	0
Savings Identified	**(10,125)**	**(12,411)**	**1,441**	**(5,363)**	**0**
Savings Requirement	**0**	**0**	**(6,544)**	**745**	**(1,678)**
BUDGET REQUIREMENT	**103,734**	**100,476**	**98,131**	**96,963**	**98,735**
Retained Business Rates	29,870	***30,300***	*30,603*	*30,909*	31,218
Council Tax	48,693	**52,479**	55,134	56,799	58,515
Collection Fund	841	(300)	0	0	0
Education Support Grant	1,370	**263**	0	0	0
Revenue Support Grant	18,480	***13,180***	*9,680*	*6,120*	6,120
Adult Social Care Grant		518	(518)		
New Homes Bonus	3,640	**3,196**	2,391	2,295	2,043
S31 Business Rates Grant	840	***840***	*840*	*840*	*840*
TOTAL ESTIMATED FUNDING AVAILABLE	**103,734**	**100,476**	**98,131**	**96,963**	**98,735**

- Council Tax – assumed that the Taxbase (i.e. number of properties in Slough) rises by 4% from 2017/18 and then 1.5% for future years. Council Tax to increase by 4.71% in 2017/18, 3% in 2018/19 and then modelled at 1% in future years.

- Retained Business Rates – assumed small growth in Business rates for 2017/18 and that they rise in line with inflation thereafter.

- Revenue Support Grant (Government grant) – includes 2017 to 21 figures announced by Government in December 2015 as part of the 4-year settlement offer. These numbers have been confirmed as part of the December 2016 Government announcement.

- Education Services Grant (Government grant) – expect to reduce as this grant reduces with every school that converts to academy status.

- New Homes Bonus – assumed growth in the Taxbase and then reduces per the Government's finance settlement.

- Collection Fund – the balance of surplus / deficit on retained business rates and Council Tax compared to original assumptions

- Base budget changes – increases due to non-pay and pay pressures across the Council.

- Directorate pressures – the 2017/18 items are detailed in Appendix C.

- Revenue impact of capital investment – the amount of revenue budget required to pay off any additional capital borrowing required in future financial years from the capital strategy.

- Other adjustments – the use of or contribution to specific reserves, or one-off saving items that do not go into the baseline of savings.

- Savings– the amount of savings required for each financial year.

7 Comments of Other Committees

7.1 This report will be considered by the Cabinet on the 6th February 2017 and any comments from the Committee will be reported to that meeting prior to its recommendations to Council on 23rd February 2017.

8 Conclusion

8.1 This report underlines a **4.71%** Council Tax rise for the local taxpayer for 2017/18 (based on fully implementing the government's Adult Social Care precept of 3% and an increase of 1.71% for all other council services). The delivery of this revenue budget is based on a variety of savings measures that are geared towards minimising the impact on service users. These savings measures need to be considered in light of the risks that they represent and in line with any impact assessments that are required.

8.2 This report also contains a subsequent number of Council Tax resolutions for approval to enable the Council to bill residents in appropriate time.

9 Appendices Attached

'A' - Savings proposals

‘B’ - Base budget assumptions

‘C’ - Service pressures

‘D’ - Reserves position

‘E’ - Collection Fund

‘F’ - Fees & Charges

‘G’ - Council Tax Resolution

‘H’ - Section 151 officer statement

‘I’ - Specific Grants

‘J’ - HRA Rents and Service Charges

‘K’ - Equality Impact Assessment

‘L’ - Efficiency Strategy

‘M’ - Pay Policy Statement

9 Background Papers

‘1’ - Local Government Finance Settlement 2017/18

‘2’ - Council Taxbase Report (December 2016 Cabinet)

‘3’ - Medium Term Finance Strategy update paper to Cabinet (December 2016 and January 2017)

Slough Borough Council **Appendix A**

Savings Proposals

2017 - 2021

Ref	Directorate	Service	Cost Centre	Service Lead	Latest Position				Savings Item	Possible Staffing Impact
					17/18	18/19	19/20	20/21		
					£'000	£'000	£'000	£'000		
3	RHR	Environmental Services (WASTE)		NH	475				Amey 'profit' element in contract removed following new service provision in December 2017.	N
4	CCS	Learning and Community Services		PW	25				Expansion of Apprenticeship Scheme attracting additional SFA funding.	N
5	CCS	Learning and Community Services		PW	10				Adult learning and skills - reduction in data and performance information	**N**
10	RHR	Housing and Environment		PT	50				Temporary Accommodation - Reduce staffing costs by transferring some of these to the subsidiary housing company	**Y**
11	RHR	Housing and Environment		PT	114				Home improvements- Income generation from fees	**N**
12	RHR	Housing and Environment		PT	100				Savings from sourcing temporary accommodation through the activity of the subsidiary housing company.	**N**
13	RHR	Housing and Environment		PT	6				Home Improvements and Strategic Housing - Capitalisation	**N**
18	CCS	Public Protection		GdH	10				Additional income generation from the switch of alarm monitoring of Corporate Landlord property alarms to CCTV Control Centre and other services	**N**
19	CCS	Public Protection		GdH	30				Re -commissioning of Domestic Abuse Contract	**N**
32	Wellbeing	Public Health		AS	156				Review and reduction of Public Health Contracts	**N**
37	Wellbeing	Adult Social Care		SB	44				Use of Telecare and Equipment to reduce Personal Budget Levels	**N**

Slough Borough Council
Savings Proposals
2017 - 2021

Appendix A

Ref	Directorate	Service	Cost Centre	Service Lead	Latest Position				Savings Item	Possible Staffing Impact
					17/18	18/19	19/20	20/21		
					£'000	£'000	£'000	£'000		
39	Wellbeing	Adult Social Care		SB	200				Continuing Health Care (transfer of funding responsibility from NHS)	N
40	Wellbeing	Adult Social Care		SB	220				Re-assessments to reduce Personal Budget levels	N
41	Wellbeing	Adult Social Care		SB	250				Housing related support review	N
42	Wellbeing	Adult Social Care		SB	150				Voluntary sector strategy planned funding reduction	N
43	Wellbeing	Adult Social Care		SB	300				Adult Social Care Restructure	Y
44	CCS	Public Protection		GdH	10				Increase in income	N
49	RHR	Finance & Audit		NW	50	50	50	0	Increased Treasury Management Returns	N
50	RHR	Finance & Audit		NW	165	175	0	0	Mortgages deposits being offered with rental (@4%). Assumed 20 then 75	N
52	CCS	Planning and Building Control		SD	11	11	11	0	Reduction in subsidy through additional income from pre-application and increased planning application numbers off the back of the local plan review/growth agenda.	N
53	CCS	Planning and Building Control		SD	4	4	0	0	Savings from reducing specialist consultancy support by training existing staff to undertake both petroleum licensing and environmental permitting.	N
54	RHR	Facilities		CD	10	10	10	0	Additional income - Maximise Use of Office Space	N
55	RHR	Facilities		CD	5	5	5	0	FM Contracts Review	N
59	CCS	Public Protection		GDH	5				TRADING STANDARDS - Partnership with approved trader scheme	N
65	CCS	Planning and Building Control		SD	3	2	3		Re-negotiate landfill monitoring contract	N

Slough Borough Council
Savings Proposals
2017 - 2021

Appendix A

Ref	Directorate	Service	Cost Centre	Service Lead	Latest Position				Savings Item	Possible Staffing Impact
					17/18	18/19	19/20	20/21		
					£'000	£'000	£'000	£'000		
70	CCS	Learning and Community Services		PW	104				Reduction in overhead costs following the library service being brought "in house".	N
74	RHR	Transport and Highways		SdC	524				Capitalisation of Highway Maintenance from D412 and D458	N
75	RHR	Transport and Highways		SdC	150				Replacement of council fleet and hire vehicles through capital investment (invest to save) resulting in reduced maintenance and reduced hire costs. Increase in charges for Community Transport hire charges for third party's as part of income generation.	N
76	RHR	Transport and Highways		SdC	250				Reduction in Revenue budget as a result of new streetlighting contract including further energy savings, reduction in scouting and reduction in cleaning of lanterns.	N
77	RHR	Transport and Highways		SdC	100				Reduction in management costs for the current professional services contract.	N
78	CCS	Wellbeing & Community Services		KG	50				Community & Skills restructure 2015/16 – removal of service transition budgets	N
79	CE	Professional Services		SN	50				Reduction in budget lines across HR service area.	N
80	Corporate	Below the Line		NW	4,758	-4,758			2017/18 SUR: One off profit share	N
80	Corporate	Below the Line		NW		3,639	-3,639		2018/19 SUR: One off profit share	N
80	Corporate	Below the Line		NW			8,924	-8,924	2019/20 SUR: One off profit share	N
80	Corporate	Below the Line		NW				11,443	2020/21 SUR: One off profit share	N
83	Wellbeing	Adult Social Care		AS	100				Extend use of supported living provision to support moderate to severe needs Mental Health Clients following succesful Hope House project.	N

Slough Borough Council
Savings Proposals
2017 - 2021

Appendix A

Ref	Directorate	Service	Cost Centre	Service Lead	Latest Position				Savings Item	Possible Staffing Impact
					17/18	18/19	19/20	20/21		
					£'000	£'000	£'000	£'000		
84	Wellbeing	Adult Social Care		AS	30				Fees and charges increase for client contributions	N
85	CCS	Contracts, Commissioning & Procurement		FN	50				Reduction in budget lines across Procurement Team service area.	N
86	CCS	Learning and Community Services		PW	780	-780			Libraries' Contract Overpayment (one-off)	N
87	Corporate	Below the Line		NW	630				MRP payment holiday following overprovision in previous years	N
88	ALL	Various		GG	600				Reduction in Salary Budgets to prioritise lower Agency Spend	N
89	CCS	Legal		AH	300	200			Increase internal legal capacity to reduce spend on external legal advice (Net position)	N
90	RHR	Various		JC	300				Creation of dedicated SUR Team and capitalise costs	N
91	Wellbeing	Children, Young People and Families Services		JM	350				Review of Cambridge Education Trust Budgets to reflect reduction in Mott MacDonald profit element	N
92	Various	Various		GG	347				Increase in Specific Fees and Charges (general 1% uplift)	N
94	RHR	Asset Management		SG	500				Additional income generated via the Strategic Acquisition Fund in 17/18	N
95	CCS	Planning and Building Control		JN	35				Expected compensating savings following introduction of the fleet of electric vehicles (growth bid included)	N
		Total Savings			**12,411**	**-1,441**	**5,363**	**2,519**		

Appendix B - Base Budget Adjustments

As part of the Council's budgeting process, the Council faces a variety of pressures due to the nature of its activities.

Detailed below are the key pressures the Council faces and identifies how these are applied across the Council's different directorates:

	Wellbeing £'000	CCS £'000	RHR £'000	CE £'000	Corp £'000	Total £'000
Pay changes	220	40	59	148		468
Ni Changes	190	47	179	64		481
Pension Increases	287	15	48	2		352
Incremental rises	9	121	60	24		214
Non-pay changes	655	172	347	5	8	1,185
Total	**1,360**	**395**	**694**	**244**	**8**	**2,700**

Appendix C - Growth

Ref	Directorate	Service	Service Lead	Latest Position				Growth bid
				17/18 £'000	18/19 £'000	19/20 £'000	20/21 £'000	
1	Wellbeing	Adult Social Care	AS	1,050				Demographic Growth in Adult Social Care
2	RHR	Housing and Environment	NH	100				Demographic Growth – Waste Management (New Homes = More Rubbish Collection)
3a	BTL	Below the Line	NW	1,000				Provision for actuarial revaluation of RBWM Pension Fund
5	CCS	Contracts, Commissioning & Procurement	FN	100				Increased Contract Management Resource
6	RHR	Corporate Finance	NW	340				Funding required to offset government's decrease in Housing / DHP / HB Admin grants following transfer of responsibility to local authorities.
7	CCS	Learning and Community	PW	137				Funding required to allow for Government's introduction of 0.5% Apprenticeship Levy on total payroll.
8	CCS	Learning & Community	PW	0	150			Library Staff Harmonisation - Harmonisation reserve used for 2017/18
9	RHR	Emergency Planning	JC	100				Emergency Planning - Contribution to shared service with Berkshire authorities and associated staffing resource
10	CCS	Planning and Building Control	JN	35				Introduction of a fleet of electric vehicles to be offset by compensating savings
11	CCS	Increase in general reserve	NW	342	-342			Increase in general reserve
		Total Service Pressures		**3,204**	**-192**	**0**	**0**	

Appendix D

2017/18 Council Reserves

As part of the Council Tax setting process it is important that the Council takes into account its level of reserves in order to cover all known risks over the future financial year. The Council's main reserves have been detailed below, along with a commentary concerning their use and size. Reserves are one-off elements of funding and would require additional funds to increase these in future years.

During the year, a review of all earmarked reserves has been undertaken to ensure that these are fit for purpose and where any excess reserve has deemed to be held this has been re-provided into other reserves or released to support the 2016-17 budget position.

General Fund

The Council's General Fund reserve is the amount set aside for the year ahead that is uncommitted and for any purpose. The s151 officer's commentary in the later appendix details the level of reserve that he believes should be set aside as a minimum. For 2017/18, the minimum level has been set at £7m

General Fund	Amount / £m
As at 31.3.2016	8.1
Forecast Q4 (2016/17) position (under / over (-) spend - *estimated*	0
Addition to General Fund	0.3
Forecast 31.3.2017 position	8.4

Harmonisation Reserve

	Amount / £m
As at 31.3.2016	0.40
Reintegration of Libraries into Slough control	0.15
Forecast 31.3.2017 position	0.25

Collection Fund

This the balance of the previous year's deficit or surplus carried forward on the Collection Fund. The Collection Fund is an in-year account comparing the anticipated Council Tax and Retained Business Rates receipts with the forecasts made in January the previous year. Any deficit or surplus must be recognised in the next financial year's budget setting. Appendix E provides further detail.

Restructuring Reserve

This fund is for future restructuring liabilities. Where a restructure occurs and generates on-going revenue savings to help the Council achieve its objectives set out in the MTFS, the funding will be released.

	Amount / £m
As at 31.3.2016	1.09
Expected restructure costs	0.33
Forecast 31.3.2017 position	0.76

Unusable reserves

The Council also holds a number of unusable reserves; these include the pensions reserve, revaluation reserve and Capital Adjustment Account. These reserves are not resource backed and cannot be used for other purposes beyond ensuring the Council complies with proper accounting practice

Appendix E

2017/18 Collection Fund

The Collection Fund is a statutory account that the Council must maintain. The fund considers the amount of Council Tax that was anticipated to be collected when the Council sets its Council Taxbase (i.e. the number of properties in the borough at Band D equivalent) in January before the financial year begins. The fund also consider the anticipated receipts from retained Business Rates that the Council received compared to the forecast made in January before the start of the financial year.

There are two key variables which alter the Collection Fund position; (i) an increase or decrease in the number of properties compared to the forecast, or (ii) an increase or decrease to the collection rate at which the Council is collecting these taxes. Following the introduction of its Council Tax support scheme in January 2013, any increase or decrease in Council Tax support claimant's impacts upon the Collection Fund position.

The Council must estimate its Collection Fund position for the year ahead before setting its budget. Any surplus or deficit on the collection fund position must be taken into accounts in the following year; i.e. if the Council had a surplus of £10k in the collection fund for 2016-17, it would need to show this in the 2017-18 budget paper.

The anticipated Collection Fund position as at January 2017 is as follows:

- Council Tax £0.1m Deficit
- Retained Business Rates £0.2m Deficit

The figures above relate purely to the Council's share of the collection fund. The fire authority shares both the Council Tax and Retained Business Rates collection fund and the Fire alone shares the retained business rates fund.

