

COUNCIL - THURSDAY, 10TH MARCH, 2022

SUPPLEMENTARY PAPERS

The following Papers were tabled at the meeting.

<u>AGENDA ITEM</u>	<u>REPORT TITLE</u>	<u>PAGE</u>	<u>WARD</u>
	Ruling Group Budget Slides	1 - 48	All

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SLOUGH BOROUGH COUNCIL REVENUE AND CAPITAL BUDGET AND TREASURY MANAGEMENT STRATEGY 2022/23



BUDGET OVERVIEW

- **Seriousness of financial challenge facing the Council cannot be underestimated and is acknowledged in this budget**
- **Capitalisation request to government for use of £307 million of capital receipts to address this challenge**
- **£20 million savings target for 2023/24**
- **Council Tax increase of 1.99% plus 1% for Adult Social Care – *well below current inflation levels and in line with or lower than our Berkshire neighbours***
- **57p a week increase for a Band D household – *for comparison a Bucks resident will pay an additional £1.23 per week***
- **Reduced capital programme of £219 million but still investing in Slough - *£105m of housing improvements, £11m for children’s services & school improvements and £29m in highways works.***

CLLR ROBERT ANDERSON - FINANCIAL OVERSIGHT, COUNCIL ASSETS AND PERFORMANCE



AGENDA

- 1. Section 25 Report**
- 2. Revenue Budget**
- 3. Capital Budget**
- 4. Treasury Management**
- 5. Council Tax Support Scheme**

SECTION 25 REPORT

Section 25 of the Local Government Act 2003 requires the Council's Chief Financial Officer (Director of Finance) to report to Council on:

- a) the robustness of the estimates made for the purposes of the calculations of the budget; and**

- b) the adequacy of the proposed level of financial reserves**

SECTION 25 REPORT