2017/18 Fees and Charges

FEES AND CHARGES			2016/17	2017/18	% increase
Sports Pitches	Adult Football	Single game. Increased after benchmarking	£67.82	£68.50	1%
	Child Football	Single game. Increased after benchmarking	£39.42	£39.81	1%
	Adult Cricket	Single game. Increased after benchmarking	£76.70	£77.47	1%
	Minibus hire	Increase from external consultancy recommendation	£70.50	£72.62	3%
	Allotments	Average fee	£5.26	£5.31	1%
	Parks				
Development Management Pre-Application Fees	Householder Extensions desktop		£45.00	£45.00	0%
	Householder Extensions site visit		£140.00	£140.00	0%
	Residential Development	1 dwelling (£55 for follow up)	£180.00	£180.00	0%
		2-5 dwellings (per dwelling. £55 follow up per dwelling)	£180.00	£180.00	0%
		6-9 dwellings (per dwelling. £55 follow up per dwelling)	£180.00	£180.00	0%
		10-29 dwellings (plus £500 per additional meeting)	£1,800.00	£1,800.00	0%
		30-49 dwellings (plus £660 per additional meeting)	£2,200.00	£2,200.00	0%
		50-149 dwellings (plus £980 per additional meeting)	£3,250.00	£3,250.00	0%
		50+ dwellings (plus £1,260 per additional meeting)	£4,200.00	£4,200.00	0%
	Non-residential Development	Up to 249 sq.m	£130.00	£130.00	0%
		250 - 499 sq.m (£60 per additional meeting)	£200.00	£200.00	0%
		500- 999 sq.m (£180 per additional meeting)	£600.00	£600.00	0%
		1,000 - 9,999 sq.m (£420 per additional meeting)	£1,400.00	£1,400.00	0%
		10,000+ sq.m (£980 per additional meeting)	£3,250.00	£3,250.00	0%
	Other services				
	Trees and landscaping		£100.00	£100.00	0%
	Works to TPO trees/Conservation	New	£100.00	£100.00	0%
	Advertisements	New	£100.00	£100.00	0%
	Non-material amendments	New	£100.00	£100.00	0%

	Approval of details / clearance of planning conditions	New	£100.00	£100.00	0%
	Variation of conditions	New	£100.00	£100.00	0%
	Extensions / Alterations to listed buildings	New	£100.00	£100.00	0%
	Certificate of lawfulness, Prior Approval	New	£100.00	£100.00	0%
	Local Community Group		£100.00	£100.00	0%
	Telecoms		£180.00	£180.00	0%
Social Care	AT (Assistive Technology)	Per person per week. Includes supply, installation and maintenance of all linked service devices and 24/7 monitoring and response services	£4.50	£4.55	1%
Social Care	Home Care	Per hour	£18.00	£18.18	1%
	Day Care		£39.50	£39.90	1%
	Respite		Assessed charge	Assessed charge	
	Respond 18 - 24		£5.40	£5.45	1%
	Respond 25+		£7.80	£7.88	1%
	Refreshments at day centre		£1.00	£1.01	1%
	OP Residential		£570.00	£575.70	1%
	OP EMI		£670.00	£673.60	1%
	LD Residential		£940.00	£949.40	1%
	LD Respite		£1,035.00	£1,045.35	1%
	Day Care OP and Adults	Other LA	£61.00	£61.61	1%
	Day Care LD	Other LA	£82.00	£82.82	1%
Libraries	**Hire Charges**				
	Book (incl those with CD Rom)	For 3 weeks	Free	Free	
	Audio Books	For 3 weeks	From 75p	From 75p	
	Childrens Audio Books	For 3 weeks	£0.25	0	
	E books (incl. E audio)	For 3 weeks	Free	0	0%
	Playaways	For 3 weeks	£2.00	£2.00	0%
	DVD's - Adults new releases	For 1 week	£2.70	£2.70	0%
	DVD's - Adults older titles	For 1 week	£1.70	£1.70	0%
	DVD's - "U" certificate	For 1 week	£1.70	£1.70	0%
	DVD's - Information films	For 1 week	£1.70	£1.70	0%
	Music - Adults CDs	For 3 weeks	£1.00	£1.00	0%
	Music - Childrens CDs	For 3 weeks	£0.25	£0.25	0%
	CD Roms - General	For 1 week	£1.00	£1.00	0%
	CD Roms - Learn English	For 3 weeks	Free	Free	0%
	CD Roms - Learn Languages	For 3 weeks	£0.50	£0.50	0%
	Console Games	For 1 week	£2.50	£2.50	0%
	Mixed Media Packs	For 3 weeks	£1.00	£1.00	0%
	Energy Monitors	For 3 weeks	Free	Free	0%
	Toys - under £50	For 3 weeks	£0.50	£0.50	0%
	Toys - £51 plus	For 3 weeks	£1.50	£1.50	0%
	Large toys and sports equip	For 3 weeks	£4.00	£4.00	0%

	Reservations and Requests				
	Adult books	If in stock	£0.50	£0.50	0%
	Childrens books	If in stock - 2 books per visit (25p eqach for more)	Free	Free	
	From another LA	Adult books	£3.00	£3.00	0%
	From SELMS	Adult books	£3.00	£3.00	0%
	From British Library	Adult books	£4.00	£4.00	0%
	Adult audio books, CD's etc		£0.50	£0.50	0%
	Children's audio, CDs etc	If in stock - 2 per visit (25p each for more)	Free	Free	
	E books and E audio		Free	Free	
	DVD's and console games	Adults and children	£0.50	£0.50	0%
	Music Scores		£3.00	£3.00	0%
	Overdue Charges				
	Adults Books	Per day the library is open, capped at £5	£0.15	£0.15	0%
	Adults CD's, cassettes etc	Per day the library is open, capped at £5	£0.15	£0.15	0%
	Adults DVD's	Per day the library is open, capped at £10	£0.60	£0.60	0%
	Children 0 -13	Books, CD's and Cassettes	Free	Free	
	Children 14 +	Per day the library is open, capped at £0.96	£0.02	£0.02	0%
	Childrens DVD's - age 0-13		Free	Free	
	Childrens DVD's - age 14+	Per day the library is open, capped at £7	£0.60	£0.60	0%
	Information DVD's	Per day the library is open, capped at £7	£0.60	£0.60	0%
	Notice For overdues - post				
	Notice for overdues - email		Free	Free	
	Childrens books on adult cards	Per day the library is open, capped at £7	£0.05	£0.10	100%
	Lost and Damaged				
	Books In print	Adults and Childrens	Full cost	Full cost	
	Books Out of print	Adults and Childrens	£15.00	£15.00	0%
	CD's	or if one disc from multiple set £12	Full cost	Full cost	
	Cassettes	or if one cassette from multiple set £7	Full cost	Full cost	
	DVD's, CD-Roms and console		Full cost	Full cost	
	Readers Cards - Adults		£2.00	£2.00	0%
	Readers Cards - Children (U15)		Free	Free	
	Readers Cards - Pin number				
	Photocopying				
	A4		£0.10	£0.20	100%
	A3		£0.20	£0.40	100%
changed recently	Colour A4		£1.00	£1.00	0%
changed recently	Colour A3		£1.50	£1.50	0%

	Computer Print Outs				
change recently	Black and white A4		£0.30	£0.30	0%
change recently	Black and white A3		£0.50	£0.50	0%
change recently	Colour A4		£1.00	£1.00	0%
change recently	Colour A3		£1.50	£1.50	0%
	Information and Local Studies				
	A3 Microfilm, microfiches		£0.40	£0.40	0%
	A3 Microfilm, microfiches		£0.80	£0.80	0%
	A4 orders from library resources		£0.80	£0.80	0%
	A3 orders from library resources		£1.60	£1.60	0%
	Digital photos from newspapers		£3.00	£3.00	0%
	Commercial copy of local studies		£20.00	£20.00	0%
	Research Service	First 30 mins free, subsequently each 15 mins £10	various		
	Hire os Study Carousels	per half day	£2.00	£2.00	0%
	Meeting Rooms	From £12 per hour			
		20 hour	£20.00	£20.00	0%
		30 hour	£30.00	£30.00	0%
Enforcement Agents	Fixed Fee	Passed to Enforcement Agent and letter sent	£75.00	£75.00	0%
(Bailiffs)	Enforcement visit	Plus 7.5% of balance above £1,500	£235.00	£235.00	0%
	Controlled Goods Agreement	Plus 7.5% of balance above £1,500	£110.00	£110.00	0%
Weddings and Civil Partnerships	Notice	Per Person	£35.00	£35.00	0%
	Notice	Per Person (non EU National)	£47.00	£47.00	0%
	Superintendent Registrar	Weekdays	£375.00	£375.00	0%
		Saturdays	£435.00	£435.00	0%
		Sundays	£635.00	£635.00	0%
Citizenship Ceremony	Individual - midweek				
	Individual - Saturday				
Renewal of Marriage Vows / Baby naming ceremonies					
	Approved Premises Licence	???			
Burials and Cremations					

Slough Cemetry	Purchase of a new grave Slough Res		£925.00	£925	0%
	Purchase of a new grave Non Slough Res	£1,720 for non Slough resident	£1,850.00	£2,035	10%
	Digging fees (new graves)	Slough Res	£600.00	£720	20%
	Digging fees (new graves)	Non Slough resident 8' 6"	£1,200.00	£1,440	20%
	Digging fees (new graves)	Slough resident 6' 6"	£510.00	£612	20%
	Digging fees (new graves)	non Slough resident 6' 6"	£1,020.00	£1,224	20%
	Digging fees (new graves)	Slough resident 4' 6"	£530.00	£636	20%
	Digging fees (new graves)	non Slough resident 4' 6"	£1,060.00	£1,272	20%
	Casket additional fee	Slough resident	£155.00	£186	20%
	Casket additional fee	non Slough resident	£160.00	£192	20%
	Digging fees (re - opening)	Slough resident 8' 6"	£1,095.00	£1,205	10%
	Digging fees (re - opening)	non Slough resident 8' 6"	£2,190.00	£2,409	10%
	Digging fees (re - opening)	Slough resident 6' 6"	£610.00	£671	10%
	Digging fees (re - opening)	non Slough resident 6' 6"	£1,220.00	£1,342	10%
	Digging fees (re - opening)	Slough resident 4' 6"	£610.00	£671	10%
	Digging fees (re - opening)	non Slough resident 4' 6"	£1,220.00	£1,342	10%
	Weekend and bank holiday	extra fee - Slough Res	£965.00	£1,158	20%
	Weekend and bank holiday	extra fee - Non Slough Res	£1,535.00	£1,842	20%
	Public Graves (stillborn to Age 17)	Slough resident	£270.00	£297	10%
	Public Graves (stillborn to Age 17)	non Slough resident	£540.00	£594	10%
	Public Graves (Adult)	Slough resident	£480.00	£576	20%
	Public Graves (Adult)	non Slough resident	£960.00	£1,152	20%
	Childrens Section	Exclusive right for 50 years	£410.00	£410	0%
		Slough Resident	£265.00	£265	0%
		non Slough Resident	£530.00	£530	0%
	Cremated Remains Graves	Exclusive right for 50 years	£560.00	£616	10%
		Slough Resident	£270.00	£297	10%
		non Slough Resident	£540.00	£594	10%
		Interment booked by F/D without attendance (£540 non Slough Resident)	£290.00		
	Remove and Replace Memorial on grave		£165.00		
	Use of chapel for burial service		£175.00	£210	20%
	Transfer / Assign Deed		£66.00	£66	0%
	Copy Deed		£44.00	£44	0%
	Pre 1993 search fee		£12.00		

	(manual records)				
	Permit - right to erect memorial	additional inscription / kerbset	£125.00	£138	10%
	Stonemasons trade name on memorial		£19.00	£19	0%
	Stonemasons trade name in reception		£215.00	£215	0%
	Chamber		£2,350.00	£2,350	0%
Slough Crematorium	Cremation Fee - resident	Includes organist, medical referee, environment fees	£760.00	£760	0%
	Cremation Fee - non resident	As above	£790.00	£790	0%
	Cremation Fee - under 17	As above	Free	Free	
	Cremation Fee - Saturday, resident	As above	£880.00	£880	0%
	Cremation Fee - Saturday, non resident	As above	£910.00	£910	0%
	Double Service Time		£175.00	£210	20%
	Late cancellation		£50.00	£50	0%
	Casket Purchase		£67.00	£67	0%
	NVF Casket Purchase		£10.00	£10	0%
	Scattering remains - other crems		£67.00	£74	10%
	Use of chapel for burial service		£175.00	£210	20%
	Bearer		£23.00	£23	0%
	Drop off coffin prior to service		£50.00	£50	0%
Certificates	Births, Deaths and Marriages	On day of registration	£4.00	£4.00	0%
		From current registers after the date	£7.00	£7.00	0%
		From completed registers	£10.00	£10.00	0%
	Civil Partnerships	On day of registration	£4.00	£4.00	0%
		After day of registration	£10.00	£10.00	0%
	Posted certificates - extra cost		£2.50	£2.50	0%
	Premium Service	Within 24 hours	£15.00	£15.00	0%
	Family personal history search	For 6 hours	£18.00	£18.00	0%
	Noitces of Marriages	M - T	£110.00	£140.00	27%
		F	£130.00	£160.00	23%
		S	£250.00	£250.00	0%
Nationality Checking Service (Assistance in applying for British Citizenship)	Weekdays - Adults		£72.00	£72.00	0%
	Weekdays - Minors		£50.00	£50.00	0%
	Weekends - Adults		£114.00	£114.00	0%
	Weekends - Minors		£70.00	£70.00	0%
	Admin Fee	Incomplete paperwork	£25.00	£25.00	0%
Settlement Checking Service					

Court Summons	Council Tax				
	NNDR				
Bulky Waste	Up to 5 items		£30.75	£31.00	1%
Building Services					
Car Parking					
	Up to 1 hour		0.50 to 1.00	0.50 to 1.00	0%
	Up to 2 hours		1.00 to 2.00	1.00 to 2.00	0%
	Up to 3 hours		1.80 to 3.00	1.80 to 3.00	0%
	Up to 4 hours		2.10 to 4.00	2.10 to 4.00	0%
	5 hours and over		5.00 to 6.70	5.00 to 6.70	0%
	Overnight		1.00 to 6.70	1.00 to 6.70	0%
	Sundays / Bank Holidays	Some "normal" rates	£1.00	£1.00	0%
	Residents Parking Permits	1st car	£25.00	£25.00	0%
		2nd car	£50.00	£50.00	0%
	Business Parking Permits		£300.00	£300.00	0%
	Carers Parking Permits		£25.00	£25.00	0%
	Visitor Parking Permits	3 hours to 1 week	2.50 to 15.00	2.50 to 15.00	0%
	Season tickets	Monday to Friday 1 month, dependent on Car Park	£143 to £174	£143 to £174	0%
		Monday to Friday 6 months, dependent on Car Park	£613 to £715	£613 to £715	0%
		Monday to Friday 12 months, dependent on Car Park	£1,123 to £1,430	£1,123 to £1,430	0%
		All days, 1 month, dependent on Car Park	£225 to £255	£225 to £255	0%
		All days, 6 months, dependent on Car Park	£766 to £817	£766 to £817	0%
		Monday to Friday 12 months, dependent on Car Park	£1,379 to £1,532	£1,379 to £1,532	0%
Highways	Cars for sale - removals				
	Enquiries				
	Public Rights of Way				
	"A" Boards				
	Streetworks Inspections and Licencing				
	Streetworks Inspections and Licencing				
LA Searches					
Postal	Basic Search LLC1 & Con 29R	Fees on internet are as 1.1.10	£118.00	£118.00	0%
	Certificate of Search	Fees on internet are as 1.1.10	£30.00	£30.00	0%

	only (LLC1)				
	CON 29R only	Fees on internet are as 1.1.10	£88.00	£88.00	0%
	Con 290	Fees on internet are as 1.1.10	£12.00	£12.00	0%
	Any additional enquiry (each)	Fees on internet are as 1.1.10	£20.00	£20.00	0%
	Extra parcels of land (each)	Fees on internet are as 1.1.10	£15.00	£15.00	0%
	Extra parcels of land (each) LLC1	Fees on internet are as 1.1.10	£5.00	£5.00	0%
In person	Inspection of land chgs register	Fees on internet are as 1.1.10	free	free	
	Copy of the Register	Fees on internet are as 1.1.10	£1.00	£1.00	0%
Multi Occupancy Home Licences (HMO)	Initial Fee for 5 bedrooms or less	£10 for each additional bedroom	£550.00	£572	4%
	Extra work - officer	per hour	£32.00	£33	4%
	Extra work - administration	per hour	£26.00	£27	4%
Estates and Valuations					
Licences and Registrations					
(All 2014.15 on internet)	Sex Establishments (cinema, shop, entertainment venue)	Grant / renewal / variation	£2,530.00	£2,530.00	0%
		Minor Variation or Transfer	£665.00	£665.00	0%
	Street Trading - Town Centre	Annual	£5,000.00	£5,000.00	0%
		Daily	£35.00	£35.00	0%
		Weekly	£130.00	£130.00	0%
		Monthly	£475.00	£475.00	0%
		Quarterly	£1,300.00	£1,300.00	0%
		6 monthly	£2,750.00	£2,750.00	0%
		non refundable deposit new applications	£250.00	£250.00	0%
	Street Trading - All other areas	Annual	£3,675.00	£3,675.00	0%
		Daily	£30.00	£30.00	0%
		Weekly	£100.00	£100.00	0%
		Monthly	£370.00	£370.00	0%
		Quarterly	£1,100.00	£1,100.00	0%
		6 monthly	£1,900.00	£1,900.00	0%
		non refundable deposit new applications	£250.00	£250.00	0%
	Ice Cream Sellers	for 6 months	£500.00	£500.00	0%
		for 1 month	£100.00	£100.00	0%
	Ear Piercing, Electrolysis, Tattooing & Acupuncture		£245.00	£245.00	0%
	Hairdresses and Barbers		£55.00	£55.00	0%
	Pet Shops	plus vet fees	£350.00	£350.00	0%
	Animal boarding	plus vet fees	£350.00	£350.00	0%
	Dog breeding	plus vet fees	£350.00	£350.00	0%
	Riding establishments	plus vet fees	£600.00	£600.00	0%

Scrap Metal Dealers	Site Licence - new	£465.00	£465.00	0%
	Site Licence - renewal	£330.00	£330.00	0%
	Site Licence - variation	£202.50	£202.50	0%
	Collectors Licence - new	£285.00	£285.00	0%
	Collectors Licence - renewal	£210.00	£210.00	0%
	Collectors Licence - variation	£135.00	£135.00	0%
Licensing - alcohol	including "large temporary events"	Statutory		
	All copy licences if lost	£10.50	£10.50	0%
Gambling Act	Series of fees. Need to find out how they relate to statute			
Immigration Inspection Fees		£110.00	£114.40	4%
Littering Fines	No target can be put against this its "as and when"			
Pest Control	per treatment	£12.00	£12.00	0%
Stray Dogs	In office hours	£42.00	£43.68	4%
	Outside of office hours and weekends	£120.00	£124.80	4%
	Daily kenneling charge	£18.00	£18.72	4%
	Statutory Fine	£25.00	£25.00	0%
Private Hire (PH) and Hackney Carriage (HC) Combination Driver (CD) Licensing	PH & HC Driver - New Application (1 year)	£173.50	£173.50	0%
	PH & HC Driver - Renewal (1 year)	£125.90	£125.90	0%
	PH & HC Driver - New Application (3 year)	£258.00	£258.00	0%
	PH & HC Driver - Renewal (3 year)	£230.90	£230.90	0%
	PH & HC Driver - Replacement badge	£15.00	£15.00	0%
	PH & HC Driver - Replacement badge cgange of operator	£15.00	£15.00	0%
	PH & HC Driver - copy of paper licence	£15.00	£15.00	0%
	PH & HC Driver - DBS check	£55.00	£55.00	0%
	PH & HC Driver - Knowledge test	£40.00	£40.00	0%
	PH & HC Vehicle - New application	£220.00	£220.00	0%
	PH & HC Vehicle - Renewal application	£220.00	£220.00	0%
	PH & HC Vehicle - Transfer	£35.00	£35.00	0%
	PH & HC Vehicle - Change of vehicle	£50.00	£50.00	0%
	PH & HC Vehicle - Copy of paper licence	£15.00	£15.00	0%
	PH & HC Vehicle - Replacement plate	£25.00	£25.00	0%
	PH & HC Vehicle - Copy fo certificate of compliance	£15.00	£15.00	0%
	PH Vehicle - Exemption	£50.00	£50.00	0%
Combination Driver	CDriver - New application (1	£173.50	£173.50	0%

	Licence (CD)	year)			
		CDriver - Renewal (1 year)	£125.90	£125.90	0%
		CDriver - New application (3 year)	£258.00	£258.00	0%
		CDriver - Renewal (3 year)	£230.90	£230.90	0%
		CDriver - Knowedge test	£40.00	£40.00	0%
	Private Hire Operators (PHO) 1 year grant and renewal	Chauffeurs 1 vehicle	£137.00	£137.00	0%
		Operator Up to - 5 vehicles	£275.00	£275.00	0%
		Operator Up to - 15 vehicles	£360.00	£360.00	0%
		Operator Up to - 25 vehicles	£595.00	£595.00	0%
		Operator Up to - 35 vehicles	£835.00	£835.00	0%
		Operator Up to - 45 vehicles	£1,070.00	£1,070.00	0%
		Operator Up to - 55 vehicles	£1,310.00	£1,310.00	0%
		Operator Up to - 65 vehicles	£1,550.00	£1,550.00	0%
		Operator Up to - 75 vehciles	£1,790.00	£1,790.00	0%
		Operator Up to - 85 vehicles	£1,930.00	£1,930.00	0%
		Operator Up to - 99 vehicles	£2,365.00	£2,365.00	0%
		Operator 100 vehicles and over	£2,385.00	£2,385.00	0%
	Private Hire Operators (PHO) 5 year grant and renewal	Chauffeurs 1 vehicle	£411.00	£411.00	0%
		Operator Up to - 5 vehicles	£825.00	£825.00	0%
		Operator Up to - 15 vehicles	£1,080.00	£1,080.00	0%
		Operator Up to - 25 vehicles	£1,785.00	£1,785.00	0%
		Operator Up to - 35 vehicles	£2,505.00	£2,505.00	0%
		Operator Up to - 45 vehciles	£3,210.00	£3,210.00	0%
		Operator Up to - 55 vehciles	£3,930.00	£3,930.00	0%
		Operator Up to - 65 vehciles	£4,650.00	£4,650.00	0%
		Operator Up to - 75 vehicles	£5,370.00	£5,370.00	0%
		Operator Up to - 85 vehciles	£5,790.00	£5,790.00	0%
		Operator Up to - 99 vehciles	£7,095.00	£7,095.00	0%
		Operator 100 vehicles and over	£7,155.00	£7,155.00	0%
		Replacement Licence	£15.00	£15.00	0%
Careline	Alarm rental & Monitoring Fee	Weekly	£4.06	£4.22	4%
		Quarterly	£52.80	£54.91	4%
	Installation		£40.00	£41.60	4%
	Key Safe Purchase		£50.00	£52.00	4%
	Careline Alarm (Purchase fee)		£154.80	£160.99	4%
	Pendant Replacement		£58.80	£61.15	4%
	Land Charges - B126			New Fee? Decrease in current fee?	3%
	Environment Searches - D308		£120.00	£180.00	50%
Facilities Management	Hire of Venues / Premises				
Trading Standards	Primary Authority Partnership Scheme		£66.48	£69.12	4%

Public Protection	Export Certificates		£48.00	£49.92	4%
(New Charge for 1718) Local Land Charges	Street Naming and numbering	1st Address		£37.00	
		2-5th Address		£73.00	
		6-10th Address		£100.00	
		Per additional Address		£12.00	
		New Street		£100.00	
		Per additional Street		£50.00	
		New Street from pre approved list		£150.00	
		Alter an existing address		£37.00	

Court Costs	Current	Proposed	Increase
Business Rates	£152.00	£172.00	13%
Council Tax	£108.00	£108.00	0%

Appendix G

Statutory Determination of Council Tax

Council Tax Resolution

In relation to the Council Tax for 2017/18 Cabinet is requested to resolve:

(a) That in pursuance of the powers conferred on the Council as the billing authority for its area by the Local Government Finance Acts (the Acts), the Council Tax for the Slough area for the year ending 31 March 2018 be as specified below and that the Council Tax be levied accordingly.

(b) That it be noted that at its meeting on 19 December 2016 Cabinet calculated the following Tax Base amounts for the financial year 2017/18 in accordance with Regulations made under sections 31B (3) and 34(4) of the Act:

(i) 41,174.7 being the amount calculated by the Council, in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 2012 (the Regulations) as the Council Tax Base for the whole of the Slough area for the year 2017/18; and

(ii) The sums below being the amounts of Council Tax Base for the Parishes within Slough for 2017/18:

a)	Parish of Britwell	840.7
b)	Parish of Colnbrook with Poyle	1,866.4
c)	Parish of Wexham	1,329.6

(c) That the following amounts be now calculated for the year 2017/18 in accordance with sections 31A to 36 of the Act:

(i) £406,981,084 being the aggregate of the amounts which the Council estimates for the items set out in section 31A (2)(a) to (f) of the Act. (Gross Expenditure);

(ii) £ 354,279,115 being the aggregate of the amounts which the Council estimates for the items set out in section 31A (3) (a) to (d) of the Act. (Gross Income);

(iii) £52,701,969 being the amount by which the aggregate at paragraph c (i) above exceeds the aggregate at paragraph c (ii) above calculated by the Council as its council tax requirement for the year as set out in section 31A(4) of the Act. (Council Tax Requirement);

(iv) £1,279.96 being the amount at paragraph c(iii) above divided by the amount at paragraph b(i) above, calculated by the Council, in accordance with section 31B(1) of the Act, as the basic amount of its Council Tax for the year, including the requirements for Parish precepts.

(v) That for the year 2017/18 the Council determines in accordance with section 34 (1) of the Act, Total Special Items of £223,349 representing the total of Parish Precepts for that year.

(vi) £1,274.54 being the amount at paragraph c (iv) above less the result given by dividing the amount at paragraph c (v) above by the relevant amounts at paragraph b (i) above, calculated by the Council, in accordance with section 34 (2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item relates.

(vii) Valuation Bands

Band	Slough Area £	Parish of Britwell £	Parish of Colnbrook with Poyle £	Parish of Wexham Court £
A	849.69	44.06	32.93	24.48
B	991.31	51.41	38.42	28.56
C	1,132.92	58.75	43.91	32.64
D	1,274.54	66.10	49.40	36.72
E	1,557.77	80.79	60.38	44.89
F	1,841.00	95.47	71.36	53.05
G	2,124.23	110.16	82.33	61.21
H	2,549.08	132.19	98.80	73.45

Being the amounts given by multiplying the amounts at paragraph c (iv) and c (vi) above by the number which, in the proportion set out in section 5 (1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with section 36 (1) of the Act, as the amount to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

(viii) That it be noted that for the year 2017/18 the Thames Valley Police Authority precept has been increased by 1.99%. The following amounts are stated in accordance with section 40 of the Act, for each of the categories of dwellings shown below:

Band	Office of the Police and Crime Commissioner (OPCC) for Thames Valley £
A	113.52
B	132.44
C	151.36
D	170.28
E	208.12
F	245.96
G	283.80
H	340.57

These precepts have not been formally proposed or agreed by the Thames Valley Police and may be revised when agreed.

(ix) That it be noted that for the year 2017/18 the Royal Berkshire Fire Authority has been increased by 1.99% as the following amount in precept issued to the Council, in accordance with section 40 of the Act, for each of the categories of dwellings shown below:

Band	Royal Berkshire Fire Authority £
A	41.66
B	48.60
C	55.55
D	62.49
E	76.37
F	90.26
G	104.15
H	124.98

These precepts have not been formally proposed or agreed by the Royal Berkshire Fire Authority and may be revised when agreed.

(x) Note that arising from these recommendations, and assuming the major precepts are agreed, the overall Council Tax for Slough Borough Council including the precepting authorities will be as follows:

Band	Slough £	Office of the Police and Crime Commissioner (OPCC) for Thames Valley £	Royal Berkshire Fire Authority £	TOTAL £
A	849.69	113.52	41.66	1,004.87
B	991.31	132.44	48.60	1,172.35
C	1,132.92	151.36	55.55	1,339.83
D	1,274.54	170.28	62.49	1,507.31
E	1,557.77	208.12	76.37	1,842.26
F	1,841.00	245.96	90.26	2,177.22
G	2,124.23	283.80	104.15	2,512.18
H	2,549.08	340.57	124.98	3,014.63

(xi) That the Section 151 Officer be and is hereby authorised to give due notice of the said Council Tax in the manner provided by Section 38(2) of the 2012 Act.

(xii) That the Section 151 Officer be and is hereby authorised when necessary to apply for a summons against any Council Tax payer or non-domestic ratepayer on whom an account for the said tax or rate and arrears has been duly served and who has failed to pay the amounts due to take all subsequent necessary action to recover them promptly.

(xiii) That the Section 151 Officer be authorised to collect (and disperse from the relevant accounts) the Council Tax and National Non-Domestic Rate and that whenever the office of the Section 151 Officer is vacant or the holder thereof is for any reason unable to act, the Chief Executive or such other authorised post-holder be authorised to act as before said in his or her stead.

S151 officer statement on the robustness of reserves and the robustness of estimates

Section 25 of the Local Government Act 2003 requires the Section 151 Officer (Assistant Director, Finance and Audit) to formally report to Council as part of the tax setting report his view on the minimum level of reserves available to the general fund and on the robustness of estimates used on the budget setting process. The Council is required to take these views into account when setting the Council Tax at its meeting on 23rd February 2017.

Adequacy of Reserves

When assessing the minimum level of reserves required, there are some important considerations. Firstly, the reserve for budget setting purposes is the general fund reserve. This is the Council's reserve which is not allocated to specific risks, policy decisions or under legislative or accounting requirements. The general fund reserve can be spent on any activity and there is no restriction on its deployment.

As a Unitary Council, with a number of complex services and transactions, the Council has an inherently higher risk than a number of other local authorities. The Council provides a much wider scope of services compared to a County Council or District Council; each different service comes with a different level of risk. The Council has made policy decisions which have engaged the Council into a wide range of service provision e.g. significant outsourcing of services, PFI arrangements, and the creation of the Slough Urban Renewal ('the LABV'). Some of these mitigate the Councils financial risk whilst other arrangements increase the level of risk.

The Council is also facing a period where demand is increasing in key areas, namely:

- Increased population increases demand on 'universal services' i.e. more bins to collect, more Council Tax bills to issue etc.
- Increased volatility from the retention of business rates
- Savings are increasingly based on commercial income generation opportunities so fluctuate much more – this is especially so in the current year budget with over £5m of additional income through commercial schemes and represents a significant increase in the risk exposure to outside economic conditions
- Increased adult social care pressures due to changes in demography
- Increased risk over the delivery of savings
- Risk of grants fluctuating during the financial year e.g. Education Services Grant
- The impact of the macro-economic position and the impact on residents and businesses being able to pay for respective fees and charges

In light of the above, the proposed minimum level of reserve for the Council should be 5% of the net budget (as defined by Council Tax, retained business rates and non-ring fenced revenue Government grants); plus £2m to allow for current funding volatility. This results in a total of **£7.0m**[1].

[1] Circa 5% of £100m and £2m to cover funding volatility.

Robustness of Estimates

The treatment of inflation and interest rates

The 2017/18 pay award for staff has been included at an average of 1% in line with the Government's pay announcements. Non pay related budgets have been inflated at the contractually committed rate of inflation or where services can demonstrate a requirement to do so to maintain service delivery levels.

Efficiency saving and productivity gains

The budget contains proposals to deliver approximately £12m of savings. The medium term financial strategy includes a four year savings programme to ensure that future revenue budgets remain in financial balance to ensure the council has adequate resources to deliver its Council Strategy outcomes. The savings programme will also help to ensure that Council Tax increases are kept to as low a level as possible and deliver efficient local services. The proposals continue to set high levels of required savings and there are inherent risks to the delivery of a balanced budget at the end of the 2017/18 financial year. Given the year on year reductions in Government funding, the Council's risk profile for savings is increasing as more transformational activity and income generation schemes are brought forward. Though these will endeavour to drive additional income and reduced costs, they are by their very nature more difficult and complex to deliver, and are at greater risk of market conditions.

Budget and Financial management

The level of under spends in recent years is as follows:

- 2011/12 – £1,736k underspend – 1.7% of budget
- 2012/13 - £23k underspend – 0.0% of budget
- 2013/14 - £150k underspend – 0.1% of budget
- 2014/15 - £224k underspend - 0.1% of budget
- 2015/16 - £42k overspend forecast – 0.0% of budget
- 2016/17 – balanced budget forecast – 0.0% of budget

All relevant reports to Members have their financial effects identified and the Corporate Management Team keep any emerging budget pressures under review during the year. Monthly reports are received by Corporate Management Team and quarterly reports to the Cabinet detail both budgetary and performance indicators. A traffic light system of indicators is used.

The Council has a number of demand led budgets and has historically been able to manage changes to demand to ensure a sound financial standing at the end of the financial year. The revenue budget includes £0.85m for adult social care cost pressures.

Adequacy of insurance and risk management

Strategic risk management is being embedded throughout the Council to ensure that all risks are identified and managed appropriately. The Council's insurance arrangements are a balance of external insurance premiums and internal funds to self insure some areas. As

well as an internal risk manager the Council also make use of an external consultant to advise on the level of funds required to underpin those risks not externally insured.

Overall financial standing of the authority

Slough Borough Council borrows money to support the Council's capital Programme. It has calculated its capacity for borrowing within the provisions of the prudential framework and budgeted accordingly. The assumed Council Tax collection rate is 98.4% and this is an achievable if demanding target. Each 1% uncollected amounts to approximately £0.47m and any surplus or deficit on the collection fund is apportioned between the Council and its major precepting bodies the Royal Berkshire Fire and Rescue Authority, and the Office of the Police and Crime Commissioner (OPCC) for Thames Valley.

Maintaining balances

The balance of the in year budgetary position against the proposed budget will be managed against the general reserve. As and when budget pressures emerge then it is first for the service to contain, then the directorate and finally a corporate issue. If there is still a pressure at year end then General Reserves will reduce and will need to be replenished up to a level in future years as noted above. This helps ensure that the Council is in a position to maintain its service provision without drastic actions.

If an event occurs that is so serious it depletes the Council reserves to below the limit set, then the Council will take appropriate measures to raise general fund reserves to the recommended level in as soon a timeframe as possible without undermining service provision.

Specific grants

The Government provides the Council will a number of specific grants. These grants have conditions attached to their use as detailed by Government.

The grants are allocated out to specific directorates and these are utilised to deliver the objectives contained within the grant conditions.

Grant	Amount / £m
Public Health	7.763
Local Council Tax Support	0.176
Housing Benefit administration subsidy	0.659
Better Care Fund (through existing NHS and Social Care budgets)	9.035
Adult Social Care Grant	0.518

Appendix J

HRA Rents and Service Charges 2017/18

The annual increases in rents and service charges reflects the need to increase income in order to meet the increase in utility and service costs, and to provide sufficient financial resources to reinvest in the programmes of improvement for social housing to ensure that the needs of local residents are met; the increases follow government guidance and are based upon the previous September's inflation rate. These increases are built into the HRA 30 Year Business plan and are intended to ensure that the Housing service, annual housing repairs and maintenance programme, and the long term capital investment programmes, provide decent homes to meet local needs over the life of the Business Plan.

- Council house dwelling rents for 2017/18 to **decrease by 1%** over the 2016/17 rent with effect from Monday 3rd April 2017. This is in line with current government guidelines and legislation.

- Garage rents, heating, utility and ancillary charges to **increase by 2.0%** with effect from Monday 3rd April 2017. This is based upon the September RPI figure.

- Service charges to **increase by 2.0%** with effect from Monday 3rd April 2017. This is based upon the September RPI figure.

- 'Other committee' property rents to increase by an average of 2.0% from Monday 3rd April 2017 in line with the September RPI figure.

APPENDIX K

Equality Impact Assessments

Appendix L -Efficiency Strategy – *for the use of Capital Receipts*

The Autumn Statement was announced on the 15th December 2016. The Government has once again provided Councils with the flexibility of utilising Capital Receipts for qualifying expenditure. This is to enable authorities to fund transformation and cost reduction programmes from capital receipts rather than revenue expenditure.

Qualifying expenditure

The Government has termed qualifying expenditure per the below. Appendix A highlights some of the suggestions from Government, but these are not exhaustive.

Qualifying expenditure is expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs or to improve the quality of service delivery in future years. Within this definition, it is for individual local authorities to decide whether or not a project qualifies for the flexibility. Set up and implementation costs of any new processes or arrangements can be counted as qualifying expenditure. The ongoing revenue costs of the new processes or arrangements cannot be classified as qualifying expenditure.

Requirements of the Strategy

As part of the Strategy, Government have set out that the following must be included:

- list each project that plans to make use of the capital receipts flexibility, that it details the split of up front funding for each project between capital receipts and other sources, and that on a project by project basis, a cost benefit analysis is included to highlight the expected savings.
- The Strategy should report the impact on the local authority's Prudential Indicators for the forthcoming year and subsequent years
- From the 2017-18 Strategy and in each future year, the Strategy should contain details on projects approved in previous years, including a commentary on whether the planned savings or service transformation have been/are being realised in line with the initial cost/benefit analysis
- restructuring must payback within 1 year in the whole, and within 24 months for an individual
- The Strategy should be approved by the full council

Timescales

The flexibilities for using capital receipts are due over the period April 2016 to March 2019.

Capital receipts expected in 2017-18

Government summary of example programmes

- Sharing back-office and administrative services with one or more other council or public sector bodies

- Investment in service reform feasibility work, e.g. setting up pilot schemes

- Collaboration between local authorities and central government departments to free up land for economic use

- Funding the cost of service reconfiguration, restructuring or rationalisation (staff or non-staff), where this leads to ongoing efficiency savings or service transformation

- Sharing Chief-Executives, management teams or staffing structures

- Driving a digital approach to the delivery of more efficient public services and how the public interacts with constituent authorities where possible

- Aggregating procurement on common goods and services where possible, either as part of local arrangements or using Crown Commercial Services or regional procurement hubs or Professional Buying Organisations

- Improving systems and processes to tackle fraud and corruption in line with the Local Government Fraud and Corruption Strategy – this could include an element of staff training

- Setting up commercial or alternative delivery models to deliver services more efficiently and bring in revenue (for example, through selling services to others)

- Integrating public facing services across two or more public sector bodies (for example children's social care, trading standards) to generate savings or to transform service delivery.

Appendix M

Pay Policy Statement for the Year 2017/18

1. Introduction

1.1 The Localism Act requires local authorities to publish, on their website, an annual Pay Policy Statement, which has been approved by Full Council.

1.2 No remuneration may be made to officers that fall outside of the Pay Policy Statement, although it is possible for a meeting of the Full Council to amend the statement at any time.

1.3 In drawing up this statement, Slough Borough Council has taken into account the guidance issued by the Department of Communities and Local Government in February 2012 and the supplementary guidance issues in February 2013.

1.4 Slough Borough Council is committed to complying with the statutory obligation to pay the National Living Wage.

1.5 This statement does not apply to schools' staff as local authority schools' employees are outside the scope of the legislation.

1.6 This statement will be approved by Full Council in February 2017 and will be updated as and when necessary throughout the year to reflect any changes.

1.7 Slough Borough Council fully endorses and supports the requirement to be open and transparent about the pay of our staff.

1.8 The Council is committed to paying nationally negotiated pay awards and this Pay Policy Statement will be updated as and when any such pay awards are agreed.

2. Remuneration of Chief Officers

2.1 In accordance with the Localism Act, the following SBC posts are defined as Chief Officers, and their salary bands are as follows. (The SBC grading structure is attached in Appendix A).

Head of the Paid Service and Statutory Chief Officers		
Post	**Reports To**	**Salary Band**
Chief Executive / Head of Paid Service.		£132,544 - £159,054
Director of Adult Social Care	Head of Paid Service	SML 15 £101,199 - £115,721
Director of Children, Learning and Skills	Head of Paid Service	Short-term interim arrangement pending recruitment. 3 – 5 days per week, £583.17 per

		day.
Monitoring Officer	Head of Paid Service	Interim cover – £650 per day 2 days per week
Chief Finance Officer / Section 151 Officer (Assistant Director, Finance and Audit)	Strategic Director of Regeneration, Housing, and Resources	SML 13 £74,940 - £87,405
Director of Public Health	The Director of Public Health is employed by Bracknell Forest Council	
Posts that report directly to the Head of Paid Service or Statutory Chief Officer		
Post	**Reports To**	**Salary Band**
Strategic Director of Regeneration, Housing, & Resources (Non-statutory Chief Officer).	Head of Paid Service	SML 16 £109,094 - £127,243
Strategic Director of Customer & Community Services (Non-statutory Chief Officer).	Head of Paid Service	SML 16 £109,094 - £127,243
Assistant Director, Strategy and Engagement	Head of Paid Service	SML 13 £74,940 - £87,405
Assistant Director, OD&HR	Head of Paid Service	SML 13 £74,940 - £87,405
Assistant Director, Adult Social Care	Director of Adult Social Care	SML 14 £89,835 - £102,726
Assistant Director, Public Health	Director of Adult Social Care	SML 13 £74,940 - £87,405
Head of Early Years and Development	Director of Children, Learning and Skills	SML 11 £55,028 - £62,600
Head of Education Standards and Inclusive Learning	Director of Children, Learning and Skills	SML 11 £55,028 - £62,600
Head of Access and Inclusion	Director of Children, Learning and Skills	SML 11 £55,028 - £62,600
Corporate Financial Controller	Chief Finance Officer / Section 151 Officer	SML 11 £55,028 - £62,600 Plus a market supplement of £5,161 per annum. Plus a deputy s151 Officer supplement of £3,500 per annum.
Directorate Finance Manager x2	Chief Finance Officer / Section 151 Officer	SML 11 £55,028 - £62,600
Posts that report directly to Non-Statutory Chief Officers		

Post	Reports To	Salary Band
Assistant Director, Assets, Infrastructure & Regeneration	Strategic Director of Regeneration, Housing, and Resources	SML 13 £74,940 - £87,405
Assistant Director Housing & Enforcement	Strategic Director of Regeneration, Housing, and Resources	SML 13 £74,940 - £87,405
Assistant Director Finance and Audit	Strategic Director of Regeneration, Housing and Resources	SML 13 £74,940 - £87,405
Assistant Director, Commercial Services and Procurement	Strategic Director of Customer & Community Services	SML 13 £74,940 - £87,405
Head of Consumer Protection & Business Compliance	Strategic Director of Customer & Community Services	SML 11 £55,028 - £62,600
Head of Planning and Building Control Services	Strategic Director of Customer & Community Services	SML 11 £55,028 - £62,600
Head of Wellbeing and Community Services	Strategic Director of Customer & Community Services	SML 11 £55,028 - £62,600
Head of Learning & Community Services	Strategic Director of Customer & Community Services	SML 11 £55,028 - £62,600
Head of Legal Services	Strategic Director of Customer & Community Services	SML 11 £55,028 - £62,600

The Head of Democratic Services is appointed as the Council's Returning Officer in accordance with the Representation of the Peoples Act 1983. The Returning Officer is eligible for fees linked to duties undertaken for running national, European or local lections/referenda. These fees are determined by the number of electors registered in the borough/parliamentary constituency and are paid subject to a formula applied by the Government for determining fees to all Returning Officers across the Country.

2.2 Remuneration on Appointment

Newly appointed chief officers are paid in accordance with the pay scales set out above.

2.3 Job Evaluation

The pay of all employees, including Chief Officers, is based on job evaluations undertaken through the Hay Job Evaluation Scheme.

2.4 Terms and Conditions of Employment

The Chief Executive is employed on JNC for Local Authority Chief Executives terms and conditions of employment.

All other chief officers are employed on JNC or NJC terms and conditions of employment. Pay awards for these officers are negotiated nationally, and the Council applies any/all nationally negotiated pay awards to these posts.

2.5 Travel and Subsistence Expenses

There are occasions when employees incur additional expenditure than normal in the course of undertaking their official duties on behalf of the Council away from their normal place of work.

The Council has a comprehensive Travel and Subsistence Expenses Scheme, which applies to all our staff, including Chief Officers, in such circumstances.

2.6 Payment of Professional Fees

The Council will pay the cost of one professional subscription per annum, per employee, including Chief Officers, which is relevant and necessary for the role.

2.7 Honoraria

An honoraria payment may be made to an employee, including to a chief officer, in recognition of undertaking temporarily additional or outstanding extra work, which is:

- outside the normal scope of the duties and responsibilities of the employee
- over an extended period undertaking part of the duties of a higher graded post
- or where the additional duties and responsibilities are exceptionally onerous
- or in situations which merit the employee being rewarded for specific work.

The Honoraria Scheme applies in these circumstances and the amount of payment is based on the duties undertaken.

2.8 Acting Up

Acting up arises when an employee temporarily undertakes full or part duties of a higher graded post for a consecutive period of at least four weeks.

All employees, including Chief Officers, are entitled to an acting up payment in recognition of the responsibilities. Decisions on payment take into account the following:

- The nature and complexity of the responsibilities, undertaken by the employee and their current spinal column point.
- Whether the employee is undertaking full or part responsibilities

2.9 Secondments

Secondments are intended to provide developmental opportunities to gain skills and experience rather than for financial gain. Therefore, secondees will normally transfer from their current position into the secondment on their existing salary. Terms and conditions of the secondee may change depending on the local variations within the department, i.e. flexi-time. However, if there is a significant difference between the secondment and the individual's salary this must be bought to the attention of the OD/HR Department and a decision will be taken on whether to review salary arrangements in line with complexities of the job.

2.10 Market Supplements

A Market Supplement is payable, in exceptional circumstances, for posts (including Chief Officer posts), which are critical to the delivery of essential/statutory services, and to which the Council has been unable to recruit. The requirement for the application of a market supplement needs to be objectively justified by reference to clear and transparent evidence of relevant market comparators, using data sources available, for example from SEE through their e-pay checker service.

2.11 Pay protection

An employee, who is redeployed to a suitable post which is one grade lower, will receive protection of earnings (basic pay plus local weighting allowance) for a period of one year. The salary will be frozen at its current level and the employee will not receive annual pay awards. At the end of the protection period the employee will be placed on the salary grade relevant to the redeployed post.

2.12 Termination Payments

In the event of a redundancy situation, all employees, including chief officers, are entitled to redundancy payments based on a multiple of 1.5 times statutory provision, based on weekly pay, subject to a cap of 30 weeks as the maximum number of weeks payable, and to a cap of 20 years service.

The terms, and any payment relating to the termination of employment of any officer of the Council in any contentious circumstances which do not result from an award made by an Employment Tribunal or Court are settled by the Council on the basis of the legal merits of the case, the time and disruption which protracted litigation would involve, any limit of statutory entitlement on monetary claim available to an employee, and what is considered prudent in all circumstances.

Any redundancy or severance packages of £100,000 or more will be approved by Full Council. In presenting the information to Full Council the components of any such severance package will be set out including; salary paid in lieu, redundancy compensation, pension entitlements, holiday pay and any bonuses, fees or allowances paid.

If an applicant for a post (including Chief Officer posts) is in receipt of a severance payment from any local authority, or a Local Government retirement pension, this does not form part of the Council's decision as to whether or not they should be appointed.

Any employee, who is made redundant, including Chief Officers, must have a break of at least four weeks in order to retain a redundancy payment before they can be re-employed by the Council in a different position.

Consultancies over £5,000 (excluding cover for established posts) or any consultancy/employment offered to former senior officers of the Council of third tier and above are a "significant officer decision." (Significant officer decisions are circulated monthly to all members and published on the website).

2.13 The Government is consulting on regulations regarding the recovery of public sector exit payments. SBC will comply with any future legislative requirements.

2.14 Pension Payments

All employees who are members of the Local Government Pension Scheme, including Chief Officers, are entitled to a retirement pension calculated in accordance with the Local Government Pension Scheme Regulations.

3. Remuneration of Our Lowest Paid Employees

3.1 All SBC employees are paid in accordance with a locally determined salary scale, appendix A.

3.2 "Lowest Paid Employee" means the employee on the lowest grade, assuming that the posts are full-time, excluding apprentices. The lowest grade is Level 1, £15,858.

3.3 Unsocial Hours Payments

The Council has a comprehensive Working Pattern Arrangement Scheme which sets out the allowances payable for:

- Overtime (for employees up to and including Level 5)
- Saturday and Sunday working
- Bank holidays
- Night working
- Sleeping-in duty
- Shift working
- Standby, on-call and call-out

3.4 Terms and Conditions of Employment

Employees, who are not Chief Officers, are employed on NJC terms and conditions of employment. Pay awards for these officers are negotiated nationally, and the Council applies any/all nationally negotiated pay awards to NJC employees.

4. Relationship between the Remuneration of Our Chief Officers and our lowest paid employees

4.1 The pay of the Chief Executive is currently £159,054. This is 10.3 times the pay of our lowest paid employees. (159,054 / 15,858 = 10.029)

4.2 The median earnings of all employees as of 1 April 2016 for the financial year 2015/2016 was £16,362.75. The median earnings figure complies with the specific requirements within the Local Government Transparency Code 2015 and includes all elements of remuneration that can be valued.

4.3 The pay of the Chief Executive is currently 9.7 times the pay of median earnings of our employees.

APPENDIX A

Slough Borough Council Salary Scales

Date last updated: November 2016

SLOUGH LEVELS STRUCTURE 1ST APRIL, 2016

Level		SCP	Basic	L/W	Inclusive Annual Salary
L1	01	5	N/A	N/A	N/A
	02	7	N/A	N/A	N/A
	03	9	14975	883	15858
L2	01	10	15238	883	16121
	02	11	15507	883	16390
	03	13	16191	883	17074
L3	01	14	16481	883	17364
	02	16	17169	883	18052
	03	18	17891	883	18774
L4	01	19	18560	883	19443
	02	20	19238	883	20121
	03	21	19939	883	20822
	04	22	20456	883	21339
L5	01	23	21057	883	21940
	02	24	21745	883	22628
	03	25	22434	883	23317
	04	27	23935	883	24818
	05	29	25694	883	26577
L6	01	30	26556	883	27439
	02	31	27394	883	28277
	03	32	28203	883	29086
	04	34	29854	883	30737
	05	35	30480	883	31363
L7	01	36	31288	883	32171
	02	37	32164	883	33047
	03	38	33106	883	33989
	04	40	35093	883	35976

	05	**41**	36019	883	36902
L8	**01**	**42**	36937	883	37820
	02	**44**	38789	883	39672
	03	**46**	40619	883	41502
	04	**47**	41551	883	42434
L9	**01**	**48**	42474	883	43357
	02	**50**	44307	883	45190
	03	**52**	46173	883	47056
	04	**53**	47113	883	47996
L10	**01**	**54**	48108	883	48991
	02	**55**	49099	883	49982
	03	**57**	51099	883	51982
	04	**59**	53081	883	53964

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SLOUGH BOROUGH COUNCIL

REPORT TO: Overview & Scrutiny Committee **DATE:** 2nd February 2017

CONTACT OFFICER: Neil Wilcox; Assistant Director Finance & Audit, section 151 officer
(For all enquiries) (01753) 87 5358

WARD(S): All

PART I
FOR COMMENT & CONSIDERATION

TREASURY MANAGEMENT STRATEGY 2017/18

1 Purpose of Report

To enable the Committee to scrutinise and comment on the Treasury Management Strategy for 2017/18. The Treasury management strategy (TMS) is a requirement of the council's reporting procedures and recommended by both the Chartered Institute of Public Finance and Accountancy (CIPFA) code of practice on treasury management and the CIPFA prudential code for capital finance in local authorities. The Council is required to comply with both codes through regulations issued under the Local Government Act 2003.

2 Recommendation(s)/Proposed Action

The Committee is requested to scrutinise and comment on the Treasury Management Strategy 2017/18 and make any references to Cabinet prior to the Strategy being recommended to Council on 23rd February 2017.

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 strategic priorities and cross cutting themes. The maintenance of good governance within the Council to ensure that it is efficient, effective and economic in everything it does achieve through the improvement of corporate governance and democracy by ensuring effective management practice is in place.

3b Five Year Plan Outcomes

The report helps achieve the Five Year Plan outcomes by contributing to the Council's financial planning and particularly 'Outcome 7 – The Council's income and the value of its assets will be maximised', as evidenced in the Treasury management activity report.

4 Other Implications

(a) Financial

The Financial implications are contained within this report.

(b) Risk Management

Risk	Mitigating action	Opportunities
Legal	None	None
Property	None	None
Human Rights	None	None
Health and Safety	None	None
Employment Issues	None	None
Equalities Issues	None	None
Community Support	None	None
Communications	None	None
Community Safety	None	None
Financial: Detailed in the report and above	As Identified	Returns out perform the budgeted income
Timetable for delivery	None	None
Project Capacity	None	None
Other	None	None

(c) Human Rights Act and Other Legal Implications

None Identified

(d) Equalities Impact Assessment

No identified need for the completion of an EIA

5 Supporting Information

5.1 The Treasury Management Strategy for 2017/18 is required to set out how the Council intends to manage its Treasury Management Risk. The Council's Treasury Policy is set out in Appendix 1 of this report. The Treasury Management Strategy complies with the requirements set out in the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management, which includes the requirement for determining a Treasury Strategy on the likely financing and investment activity for the forthcoming financial year.

5.2 In addition to reporting on risk management related to treasury activities, the Treasury Management Code also requires the Authority to report on any financial instruments entered into to manage Treasury Risks.

6 Key Principles

6.1 The medium term capital finance budget is a key part of the council's budget strategy. When setting the Treasury Management Strategy the Council has considered

- The current Treasury position and debt portfolio position
- The prospects for interest rates
- The current approved capital programme
- Limits on treasury management activities and prudential indicators

6.2 It is a statutory requirement that the level of borrowing is kept under review and is affordable

7 Service Delivery and Performance Issues

7.1.1 The Council currently has £209m of borrowing and investments of around £72m to £82m on average throughout the year. The underlying need to borrow is measured by the Capital Financing Requirement (CFR) while usable reserves are the underlying resources available for investment.

7.1.2 CIPFA's prudential code for Capital Finance in Local Authorities recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. The Highest forecast of CFR during the next 3 years is £415m. The total debt for 2017/18 is expected to be £243m. The Council therefore will comply with this recommendation during 2017/18.

7.1.3 The Council uses Arlingclose as its external treasury advisor but responsibility for treasury management decisions remains with this Council at all times.

8 Comments of Other Committees

The draft Treasury Management Strategy 2017/18 will be considered by the Cabinet on 6th February 2017. Any comments from the Committee will be reported to the Cabinet and considered in making its recommendations to Council on 23rd February 2017.

9 Conclusion

The Committee is requested to consider the draft TMS and make any comments to Cabinet accordingly.

10 Appendices Attached

'A' Treasury Management Strategy 2017/18

11 Background Papers

'1' CIPFA – Treasury Management in the Public Services – Code of Practice and guide for Chief Financial Officers
'2' CIPFA – Prudential Code for local authority capital finance
'3' Arlingclose Ltd – UK economic forecasts
'4' Local Government Act 2003

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APPENDIX A

SLOUGH BOROUGH COUNCIL

TREASURY MANAGEMENT STRATEGY 2017/18

1 Introduction & Background

The Council is required to adopt the CIPFA Treasury Management in the Public Services: Code of Practice and it is a requirement under that Code of Practice to produce an annual strategy report on proposed treasury management activities for the year.

In addition, the Department for Communities and Local Government (CLG) issued revised Guidance on Local Council Investments in March 2010 that requires the Council to approve an investment strategy before the start of each financial year.

In accordance with the Treasury Management code, the Council defines treasury management activities as:

"The management of the Council's cash flows, its banking, money market and capital market transactions; the effective control of the risks `The purpose of the Treasury Strategy is to establish the framework for the effective and efficient management of the Council's treasury management activity, within legislative, regulatory, and best practice regimes, and balancing risk against reward in the best interests of stewardship of the public purse.

This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the CLG Guidance.

In accordance with the CLG Guidance, the Council will be asked to approve a revised Treasury Management Strategy Statement should the assumptions on which this report is based change significantly. Such circumstances would include, for example, a large unexpected change in interest rates, or in the Council's capital programme or in the level of its investment balance.

2 Key Principles

The key principles of the CIPFA Treasury Management in the Public Services: Code of Practice is that:

- Public service organisations should put in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury management activities.
- Their policies and practices should make clear that the effective management and control of risk are prime objectives of their treasury management activities and that responsibility for these lies clearly within their organisations. Their appetite for risk should form part of their annual strategy, including any use of financial instruments for the prudent management of those risks, and should ensure that priority is given to security and liquidity when investing funds.
- They should acknowledge that the pursuit of value for money in treasury management, and the use of suitable performance measures are valid and important tools for responsible organisations to employ in support of their business and service objectives; and that within the context of effective risk management, their treasury management policies and practices should reflect this.

In setting the Treasury Management Strategy, the Council must have regard for the following factors:

- The current treasury position and debt portfolio position
- The prospects for interest rates

- The approved Capital Programme
- Limits on treasury management activities and prudential indicators

The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Council's treasury management strategy.

According to the Prudential Code- the professional code of practice to support local authorities in taking capital investment decisions- the Council's prime policy objective of its investment activities is the security and liquidity of funds. Therefore the Council should avoid exposing public funds to unnecessary or un-quantified risk. The Council should consider the return on their investments; however, this should not be at the expense of security and liquidity. It is therefore important that the Council adopt an appropriate approach to risk management with regard to its investment activities. The Council employs a Treasury Management advisor, Arlingclose, to assist in the management of risk.

3 External Context

Economic background: The major external influence on the Authority's treasury management strategy for 2017/18 will be the UK's progress in negotiating a smooth exit from the European Union. Financial markets, wrong-footed by the referendum outcome, have since been weighed down by uncertainty over whether leaving the Union means leaving the single market. Negotiations are expected to start once the UK formally triggers exit in early 2017 and last for at least two years. Uncertainty over future economic prospects will therefore remain throughout 2017/18.

The fall and continuing weakness in sterling and the near doubling in the price of oil in 2016 have combined to drive inflation expectations higher. The Bank of England is forecasting that Consumer Price Inflation will breach its 2% target in 2017, the first time since late 2013, but the Bank is expected to look through inflation overshoots over the course of 2017 when setting interest rates so as to avoid derailing the economy.

Initial post-referendum economic data showed that the feared collapse in business and consumer confidence had not immediately led to lower GDP growth. However, the prospect of leaving the single market has dented business confidence and resulted in a delay in new business investment and, unless counteracted by higher public spending or retail sales, will weaken economic growth in 2017/18.

The Eurozone has continued to struggle with very low inflation and lack of momentum in growth, and the European Central Bank has left the door open for further quantitative easing.

The impact of political risk on financial markets remains significant over the next year. With challenges such as immigration, the rise of populist, anti-establishment parties and negative interest rates resulting in savers being paid nothing for their frugal efforts or even penalised for them, the French presidential and general elections (April – June 2017) and the German federal elections (August – October 2017) have the potential for upsets.

Credit outlook: Markets have expressed concern over the financial viability of a number of European banks recently. Sluggish economies and continuing fines for pre-crisis behaviour have weighed on bank profits, and any future slowdown will exacerbate concerns in this regard.

Bail-in legislation, which ensures that large investors including local authorities will rescue failing banks instead of taxpayers in the future, has now been fully implemented in the European Union, Switzerland and USA, while Australia and Canada are progressing with their own plans. The credit risk associated with making unsecured bank deposits has therefore increased relative to the risk of other investment options available to the Authority; returns from cash deposits however continue to fall.

Interest rate forecast: The Authority's treasury adviser Arlingclose's central case is for the UK Bank Rate to remain at 0.25% during 2017/18. The Bank of England has, however, highlighted that excessive levels of inflation will not be tolerated for sustained periods. With this view and the current inflation outlook, further falls in the Bank Rate look less likely. Negative Bank Rate is currently perceived by some policymakers to be counterproductive but, although a low probability, cannot be entirely ruled out in the medium term, particularly if the UK enters recession as a result of concerns over leaving the European Union.

Gilt yields have risen sharply, but remain at low levels. The Arlingclose central case is for yields to decline when the government triggers Article 50. Long-term economic fundamentals remain weak, and the quantitative easing (QE) stimulus provided by central banks globally has only delayed the fallout from the build-up of public and private sector debt. The Bank of England has defended QE as a monetary policy tool, and further QE in support of the UK economy in 2017/18 remains a possibility, to keep long-term interest rates low.

A more detailed economic and interest rate forecast provided by Arlingclose is attached at Appendix A.

For the purpose of setting the budget, it has been assumed that new investments will be made at an average rate of 0.75%, and that new long-term loans will be borrowed at an average rate of 2.8%.

4 Local Current Position

As at 31 December 2016, the Council held £209m (£126m being HRA self-financing) borrowing and £54m investments. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.

Table 1: Balance Sheet Forecast

Slough Borough Council					
Balance Sheet Summary and Projections					
31st March	**2016**	**2017**	**2018**	**2019**	**2020**
	Actual £m	**Estimate £m**	**Forecast £m**	**Forecast £m**	**Forecast £m**
General Fund Capital Financing Requirement	158	199	229	257	274
HRA Capital Financing Requirement	158	158	158	158	158
Total Capital Financing Requirement	**316**	**357**	**387**	**415**	**432**
Less: Other long-term liabilities *	(46)	(44)	(43)	(40)	(38)
Loans Capital Financing Requirement	**270**	**313**	**344**	**375**	**394**
Less: External borrowing **	(177)	(200)	(240)	(271)	(298)
Internal (over) borrowing	**93**	**113**	**104**	**104**	**96**
Less: Usable reserves	(143)	(140)	(139)	(138)	(137)
Net Borrowing Requirement/(Investments)	**(50)**	**(27)**	**(35)**	**(34)**	**(41)**

* finance leases and PFI liabilities that form part of the Council's debt
** shows only loans to which the Council is committed and excludes optional refinancing

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves are the underlying resources available for investment. CIPFA's Prudential Code for Capital Finance in Local Authorities recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Authority expects to comply with this recommendation during 2017/18.

The Council has an increasing CFR due to the capital programme, but minimal investments and will therefore be required to borrow up to £292m over the forecast period.

5 Borrowing Strategy

The Council currently holds £209 million of loans, an increase of £32m million on the previous year, as part of its strategy for funding previous years' capital programmes. The balance sheet forecast in table 1 shows that the Council expects to borrow an additional £23m in 2017/18

Objectives: The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective.

Strategy: Given the significant cuts to public expenditure and in particular to local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead.

By doing so, the Council is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Council with this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2017/18 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

Alternatively, the Council may arrange forward starting loans during 2017/18, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.

In addition, the Council may borrow further short-term loans to cover unplanned cash flow shortages.

Sources: The approved sources of long-term and short-term borrowing are:

- Public Works Loan Board (PWLB) and any successor body
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- UK public and private sector pension funds (except [your local] Pension Fund)
- capital market bond investors
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local Council bond issues

In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- operating and finance leases
- hire purchase
- Private Finance Initiative
- sale and leaseback

The Council has previously raised the majority of its long-term borrowing from the PWLB but it continues to investigate other sources of finance, such as local authority loans and bank loans that may be available at more favourable rates.

Municipal Bond Agency: The UK Municipal Bonds Agency was established in 2014 by the Local Government Association as an alternative to the PWLB. It plans to issue bonds on the capital markets and lend the proceeds to local authorities. This will be a more complicated source of finance than the PWLB for three reasons: borrowing authorities are required to provide lenders with a joint and several guarantee over the very small risk that other local authority borrowers default on their loans; there will be a lead time between committing to borrow and knowing the precise interest rate payable; however the interest payable will always be lower than the PWLB certainty rate. Any decision to borrow from the Agency will therefore be the subject of a separate report to Cabinet.

LOBOs: The Council holds £9m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate as set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. £4m of these LOBOS have options during 2017/18, and although the Council understands that lenders are unlikely to exercise their options in the current low interest rate environment, there remains an element of refinancing risk. The Council will take the option to repay LOBO loans at no cost if it has the opportunity to do so.

Short-term and Variable Rate loans: These loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the limit on the net exposure to variable interest rates in the treasury management indicators below.

Debt Rescheduling: The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

Table 2: Current Borrowing Position

PWLB or Market	Type	Loan	Start Date	Maturity	Principal £	Type
PWLB	Fixed	481989	14/01/1999	25/03/2030	30,364	Pooled
PWLB	Fixed	487800	02/08/2004	25/03/2028	1,000,000	Pooled
PWLB	Fixed	488859	02/08/2004	25/03/2029	500,000	Pooled
PWLB	Fixed	489227	24/10/2004	15/10/2031	5,000,000	Pooled
PWLB	Fixed	490923	22/12/2005	01/05/2036	3,000,000	Pooled
PWLB	Fixed	490924	22/12/2005	01/08/2036	5,000,000	Pooled
PWLB	Fixed	494837	01/10/2008	01/08/2038	5,000,000	Pooled
PWLB	Fixed	497752	27/08/2010	24/08/2017	3,000,000	Pooled
PWLB	Fixed	497998	30/09/2010	30/03/2017	4,000,000	Pooled
PWLB	Fixed	497999	30/09/2010	29/09/2021	4,000,000	Pooled

PWLB or Market	Type	Loan	Start Date	Maturity	Principal £	Type
PWLB	Fixed	498000	30/09/2010	29/09/2024	4,000,000	Pooled
PWLB	Fixed	498001	30/09/2010	30/09/2027	4,000,000	Pooled
PWLB	Fixed	500578	28/03/2012	28/03/2028	20,000,000	HRA Self Financing
PWLB	Fixed	500579	28/03/2012	28/03/2037	20,000,000	HRA Self Financing
PWLB	Fixed	500580	28/03/2012	28/03/2042	20,000,000	HRA Self Financing
PWLB	Fixed	500581	28/03/2012	28/03/2041	15,841,000	HRA Self Financing
PWLB	Fixed	500582	28/03/2012	28/03/2032	20,000,000	HRA Self Financing
PWLB	Fixed	500583	28/03/2012	28/03/2022	10,000,000	HRA Self Financing
PWLB	Fixed	500584	28/03/2012	28/03/2039	20,000,000	HRA Self Financing
Market	L/T Variable	64	12/07/2004	10/07/2054	4,000,000	Pooled
Market	L-T LOBO	65	07/04/2006	07/04/2066	5,000,000	Pooled
Market	L-T LOBO	66	28/04/2006	28/04/2066	4,000,000	Pooled
Market	S/T Variable	2478	08/07/2016	27/06/2017	5,000,000	Pooled
Market	S/T Variable	2479	08/07/2016	07/07/2017	5,000,000	Pooled
Market	S/T Variable	2480	29/09/2016	20/02/2017	3,500,000	Pooled
Market	S/T Variable	2481	30/11/2016	16/02/2017	3,000,000	Pooled
Market	S/T Variable	2482	20/12/2016	21/02/2017	7,000,000	Pooled
Market	S/T Variable	2483	22/12/2016	17/03/2017	5,000,000	Pooled
Market	S/T Variable	2484	22/12/2016	22/06/2017	3,000,000	Pooled
					208,871,364	

6 Housing Revenue Account Self-Financing

Central Government completed its reform of the Housing Revenue Account Subsidy system at the end of 2011/12. Local authorities are required to recharge interest expenditure and income attributable to the HRA in accordance with Determinations issued by the Department for Communities and Local Government.

The Determinations do not set out a methodology for calculating the interest rate to use in each instance. The Council is therefore required to adopt a policy that will set out how interest charges attributable to the HRA will be determined. The CIPFA Code recommends that authorities present this policy in their TMSS. 3

On 1st April 2012, the Council notionally split each of its existing long-term loans into General Fund and HRA pools. In the future, new long-term loans borrowed will be assigned in their entirety to one pool or the other. Interest payable and other costs/income arising from long-term loans (e.g. premiums and discounts on early redemption) will be charged/ credited to the respective revenue account.

As part of the reform of the HRA Housing Revenue Account Subsidy system at the end of 2011/12, the HRA needed to make a payment of £136m to the Government. £126m of this was financed by PWLB loans listed above. £10m was in respect of an internal loan from the General Fund. The General Fund currently charges 3.27% interest on this amount or £327,000 per annum.

7 Investment Strategy

The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Council's investment balance has ranged between £54m and £91m. Levels are expected to decrease during the forthcoming year in order to finance an expanding capital programme.

Objectives: Both the CIPFA Code and the CLG Guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk receiving unsuitably low investment income.

Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.

Negative Interest Rates: If the UK enters into a recession in 2017/18, there is a small chance that the Bank of England could set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. This situation already exists in many other European countries. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.

Strategy: Given the increasing risk and falling returns from short-term unsecured bank investments, the Council aims to further diversify into more secure and/or higher yielding asset classes during 2017/18 where opportunities arise. This is especially the case for the estimated £32m that is available for longer-term investment. The Council has reduced the amount it invests in short-term unsecured bank deposits, certificates of deposit and money market funds to around 40% of its total investments. Most of these investments are for the management of the Council's short term cash flow, and are invested in either instant access call accounts or notice accounts where the exposure is for a maximum of 95 days.

Approved Counterparties: The Council may invest its surplus funds with any of the counterparty types in table 3 below, subject to the cash limits (per counterparty) and the time limits shown.

Table 3: Approved Investment Counterparties and Limits

Credit Rating	Banks Unsecured	Banks Secured	Government	Corporates	Registered Providers
UK Govt	n/a	n/a	£ Unlimited 50 years	n/a	n/a
AAA	£15m 5 years	£15m 20 years	£15m 50 years	£5m 20 years	£5m 20 years
AA+	£15m 5 years	£15m 10 years	£15m 25 years	£5m 10 years	£5m 10 years
AA	£15m 4 years	£15m 5 years	£15m 15 years	£5m 5 years	£5m 10 years
AA-	£15m	£15m	£15m	£5m	£5m

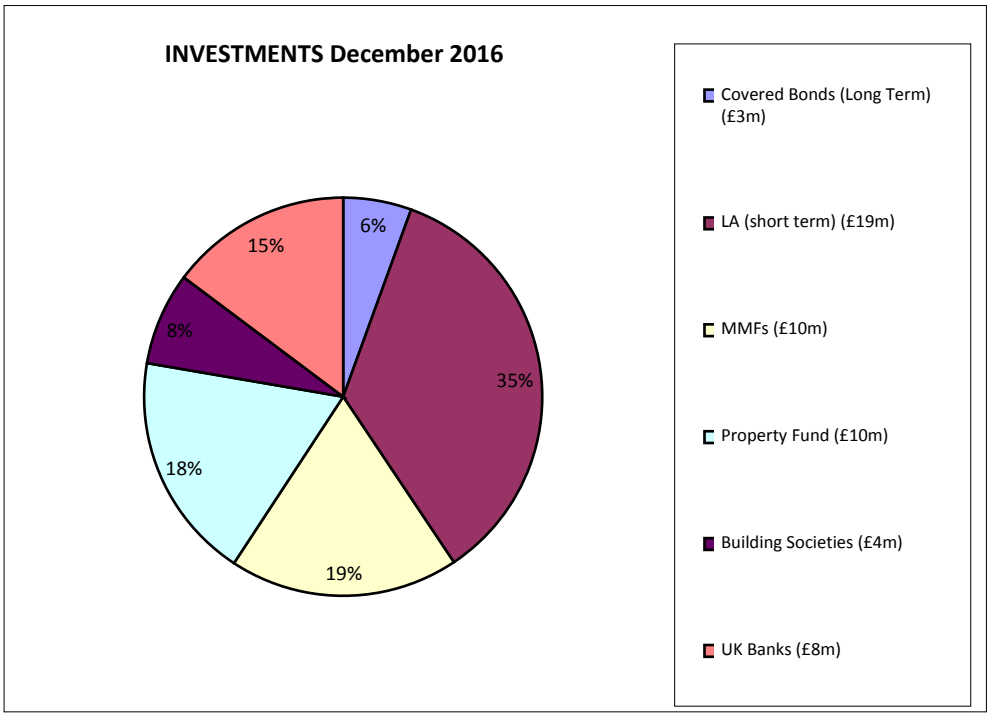
	3 years	4 years	10 years	4 years	10 years
A+	£15m 2 years	£15m 3 years	£15m 5 years	£5m 3 years	£5m 5 years
A	£15m 13 months	£15m 2 years	£15m 5 years	£5m 2 years	£5m 5 years
A-	£15m 6 months	£15m 13 months	£15m 5 years	£5m 13 months	£5m 5 years
BBB+	£5m 100 days	£5m 6 months	£15m 2 years	£2.5m 6 months	£2.5m 2 years
None	£3m 12 months	n/a	£5m 25 years	n/a	£5m 5 years
Pooled funds	£10m per fund				

There is no intention to restrict investments to bank deposits, and investments may be made with any public or private sector organisations that meet the above credit rating criteria. This reflects a lower likelihood that the UK and other governments will support failing banks as the bail-in provisions in the *Banking Reform Act 2014* and the EU *Bank Recovery and Resolution Directive* are implemented.

In addition, the Council may invest with organisations and pooled funds without credit ratings, following an external credit assessment and advice from the Council's treasury management adviser.

The current level of investments and the type of institution invested in is summarised in Table 4 below:

Table 4: Current Investments



£22m of the above is in instant access accounts (i.e. Call Accounts and Money Market Funds) and £3m in 95 day notice accounts.

8 Investment Opportunities

Credit Rating: Investment limits are set by reference to the lowest published long-term credit rating from Fitch, Moody's or Standard & Poor's. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

Banks Unsecured: Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail.

Banks Secured: Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.

Government: Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is an insignificant risk of insolvency. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.

Corporates: Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made as part of a diversified pool in order to spread the risk widely.

Registered Providers: Loans and bonds issued by, guaranteed by or secured on the assets of Registered Providers of Social Housing, formerly known as Housing Associations. These bodies are tightly regulated by the Homes and Communities Agency and, as providers of public services, they retain the likelihood of receiving government support if needed.

Pooled Funds: Shares in diversified investment vehicles consisting of the any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Short-term Money Market Funds that offer same-day liquidity and very low or no volatility will be used as an alternative to instant access bank accounts, while pooled funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.
Bond, equity and property funds offer enhanced returns over the longer term, but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.

Slough Urban Renewal (SUR): The Council has entered into a partnership with Morgan Sindall, a Private Sector developer, for the regeneration of Slough. Under this partnership, the Council land assets are transferred into the SUR vehicle. The Council then receives a loan

note from the SUR for the value of the land transferred. This loan note is then repaid by the SUR over time and the Council will receive interest on the loan note of 6%.

9 Risk Management

Risk Assessment and Credit Ratings: Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn [on the next working day] will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Other Information on the Security of Investments: The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations, in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the credit rating criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council's cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.

Specified Investments: The CLG Guidance defines specified investments as those:

- denominated in pound sterling,
- due to be repaid within 12 months of arrangement,
- not defined as capital expenditure by legislation, and
- invested with one of:
  - the UK Government,
  - a UK local Council, parish council or community council, or
  - a body or investment scheme of "high credit quality".

The Council defines "high credit quality" organisations and securities as those having a credit rating of [A-] or higher that are domiciled in the UK or a foreign country with a sovereign rating of [AA+] or higher. For money market funds and other pooled funds "high credit quality" is defined as those having a credit rating of [A-] or higher.

Non-specified Investments: Any investment not meeting the definition of a specified investment is classed as non-specified. The Council does not intend to make any investments denominated in foreign currencies, nor any that are defined as capital expenditure by legislation, such as company shares. Non-specified investments will therefore be limited to long-term investments, i.e. those that are due to mature 12 months or longer from the date of arrangement, and investments with bodies and schemes not meeting the definition on high credit quality. Limits on non-specified investments are shown in table 3 below.

Table 5: Non-Specified Investment Limits:

	Cash limit
Total long-term investments	£40m
Total investments without credit ratings or rated below A-	£10m
Total investments with institutions domiciled in foreign countries rated below AA+	£10m
Total non-specified investments	£60m

10 **Investment Limits**

The Council's revenue reserves available to cover investment losses are forecast to be £76 million on 31st March 2017. In order that no more than 20% of available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be **£15 million** A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers' nominee accounts, foreign countries and industry sectors as below:

Table 6: Investment Limits

	Cash limit
Any single organisation, except the UK Central Government	£15m each
UK Central Government	unlimited
Any group of organisations under the same ownership	£15m per group
Any group of pooled funds under the same management	£25m per manager
Negotiable instruments held in a broker's nominee account	£25m per broker
Foreign countries	£10m per country
Registered Providers	£5m in total
Unsecured investments with Building Societies	£10m in total
Loans to unrated corporates	£5m in total
Money Market Funds	£50m in total
Slough Urban Renewal Loan Notes	£5m above land value

11 Prudential Indicators

The Local Government Act 2003 requires the Council to have regard to the Chartered Institute of Public Finance and Accountancy's Prudential Code for Capital Finance in Local Authorities (the Prudential Code) when determining how much money it can afford to borrow.

The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice. To demonstrate that the Authority has fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored each year.

Estimates of Capital Expenditure: The Council's planned capital expenditure and financing may be summarised as follows.

Table 5: Capital Programme

Capital Expenditure and Financing	31.03.17 Revised £m	31.03.18 Estimate £m	31.03.19 Estimate £m	31.03.20 Estimate £m
General Fund	94	101	50	37
HRA	22	20	18	23
Total Expenditure	**117**	**120**	**68**	**60**
Capital Receipts	5	10	12	22
Grants & Contributions	30	52	12	3
Revenue	11	1	0	0
Reserves	7	7	6	1
Borrowing (incl. internal)	65	51	38	34
Total Financing	**117**	**120**	**68**	**60**

Estimates of Capital Financing Requirement: The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose.

Capital Financing Requirement	31.03.17 Revised £m	31.03.18 Estimate £m	31.03.19 Estimate £m	31.03.20 Estimate £m
General Fund	199	229	257	274
HRA	158	158	158	158
Total CFR	**357**	**387**	**415**	**432**

The CFR is forecast to rise by £40m over the next two years as capital expenditure financed by internal borrowing outweighs resources put aside for debt repayment before reducing in subsequent years where budgeted capital expenditure reduces.

Gross Debt and the Capital Financing Requirement: In order to ensure that over the medium term debt will only be for a capital purpose, the Council should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. This is a key indicator of prudence.

Debt	**31.03.17 Revised £m**	**31.03.18 Estimate £m**	**31.03.19 Estimate £m**	**31.03.20 Estimate £m**
Borrowing	177	200	240	271
Finance leases	8	8	6	5
PFI liabilities	36	35	34	33
Total Debt	**221**	**243**	**280**	**309**

Total debt is expected to remain below the CFR during the forecast period.

Operational Boundary for External Debt: The operational boundary is based on the Council's estimate of most likely (i.e. prudent but not worst case) scenario for external debt. It links directly to the Authority's estimates of capital expenditure, the capital financing requirement and cash flow requirements, and is a key management tool for in-year monitoring. Other long-term liabilities comprise finance lease, Private Finance Initiative and other liabilities that are not borrowing but form part of the Council's debt.

Operational Boundary	**2016/17 Revised £m**	**2017/18 Estimate £m**	**2018/19 Estimate £m**	**2019/20 Estimate £m**
Borrowing	316	347	378	397
Other long-term liabilities	44	43	40	38
Total Debt	**360**	**390**	**418**	**435**

Authorised Limit for External Debt: The authorised limit is the affordable borrowing limit determined in compliance with the Local Government Act 2003. It is the maximum amount of debt that the Council can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements.

Authorised Limit	**2016/17 Limit £m**	**2017/18 Limit £m**	**2018/19 Limit £m**	**2019/20 Limit £m**
Borrowing	326	357	388	407
Other long-term liabilities	44	43	40	38
Total Debt	**370**	**400**	**428**	**445**

Ratio of Financing Costs to Net Revenue Stream: This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs, net of investment income.

Ratio of Financing Costs to Net Revenue Stream	**2016/17 Revised %**	**2017/18 Estimate %**	**2018/19 Estimate %**	**2019/20 Estimate %**
General Fund	9.0	10.7	12.6	16.5
HRA	13.1	12.9	12.7	12.5

Incremental Impact of Capital Investment Decisions: This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax and housing rent levels. The incremental impact is the difference between the total revenue budget requirement of the current approved capital programme and the revenue budget requirement arising from the capital programme

Incremental Impact of Capital Investment Decisions	2017/18 Estimate £	2018/19 Estimate £	2019/20 Estimate £
General Fund - increase in annual band D Council Tax	14.8	15.2	16.1
HRA - increase in average weekly rents	18.2	11.8	16.4

Adoption of the CIPFA Treasury Management Code: The Council adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2011 Edition. It fully complies with the Codes recommendations

12 MRP Statement 2017/18

Where the Council finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Council to have regard to the Department for Communities and Local Government's Guidance on Minimum Revenue Provision (the CLG Guidance) most recently issued in 2012.

The broad aim of the CLG Guidance is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.

The CLG Guidance requires the Council to approve an Annual MRP Statement each year, and recommends a number of options for calculating a prudent amount of MRP.

CLG has issued guidance on the calculation of MRP, including a number of methods which it considers to be prudent. The guidance is clear that authorities are also free to devise other methods they consider prudent.

The guidance suggests that:

- A: Regularity Method: Finance leases and Private Finance Initiative (PFI) :

  MRP on assets acquired through finance leases and Private Finance Initiative (PFI) should be equal to the cash payments that reduce the outstanding liability each year;

- B: CFR Method: Capital expenditure incurred before 1st April 2008:

  MRP on all capital expenditure incurred before 1st April 2008, and on expenditure funded by supported borrowing thereafter, is equal to 4% of the opening CFR with some optional adjustments.

- C: Asset Life/ Depreciation Method: Unsupported Capital Expenditure ("Prudential" borrowing):

  MRP on expenditure incurred from April 2008 onwards that is funded by unsupported "prudential" borrowing should be calculated by reference to the asset's useful life, using either a straight line or an annuity method, starting in the year after the asset becomes operational. This may also be used for supported Non-HRA capital expenditure if the Council chooses. There is no requirement to charge MRP in respect of HRA capital expenditure funded from borrowing.

Here, the Council has three broad options:

- Option 1: the 4% reducing balance method
- Option 2: the straight line asset life method, and
- Option 3: the annuity asset life method.

Up to 2015-16 the Council used Option 1 respect of supported capital expenditure funded from borrowing and Option 2 in respect of unsupported capital expenditure funded from borrowing and Private Finance Initiative schemes.
MRP in respect of leases brought on Balance Sheet under the International Financial Reporting Standards (IFRS) based Accounting Code of Practice matched the annual principal repayment for the associated deferred liability.

2016/17 policy
At a time of increasing pressure on the revenue budget, savings in the annual cost of MRP may reduce the need for savings to be made in front line services. Following a commissioned study to conduct a review of MRP, the Council's financial advisors recommended moving to an annuity basis (Option 3) for both supported and unsupported capital expenditure (including PFI liability) with effect from 1st April 2016. This will reduce the MRP charged in this and future years.

This is a change to the current MRP policy, and results in a credit from the overprovision made in previous years (approximately £3.6m). The benefit arising will be applied prospectively, spread over a period of 10 to 15 years to link in with the Medium Term Financial Planning process. This "recovery" method is in line with guidance issued by the National Audit Office (NAO).

Capital expenditure incurred during 2017/18 would not be subject to a MRP charge until 2018/19.
Based on the Council's latest estimate of its Capital Financing Requirement on 31st March 2017, the budget for MRP has been set as follows:

Table 7: MRP Method – Option 2 (Straight Line) Vs Option 3 (Annuity)

31 March	2017	2018	2019	2020	2021
	£k	£k	£k	£k	£k
60 Year Annuity MRP charge	216	225	235	245	256
Over provision of £3.6m spread over 10 years:	(360)	(360)	(360)	(360)	(360)
	(144)	(135)	(125)	(115)	(104)
i.e. MRP charge	**0**	**0**	**0**	**0**	**0**
Cumulative written back	(216)	(441)	(676)	(921)	(1,177)

13 Treasury Management Indicators

The Council measures and manages its exposures to treasury management risks using the following four new prudential indicators.

- Upper limits on variable rate exposure. This indicator identifies a maximum limit for variable interest rates based upon the debt provision net of investments.
- Upper limits on fixed rate exposure. Similar to the previous indicators, this covers a maximum limit on fixed interest rates
- Total principal funds invested for a period longer than 364 days. These limits are set to reduce the need for early sale of an investment and are based on the availability of investments after each year-end
- Maturity Structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing

Interest Rate Exposures: This indicator is set to control the Council's exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures, expressed as the amount of principal borrowed will be:

LIMITS ON INTEREST RATE EXPOSURE			
	2016/17	**2017/18**	**2018/19**
Limit on Principal invested beyond year end	£45m	£45m	£45m
Upper limit on fixed interest rate exposure	£100m	£100m	£100m
Upper limit on variable interest rate exposure	£50m	£50m	£50m

Fixed rate investments and borrowings are those where the rate of interest is fixed for the whole financial year. Instruments that mature during the financial year are classed as variable rate.

Mature Structure of Borrowing:
This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing will be:

MATURITY STRUCTURE OF BORROWING			
	Existing Level	**Lower**	**Upper**
Under 12 months	38.5	0%	50%
12 months and within 24 months	0.0	0%	50%
24 months and within 5 years	4.0	0%	50%
5 years and within 10 years	14.0	0%	75%
10 years and within 15 years	30.5	10%	95%
15 years and within 20 years	28.0	10%	95%
20 years and within 25 years	61.0	10%	95%
Over 25 years	29.0	10%	95%

14 The purpose of the Strategic Asset Fund

On 14 September 2015, Cabinet approved the introduction of the Strategic Acquisition Strategy, which provided a framework for the Council to operate commercially and undertake a new approach to asset investment through the acquisition of land and/or property generating income up to £25m (inclusive of acquisition costs). Following a subsequent report in November 2016, the budget for strategic asset purchases was increased to £50m. In approving the Strategy, the drivers were to acquire income generating assets to offset continued reductions in central government grant and for the Council to realise the regenerative benefits associated with purchasing sites to bring forward housing and commercial development.

How investments are decided upon
A strategic acquisition can be defined as the acquisition of land or properties that will allow the Council to expedite key outcomes contained within the 5 Year Plan. To be considered strategic, it is suggested that acquisition must make a significant contribution towards regeneration objectives and/or provide a commercial return on investment that will improve the financial resilience of the Council:

a) Property Investments

Under commercial investment objectives, a strategic acquisition would typically:

- Generate income through a satisfactory level of return, with a net initial yield range between 5% and 9%, and/or
- Improve investment value of commercial assets over time in addition to the level of returns through rental growth.

b) Regeneration

Under regeneration objectives, a strategic acquisition will typically:

- Deliver large scale development that will provide attractive, accessible places to live and work and do business; or
- Allow the redevelopment of smaller development sites in key locations that have stalled, or
- Enable the Council to acquire land required to deliver infrastructure projects, or
- Enable collaborative working with adjoining owners to maximise land value; or
- Improve the image of Slough to a status that fully recognises the strategic importance and benefits offered by the town as a sub-regional gateway to and from London.
- Generate additional capital and revenue income to support the financial projections set out in the Medium Term Financial Plan.

Whilst the acquisition of strategic regeneration sites will typically be dependent on land becoming available for sale, the Council will be proactive and will consider off market acquisitions and the use of Compulsory Purchase Orders as required.

How decisions are made

In order to balance the objectives of introducing a streamlined approach (to avoid losing acquisition opportunities through delays in process) with high levels of probity, a Strategic Acquisition Board ("SAB") was introduced.

The SAB meet on a monthly basis and is chaired by the Assistant Director Assets, Infrastructure & Regeneration. The standing members of the SAB include the:

- Leader of the Council
- Commissioner for Housing & Urban Renewals
- Strategic Director Regeneration, Housing & Resources
- Assistant Director Assets, Infrastructure and Regeneration
- Assistant Director Housing & Environmental Services
- Directorate Finance Manager Customer & Community Services, Regeneration & Housing
- Head of Asset Management

The SAB has a remit to:

- Consider acquisition recommendations put forward by the Head of Asset Management (or delegate).
- Review proposed land acquisition and/or property investment proposals, taking into account the extent to which the proposition fulfils the Council's policy objectives against a set of agreed criteria.
- Make strategic acquisition and investment decisions on behalf of the Council.
- Oversee and monitor the performance of approved acquisition and investments.
- Report acquisitions to the Capital Strategy Board and Cabinet.
- Dispose of assets acquired via the SAB.

The SAB has a responsibility to monitor the performance of the investment portfolio, ensuring that individual assets are performing thereby maximising rental returns and selling assets when they no longer perform.

When a strategic acquisition is identified by Asset Management an agreed Acquisition Protocol is followed.

Any controls in place
When acquiring investment assets, it is important to have a well balanced portfolio which can counteract significant market changes. As the portfolio expands, each asset acquired is considered in line with the existing portfolio e.g. if the majority of the portfolio were industrial then it would need to be balanced with further office and retail property, or if the portfolio income was very insecure then it could be balanced by investments with longer projected income.

Officers apply a defined list of property specific criteria when making recommendations to the SAB on investment acquisitions using agreed property based criteria.

All acquisition opportunities presented to the SAB are supported by a financial appraisal and business case. Before approving any acquisition, the SAB requires confirmation that the acquisition will not increase the Council's ongoing revenue costs, including the cost of borrowing and officer time.

The appraisal and business case assess how the strategic acquisition will be financed. They:

1. Consider if the investment achieves corporate objectives.
2. Confirm that for the acquisition of land the price is reasonable (allowing for a special purchase consideration) and supported by an independent valuation.
3. Confirm that for the acquisition of a standing investment the price is reasonable and supported by an independent valuation (reference will be made to previously identified added value opportunities).
4. Confirm there is a market requirement.
5. Where appropriate, there is secure rental income taking into account risks associated with the security of future payments, including (where appropriate) sensitivity analysis for void periods.
6. Identify whole life costs (where appropriate).
7. Identify the most appropriate funding source(s) and confirm availability.
8. Clarify that the Council's Finance Section has assessed the business case and confirmed a suitable return on investment.

The financial appraisals considered by the SAB identify all costs and assumed income to assist informed decision making on whether the acquisition is suitable. In the case of revenue generating assets, assets are assessed by comparing the anticipated net income against the rate of return the Council could otherwise expect to achieve on its capital.

In all instances, acquisitions must be supported by advice from the Section 151 Officer.

Acquisitions to date are:

	£	Annual Yield
		%
In Borough	13,453,150	6.18
Out of Borough	10,866,150	6.47
Total	24,319,300	

15 Other Items

There are a number of additional items that the Council is obliged by CIPFA or CLG to include in its Treasury Management Strategy.

Policy on Use of Financial Derivatives: Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the *Localism Act 2011* removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).
The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.
Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

Policy on Apportioning Interest to the HRA: On 1st April 2012, the Council notionally split each of its existing long-term loans into General Fund and HRA pools. In the future, new long-term loans borrowed will be assigned in their entirety to one pool or the other. Interest payable and other costs/income arising from long-term loans (e.g. premiums and discounts on early redemption) will be charged/ credited to the respective revenue account. Differences between the value of the HRA loans pool and the HRA's underlying need to borrow (adjusted for HRA balance sheet resources available for investment) will result in a notional cash balance which may be positive or negative. This balance will be measured each month and interest transferred between the General Fund and HRA at the Council's average interest rate on investments, adjusted for credit risk.

Investment Training: The needs of the Council's treasury management staff for training in investment management are assessed as part of the staff appraisal process, and additionally when the responsibilities of individual members of staff change. Treasury management employees regularly attend training courses, seminars and conferences provided by Arlingclose and CIPFA. Relevant employees are also encouraged to study professional qualifications from CIPFA, the Association of Corporate Treasurers and other appropriate organisations.

Investment Advisers: The Council has appointed Arlingclose Limited as treasury management advisers and receives specific advice on investment, debt and capital finance issues.

Investment of Money Borrowed in Advance of Need: The Council may, from time to time, borrow in advance of need, where this is expected to provide the best long term value for money. Since amounts borrowed will be invested until spent, the Council is aware that it will be exposed to the risk of loss of the borrowed sums, and the risk that investment and borrowing interest rates may change in the intervening period. These risks will be managed as part of the Council's overall management of its treasury risks.
The total amount borrowed will not exceed the authorised borrowing limit. The maximum period between borrowing and expenditure is expected to be two years, although the Council is not required to link particular loans with particular items of expenditure.

15 Other Options Considered

The CLG Guidance and the CIPFA Code do not prescribe any particular treasury management strategy for local authorities to adopt. The Chief Financial Officer believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

16 Ethical Investment Policy

The preservation of capital is the Council's principal and overriding priority. The banks and building societies on the Council's lending list are selected only if the institutions and the sovereign meet minimum credit criteria. In accordance with its social and corporate governance responsibilities, the Council seeks to support institutions which additionally have an ethical and responsible approach to environmental and social issues including employment and global trade

The Council could seek to invest in specific ethical funds, though there would be a charge to undertake the risk analysis of doing so from the Council's Treasury Management advisors

Appendix A – Arlingclose Economic & Interest Rate Forecast November 2016

Underlying assumptions:

- The medium term outlook for the UK economy is dominated by the negotiations to leave the EU. The long-term position of the UK economy will be largely dependent on the agreements the government is able to secure with the EU and other countries.
- The global environment is also riddled with uncertainty, with repercussions for financial market volatility and long-term interest rates. Donald Trump's victory in the US general election and Brexit are symptomatic of the popular disaffection with globalisation trends. The potential rise in protectionism could dampen global growth prospects and therefore inflation. Financial market volatility will remain the norm for some time.
- However, following significant global fiscal and monetary stimulus, the short term outlook for the global economy is somewhat brighter than earlier in the year. US fiscal stimulus is also a possibility following Trump's victory.
- Recent data present a more positive picture for the post-Referendum UK economy than predicted due to continued strong household spending.
- Over the medium term, economic and political uncertainty will likely dampen investment intentions and tighten credit availability, prompting lower activity levels and potentially a rise in unemployment.
- The currency-led rise in CPI inflation (currently 1.0% year/year) will continue, breaching the target in 2017, which will act to slow real growth in household spending due to a sharp decline in real wage growth.
- The depreciation in sterling will, however, assist the economy to rebalance away from spending. The negative contribution from net trade to GDP growth is likely to diminish, largely due to weaker domestic demand. Export volumes will increase marginally.
- Given the pressure on household spending and business investment, the rise in inflation is highly unlikely to prompt monetary tightening by the Bank of England, with policymakers looking through import-led CPI spikes to the negative effects of Brexit on economic activity and, ultimately, inflation.
- Bank of England policymakers have, however, highlighted that excessive levels of inflation will not be tolerated for sustained periods. Given this view and the current inflation outlook, further monetary loosening looks less likely..

Forecast:

- Globally, the outlook is uncertain and risks remain weighted to the downside. The UK domestic outlook is uncertain, but likely to be weaker in the short term than previously expected.
- The likely path for Bank Rate is weighted to the downside. The Arlingclose central case is for Bank Rate to remain at 0.25%, but there is a 25% possibility of a drop to close to zero, with a very small chance of a reduction below zero.
- Gilt yields have risen sharply, but remain at low levels. The Arlingclose central case is for yields to decline when the government triggers Article 50.

	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Average
Official Bank Rate														
Upside risk	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.25	0.25	0.25	0.25	0.25	0.25	**0.12**
Arlingclose Central Case	**0.25**	**0.25**	**0.25**	**0.25**	**0.25**	**0.25**	**0.25**	**0.25**	**0.25**	**0.25**	**0.25**	**0.25**	**0.25**	**0.25**
Downside risk	0.25	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	**0.40**
3-month LIBID rate														
Upside risk	0.05	0.05	0.10	0.10	0.10	0.15	0.25	0.25	0.25	0.25	0.25	0.25	0.25	**0.18**
Arlingclose Central Case	**0.25**	**0.25**	**0.25**	**0.30**	**0.30**	**0.30**	**0.30**	**0.30**	**0.30**	**0.30**	**0.30**	**0.30**	**0.30**	**0.29**
Downside risk	0.20	0.25	0.25	0.25	0.30	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	**0.34**
1-yr LIBID rate														
Upside risk	0.10	0.10	0.15	0.15	0.15	0.20	0.30	0.30	0.30	0.30	0.30	0.30	0.30	**0.23**
Arlingclose Central Case	**0.60**	**0.50**	**0.50**	**0.50**	**0.50**	**0.50**	**0.50**	**0.60**	**0.70**	**0.85**	**0.90**	**0.90**	**0.90**	**0.65**
Downside risk	0.10	0.15	0.15	0.15	0.20	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	**0.24**
5-yr gilt yield														
Upside risk	0.25	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	**0.39**
Arlingclose Central Case	**0.50**	**0.40**	**0.35**	**0.35**	**0.35**	**0.40**	**0.40**	**0.40**	**0.45**	**0.50**	**0.55**	**0.60**	**0.65**	**0.45**
Downside risk	0.30	0.45	0.45	0.45	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	**0.47**
10-yr gilt yield														
Upside risk	0.30	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	**0.39**
Arlingclose Central Case	**1.15**	**0.95**	**0.85**	**0.85**	**0.85**	**0.85**	**0.85**	**0.90**	**0.95**	**1.00**	**1.05**	**1.10**	**1.15**	**0.96**
Downside risk	0.30	0.45	0.45	0.45	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	**0.47**
20-yr gilt yield														
Upside risk	0.25	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	**0.39**
Arlingclose Central Case	**1.70**	**1.50**	**1.40**	**1.40**	**1.40**	**1.40**	**1.40**	**1.45**	**1.50**	**1.55**	**1.60**	**1.65**	**1.70**	**1.75**
Downside risk	0.40	0.55	0.55	0.55	0.55	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	**0.57**
50-yr gilt yield														

Upside risk	0.25	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	**0.39**
Arlingclose Central Case	**1.60**	**1.40**	**1.30**	**1.30**	**1.30**	**1.30**	**1.30**	**1.35**	**1.40**	**1.45**	**1.50**	**1.55**	**1.60**	**1.41**
Downside risk	0.40	0.55	0.55	0.55	0.55	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	**0.57**

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SLOUGH BOROUGH COUNCIL

REPORT TO: Overview & Scrutiny Committee **DATE:** 2nd February 2017

CONTACT OFFICER: Neil Wilcox; Assistant Director, Finance & Audit
(For all enquiries) (01753) 875358

WARD(S): All

PART I
FOR COMMENT & CONSIDERATION

CAPITAL STRATEGY: 2017/23

1 **Purpose of Report**

To enable the Committee to scrutinise and comment on the Capital Strategy 2017-23 and the capital programme for 2017-18.

2 **Recommendation(s)/Proposed Action**

The Committee is requested to scrutinise and comment on the Capital Strategy 2017-23 and make any references to Cabinet prior to the Strategy being recommended to Council on 23rd February 2017.

The Cabinet is being asked to resolve the following:

(a) That the capital strategy of **£297m** and the Minimum Revenue Provision is approved and Recommended to full Council.

(b) That Cabinet notes the notional costs of borrowing for the capital programme to the revenue budget will be an increase of up to **£4.2m** per annum commencing during the period of the capital strategy to fund borrowing.

(c) That Cabinet approves the principles underpinning the capital programme in paragraph 5.1.2 and the Minimum Revenue Provision principles in 5.6.

(d) That Cabinet approves the appendices A and B detailing the capital programmes (subject to these having approved Final Business Cases by the Capital Strategy Board)

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 strategic priorities and cross cutting themes. The maintenance of good governance within the Council to ensure that it is efficient, effective and economic in everything it does achieve through the improvement of corporate governance and democracy by ensuring effective management practice is in place.

3b **Five Year Plan Outcomes**
The report helps achieve the Five Year Plan outcomes by contributing to the Council's financial planning and particularly 'Outcome 7 – The Council's income and

the value of its assets will be maximised', as evidenced in the Treasury management activity report.

4 Other Implications

(a) Financial: As detailed within the report.

(b) Risk Management

Risk	Mitigating action	Opportunities
Legal	None	none
Property	None	None
Human Rights	None	None
Health and Safety	None	None
Employment Issues	None	None
Equalities Issues	None	None
Community Support	None	None
Communications	None	None
Community Safety	None	None
Financial	Detailed within the report	None
Timetable for delivery – capital programme delivered under the 80% mark	Monthly review at Capital Strategy Board and quarterly by O&S / Cabinet	Ability to increase the deliver of capital schemes
Project Capacity	None	None
Other	None	None

(c) Human Rights Act and Other Legal Implications

No specific legal implications arising from this report.

(d) Equalities Impact Assessment

Equalities Impact Assessments will be conducted, if required, for projects contained within the Capital Strategy.

5 Supporting Information

5.1 Purpose

5.1.1 The capital strategy is one of three key strategic financial documents that the Council utilises in order to deliver its corporate objectives. The Council has a wide ranging number of capital commitments and purposes. The capital strategy, as with all other corporate documents, needs to underpin the delivery of the 5 year plan for the Council through to 2023.

5.1.2 The capital strategy is guided by a variety of core principles:

- That the capital strategy is affordable within the overall financial envelope for the Council
- That the capital strategy supports the outcomes expressed in the five year plan

- Any additional capital funding in excess of the current borrowing requirement should have a neutral impact on the revenue budget over the life of the strategy excluding delivering statutory capital schemes e.g. ICT compliance
- That the Council maximises its assets to generate revenue savings or capital receipts in line with the asset management strategy and the objectives of the corporate plan
- That the Council maintains education and transport funding within Government grants
- To deliver value for money through 'Invest to Save projects' to generate on-going revenue savings and to ensure that whole life costs are captured
- That where borrowing is required, it is undertaken in line with CIPFA's prudential code
- To take into account the asset management strategy, including highways & transport plans
- That there is a ten year payback on general fund secured capital schemes

5.2 Current Medium Term Financial Position

5.2.1 As detailed in the Council's Revenue Budget report 2017/18 the Council is facing a significant reduction in its anticipated financial resources. During this period the Council will face a number of demand and policy led pressures. Further details can be found within the revenue budget report for separate approval in February.

5.2.2 For there to be any net growth in the Council financed element of the capital strategy, the Council will need to increase the amount of revenue monies set aside to pay back potential future borrowing, or assume greater investment returns to mitigate the use of internal balances. As detailed within the Treasury Management Strategy, the Council will only borrow as a last resort once it has exhausted all other sources of funding; however, revenue monies need to be set aside to fund any additional borrowing costs otherwise the Council will not have sufficient resources to repay its borrowings if that occurs.

5.2.3 For the purpose of the 2017/18 financial year, the Council is assuming that internal balances will remain strong and that these will be utilised with additional treasury management returns picking up the cost of decrease investment balances.

5.2.4 The summarised capital programme has been provided below in table 1.1. This table highlights the key expenditure areas and the financing requirement for the capital programme over the period of the strategy. As noted in the introductory section of this paper, the Council's capital strategy is now over a five year period, and it is over this period that the Council needs to consider if additional borrowing will need to be undertaken. For example, if the first year showed a net cost of £10m but the subsequent four years showed £2.5m p.a. of net capital receipts, then the Council could take the decision not to borrow the £10m over the longer term, and finance the capital programme through short term borrowing initially that would be reduced by the net receipts coming into the capital programme.

Table 1.1 Summarised Capital Programme

Capital Expenditure and Financing (estimate)	16-17	17-18	18-19	19-20	20-21	21-22	22-23	2017-2023 Total
	£m	£m	£m	£m	£m	£m	£m	£m
General Fund	94	100.6	50.1	36.5	23.5	5.3	5.3	221
HRA	22	19.9	17.5	23.4	4.8	4.8	4.8	75
Total Expenditure	**117**	**120**	**68**	**60**	**28**	**10**	**10**	**297**
Grant Funded	33	44.3	10.3	2.0	0.7	0.6	0.6	59
Section 106	2	7.6	1.5	0.5	0.5	0.5	0.5	11
Capital Receipts	5	9.7	12.0	22.0	0.0	0.0	0.0	44
Major Repairs Reserve	7	6.5	5.5	1.4	4.8	4.8	4.8	28
RCCO	11	1.4	0.0	0.0	0.0	0.0	0.0	1
Borrowing *	60	51.1	38.2	34.0	22.3	4.2	4.2	154
Total Financing	**117**	**120**	**68**	**60**	**28**	**10**	**10**	**297**

5.2.5 The total revenue financing required to fund the capital strategy's borrowing requirement of **£154m** is **£57m** over 25 years. This is where there is a strong alignment between the treasury management strategy and the capital strategy. On the latest estimates on the Treasury Management strategy and the actual cash available to fund the capital programme, once reserves and grants received, but not applied, have been taken into account, the Council has some short term cash funding available for the first year of the capital strategy, but will be required to fund the remaining programme. It is absolutely vital that the Council begins to set aside revenue funding to finance long term capital commitments during the life of the capital strategy, and this is linked to the Minimum Revenue Provision detailed further below in this report.

5.2.6 Table 1.2 shows the cost of borrowing to finance the capital programme. The annual minimum required to be set aside for **£154m** of capital borrowing (given the main assets being build this would be over an assumed 25 year lifecycle) would equate to an increase in revenue cost of borrowing of **£1.4m** from 2017/18, rising to **£4.2m** in 2022/23 if the Council went out to borrow from the PWLB[1]. As noted above, at present, the Council will utilise any internal balances first before undertaking any new borrowings. There is a cost of doing this, but this is far lower than borrowing with average returns realising approximately 1%.

Table 1.2 Cost of borrowing to finance the capital programme

* Cost of borrowing	17-18	18-19	19-20	20-21	21-22	22-23
Cumulative borrowing	51	89	123	146	150	154
PWLB interest cost p.a.	1.4	2.4	3.3	3.9	4.0	4.2

5.2.7 With the capital programme for 2016/17 requiring **£51m** of internal borrowing, the cost to the Council of this in lost investment income would be **£510**k. It is expected that this pressure will be funded through improved Treasury Management returns through the 2017/18 Treasury Management Strategy.

[1] Assuming borrowing from the Public Works Loans Board at the rate as at January 2017

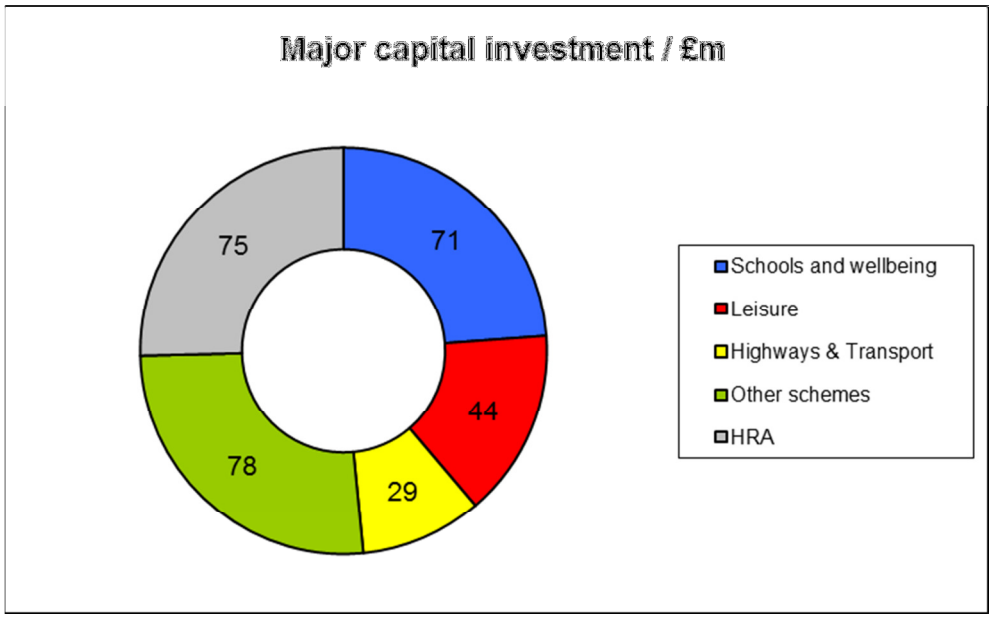
5.3 Key elements

5.3.1 As can be seen from table 1.1, of the capital programme funded via general sources, broadly a third relates to expenditure through the Housing Revenue Account and two thirds on other general fund activity.

5.3.2 There are some new items in the capital programme for the future financial years, these include:

- Expansions to the Borough's Primary and Secondary schools
- New Leisure Centre development and improvements to exiting ones
- Continued investment in the Strategic Asset Purchase Scheme
- Improvements to the Council's housing stock and infrastructure
- Parks refurbishments and developments
- Fleet challenge programme to facilitate carbon management
- Development of the Thames Valley University site
- Two new hotels in the centre of Slough

Chart 2.1: Key items included in the Capital Strategy



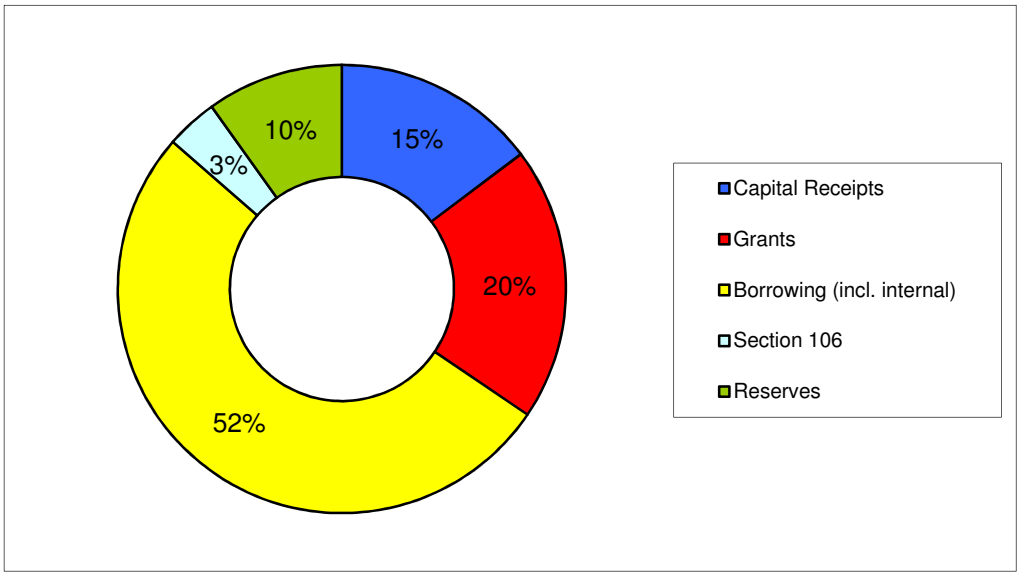
Key elements

5.3.3 As can be seen from table 1.1, of the capital programme funded via general sources, broadly a quarter relates to expenditure through the Housing Revenue Account and three quarters on other general fund activity.

5.4 Financing the capital programme & prudential code

5.4.1 The Council has a variety of sources of funding for the capital strategy and these are summarised below:

Chart 2.2: Capital financing / £m: 2017-23



5.4.2 The majority of the Council's capital financing comes via grant funding and through capital receipts (be that general fund or HRA). The Council is actively reviewing its assets, and more detail of this is included within the Asset Strategy. This review is looking at assets that the Council holds across the Borough and is seeking to maximise returns from these, be this by maximise revenue streams from the asset or through disposal.

5.5 **The main sources of income are:**

5.5.1 **Capital Receipts**

The prime areas of capital receipts comes from monies received via the Council involvement within the Slough Urban Renewal Partnership (SUR). This is income derived from the various sites included within the initial sites included, and firstly the Ledgers Road site and Wexham Nursery site. The Council is also anticipated receiving capital receipts from other sites and these are detailed further in the Asset Strategy.

The majority of HRA capital receipts arise from the sale of Council homes under the RTB regime. Under the changes to the RTB regime, the Council has signed an agreement with the Government allowing it retaining a high proportion of those capital receipts provided they are used to build 'replacement' affordable/social homes.

5.5.2 Grant Funding

The Council receives a variety of capital funding streams, with the main areas of grant funding coming from the various Government departments. The Council strategy is based on the assumptions that all education related expenditure and transport expenditure is funded entirely within grant funds received from Government. The Council will seek every opportunity to maximise its use of grant funding across the organisation as well as utilise any opportunities from HRA funding.

5.5.3 S106 receipts

The Council receives some funding of its capital programme from s106 receipts. The Council holds approximately £14.5m s106 receipts, which can be used on various projects over the next 10 years.

Of this, £11m (including £1.5m for schools capital expenditure) has been allocated to fund the 2017-23 capital strategy as follows:

Table 1.3 S106 contributions allocated to the 2017-23 capital strategy

		£m
General Fund S106 Receipts		
	Education	4.50
	Other	1.50
Schools		1.50
Housing Revenue Account		3.50
Total		11.00

The above number can be seen in table 1.1

A further £3.5m is allocated for Regeneration and Parks projects, which have not yet been identified.

5.5.4 Flexible use of Capital Receipts

Revenue expenditure where it is forecast that they will generate ongoing savings to Slough's net service expenditure and/or transform service delivery can be funded by the flexible use of capital receipts. To date £7.35m of additional capital receipts have been identified for this purpose.

5.6 Revenue Contributions

5.6.1 These will be minimised wherever possible; the most effective way to fund capital expenditure is through spreading the cost of the asset over the lifetime of the asset. However, in some circumstances, where the Council might received one-off monies for example, funding a capital scheme from revenue sources might be more beneficial.

5.7 Borrowing

5.7.1 Where the Council has capital commitments that exceed its funding sources from the above, the Council is required to borrow in line with the prudential code. CIPFA's prudential code governs how Council borrows funds and ensures that it does so within an affordable framework. The Local Government Act 2003 requires the Council to have regard to the Chartered Institute of Public Finance and Accountancy's Prudential Code for Capital Finance in Local Authorities (the Prudential Code) when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice Where the Authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to

the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Authority to have regard to the Department for Communities and Local Government's Guidance on Minimum Revenue Provision.

5.7.2 The broad aim of the Guidance is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.

5.8 Revenue contributions (HRA). The abolition of the HRA subsidy system and its replacement by the self-financing regime from April 2012 has enabled the HRA to retain more of its rental income. This additional income is being used to support the building of affordable homes in the capital programme as well as other elements of the capital programme. As a result, new affordable/social homes will be built within the Borough to help replace those sold under the Right To Buy (RTB) regime.

5.9 Major Repairs Reserve (HRA). This reserve is a revenue funded reserve used to maintain the Council's housing stock at a 'Decent Homes' standard and is a major contributor to funding the HRA capital programme.

6 Minimum Revenue Provision Statement

6.1 Where the Council finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Council to have regard to the Department for Communities and Local Government's Guidance on Minimum Revenue Provision (the CLG Guidance) most recently issued in 2012.

6.2 The broad aim of the CLG Guidance is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.

6.3 The CLG Guidance requires the Council to approve an Annual MRP Statement each year, and recommends a number of options for calculating a prudent amount of MRP.

6.4 CLG has issued guidance on the calculation of MRP, including a number of methods which it considers to be prudent. The guidance is clear that authorities are also free to devise other methods they consider prudent.

6.5 The guidance details:

- **A: Regularity Method: Finance leases and Private Finance Initiative (PFI) :** MRP on assets acquired through finance leases and Private Finance Initiative (PFI) should be equal to the cash payments that reduce the outstanding liability each year.
- **B: CFR Method: Capital expenditure incurred before 1st April 2008:** MRP on all capital expenditure incurred before 1st April 2008, and on expenditure funded by supported borrowing thereafter, is equal to 4% of the opening CFR with some optional adjustments.

- **C: Asset Life/ Depreciation Method: Unsupported Capital Expenditure ("Prudential" borrowing):**
  MRP on expenditure incurred from April 2008 onwards that is funded by unsupported "prudential" borrowing should be calculated by reference to the asset's useful life, using either a straight line or an annuity method, starting in the year after the asset becomes operational. This may also be used for supported Non-HRA capital expenditure if the Council chooses. There is no requirement to charge MRP in respect of HRA capital expenditure funded from borrowing.
  Here, the Council has three broad options:
  - Option 1: the 4% reducing balance method
  - Option 2: the straight line asset life method, and
  - Option 3: the annuity asset life method.

6.6 Up to 2015/16 the Council used Option 1 respect of supported capital expenditure funded from borrowing and Option 2 in respect of unsupported capital expenditure funded from borrowing and Private Finance Initiative schemes.

6.7 MRP in respect of leases brought on Balance Sheet under the International Financial Reporting Standards (IFRS) based Accounting Code of Practice matched the annual principal repayment for the associated deferred liability.

6.8 2016/17 policy: At a time of increasing pressure on the revenue budget, savings in the annual cost of MRP may reduce the need for savings to be made in front line services. Following a commissioned to conduct a review of MRP, the Council's financial advisors recommended moving to an annuity basis (Option 3) for both supported and unsupported capital expenditure (including PFI liability) with effect from 1st April 2016. This will reduce the MRP charged in this and future years.

6.9 This is a change to the current MRP policy, and results in a credit from the overprovision made in previous years (approximately £3.6m). The benefit arising will be applied prospectively, spread over a period of 10 to 15 years to link in with the Medium Term Financial Planning process. This "recovery" method is in line with guidance issued by the National Audit Office (NAO).

6.10 Capital expenditure incurred during 2017/18 would not be subject to a MRP charge until 2018/19.
Based on the Council's latest estimate of its Capital Financing Requirement on 31st March 2017, the budget for MRP has been set as follows:

Table 1.4 MRP Method – Option 2 (Straight Line) Vs Option 3 (Annuity)

31 March	2017	2018	2019	2020	2021
	£k	£k	£k	£k	£k
60 Year Annuity MRP charge	216	225	235	245	256
Over provision of £3.6m spread over 10 years:	(360)	(360)	(360)	(360)	(360)
	(144)	(135)	(125)	(115)	(104)
i.e. MRP charge	0	0	0	0	0
Cumulative written back	(216)	(441)	(676)	(921)	(1,177)

7 Community Investment Fund

7.1 The Community Investment fund programme for 2017/18 has an indicative budget of £1.050m with the majority to be spent on neighbourhood enhancements through identified member need in the wards across the Borough. A further report will be brought back to cabinet providing the detail behind this scheme.

8 Comments of Other Committees

This report will be considered by the Cabinet on 6th February 2017 and any comments from the Committee will be reported at the Cabinet meeting prior to it being recommended to Council on 23rd February 2017.

9 Conclusion

The Committee is requested to scrutinise and comment on the Capital Strategy 2017-23 and the capital programme for 2017-18.

10 Appendices Attached

'A' - Summary of draft 2017-22 General Fund strategy
'B' - Summary of draft 2017-22 HRA strategy

11 Background Papers

'1' - Local Government Finance consultation and final settlement – 2016

'2' - Revenue Budget Report 2017/18

Appendix A – General Fund Capital programme

	17-18	18-19	19-20	20-21	21-22	22-23	TOTAL
Education Services	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Primary Expansions	9,000	2,000	500	0	0	0	11,500
Town Hall Conversion	4,200	0	0	0	0	0	4,200
Schools Modernisation Programme	985	500	400	300	200	200	2,585
SEN Resources Expansion	3,708	1,400	250	250	250	250	6,108
Children's Centres Refurbishments	40	0	40	0	0	0	80
Schools Devolved Capital	120	110	100	90	80	80	580
DDA/SENDA access Works	50	50	50	50	50	50	300
Special School Expansion-Primary, Secondary & Post 16	3,740	5,800	0	0	0	0	9,540
Secondary Expansion Programme	10,700	8,900	3,500	2,000	2,000	2,000	29,100
PRU Expansion	1,780	1,800	0	0	0	0	3,580
Total Education Services	**34,323**	**20,560**	**4,840**	**2,690**	**2,580**	**2,580**	**67,573**
	17-18	**18-19**	**19-20**	**20-21**	**21-22**	**22-23**	**TOTAL**
Customer & Community Services	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Cemetery Extension	761	0	0	0	0	0	761
Repairs to Montem & Ice	123	0	0	0	0	0	123
Financial System Upgrades	1000	0	0	0	0	0	1000
Bloom Park Regeneration Project	90	0	0	0	0	0	90
Chalvey Transfer Station	90	0	0	0	0	0	90
Big Belly Bins	200	0	0	0	0	0	200
Mayrise Insourcing	100	0	0	0	0	0	100
CAFM System	39	0	0	0	0	0	39
IT Infrastructure Refresh	350	350	350	350	350	350	2,100
Community Investment Fund	500	500	500	500	500	500	3,000
Community Leisure Facilities	150	0	0	0	0	0	150
Langley Leisure Centre	4,000	4,000	0	0	0	0	8,000
Salt Hill Leisure	3,300	3,300					6,600
Arbour Park Community Sports Facility	500	0	0	0	0	0	500
Leisure Centre Farnham Road	13,600	3,000	0	0	0	0	16,600
New Ice	4,950	0	0	0	0	0	4,950
Total Customer & Community Services	**29,753**	**11,150**	**850**	**850**	**850**	**850**	**44,303**
	17-18	**18-19**	**19-20**	**20-21**	**21-22**	**22-23**	**TOTAL**
Community and Wellbeing	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Social Care IT Developments	200	200	0	0	0	0	400
Learning Disability Change Programme	900	0	0	0	0	0	900
Extra Care Housing	520	500	800	0	0	0	1,820
Total Community and Wellbeing	**1,620**	**700**	**800**	**0**	**0**	**0**	**3,120**
	17-18	**18-19**	**19-20**	**20-21**	**21-22**	**22-23**	**TOTAL**
Resources, Housing and Regeneration	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Disabled Facilities Grant	550	550	550	550	550	550	3,300
Corporate Property Asset Management	250	250	250	0	0	0	750
Major Highways Programmes	765	765	765	765	765	765	4,590
Major Highways Programmes	4,602	0	0	0	0	0	4,602
Highway Reconfigure & Resurface	500	500	500	500	500	500	3,000
Colnbrook By-pass	131	0	0	0	0	0	131
A332 Windsor Road Widening Scheme LEP/Other	7,023	0	0	0	0	0	7,023
A355 Tuns Lane LEP Transport Scheme	528	0	0	0	0	0	528
Slough MRT	1,850	0	0	0	0	0	1,850
Flood Defence Measures SBC/EA Partnership	100	0	0	0	0	0	100
Plymouth Road (dilapidation works)	120	0	0	0	0	0	120
Air Quality Grant	60	0	0	0	0	0	60
DEFRA Air Quality	6	0	0	0	0	0	6

	17-18	18-19	19-20	20-21	21-22	22-23	TOTAL
Electric Vehicle Network	400	350	0	0	0	0	750
Carbon Management-Fleet Challenge	150	150	150	60	0	0	510
Re-fit Programme	800	800	800	0	0	0	2,400
Car Club	0	400	100	100	100	100	800
Burnham Station LEP	1,450	0	0	0	0	0	1,450
Langley Station LEP	1,500	0	0	0	0	0	1,500
LAAP Mortgage Scheme	2,750	3,000	3,500	0	0	0	9,250
LTP Implementation Plan	800	400	400	0	0	0	1,600
TVU development	2,500	5,500	8,000	8,000	0	0	24,000
Strategic Acquisition fund	5,382	0	0	0	0	0	5,382
Hotel development	0	5,000	15,000	10,000	0	0	30,000
CPO Reserve	2,100	0	0	0	0	0	2,100
Fire Risk Assessment	80	0	0	0	0	0	80
A4 Cycle	483	0	0	0	0	0	483
Total RHR	**34,880**	**17,665**	**30,015**	**19,975**	**1,915**	**1,915**	**106,365**

Total	**100,576**	**50,075**	**36,505**	**23,515**	**5,345**	**5,345**	**221,361**

FUNDING	17-18	18-19	19-20	20-21	21-22	22-23	TOTAL
Grant Funded	44,268	10,333	2,000	700	630	630	58,561
Borrowing	51,054	38,242	34,005	22,315	4,215	4,215	154,046
Section 106	5,254	1,500	500	500	500	500	8,754
Total	**100,576**	**50,075**	**36,505**	**23,515**	**5,345**	**5,345**	**221,361**

Flexible use of Capital Receipts

	17-18	18-19	19-20	20-21	21-22	22-23	TOTAL
Resources, Housing and Regeneration	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Transformation Fund Expenditure	7,345	0	0	0	0	0	0
Total RHR	**7,345**	**0**	**0**	**0**	**0**	**0**	**0**

Total	**7,345**	**0**	**0**	**0**	**0**	**0**	**0**

FUNDING	17-18	18-19	19-20	20-21	21-22	22-23	TOTAL
Flexible Capital Receipts	7,345	0	0	0	0	0	0
Total	**7,345**	**0**	**0**	**0**	**0**	**0**	**0**

Appendix B – HRA Capital programme

Housing Revenue Account	17-18	18-19	19-20	20-21	21-22	22-23	TOTAL
Decent Homes	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Boiler Replacement	500	500	500	500	500	500	3,000
Heating / Hot Water Systems	317	317	317	317	317	317	1,901
Insulation programmes	0	0	0	0	0	0	0
Window/ Front / Rear Door replacement	237	237	125	125	125	125	975
Kitchen Replacement	410	410	410	410	410	410	2,461
Bathroom replacement	256	256	256	256	256	256	1,537
Electrical Systems	136	136	136	136	136	136	817
Roof Replacement	628	628	628	628	628	628	3,769
Structural	802	802	803	802	802	802	4,814
Decent Homes	**3,286**	**3,286**	**3,175**	**3,175**	**3,175**	**3,175**	**19,273**
	17-18	18-19	19-20	20-21	21-22	22-23	TOTAL
Planned Maintenance - Capital	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Garage Improvements	150	150	150	150	150	150	900
Mechanical Systems /Lifts	100	200	200	100	110	110	820
Capitalised Repairs	46	46	46	46	46	46	276
Security & Controlled Entry Modernisation	0	0	0	0	0	0	0
Darvills Lane - External Refurbs	200	200	200	200	200	200	1,200
Estate Improvements/Environmental Works	438	221	221	221	221	221	1,542
Replace Fascia's, Soffits, Gutters & Down Pipes	250	250	250	0	0	0	750
Upgrade Lighting/Communal Areas	71	71	71	71	71	71	425
Communal doors	78	78	78	78	78	78	467
Balcony / Stairs / Walkways areas	171	171	171	171	171	171	1,027
Paths	91	91	90	91	91	91	544
Store areas	250	250	0	0	0	0	500
Sheltered / supported upgrades	0	0	0	0	0	0	0
Planned Maintenance - Capital	**1,845**	**1,728**	**1,477**	**1,127**	**1,137**	**1,137**	**8,450**
Other	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Environmental Improvements (Allocated Forum)	100	100	100	100	100	100	600
Stock Condition Survey	160	160	160	160	160	160	960
Commissioning of Repairs Maintenance and Investment Contract	515	0	0	0	0	0	515
Tower and Ashbourne	1,700	0	(3,720)	0	0	0	(2,020)
Major Aids & Adaptations	250	250	250	250	250	250	1,500
Affordable Homes	12,000	12,000	22,000	0	0	0	46,000
Britwell Regeneration	0	0	0	0	0	0	0
Other	**14,725**	**12,510**	**18,790**	**510**	**510**	**510**	**47,555**
TOTAL	**19,856**	**17,524**	**23,442**	**4,812**	**4,822**	**4,822**	**75,279**
Funding	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Section 106 (AH)	(2,300)	0	0	0	0	0	(2,300)
Capital Receipts	(9,700)	(12,000)	(22,000)	0	0	0	(43,700)
Major Repairs Reserve	(6,500)	(5,524)	(1,442)	(4,812)	(4,822)	(4,822)	(27,922)
RCCO	(1,356)	0	0	(0)	(0)	(0)	(1,357)
TOTAL	**(19,856)**	**(17,524)**	**(23,442)**	**(4,812)**	**(4,822)**	**(4,822)**	**(75,279)**

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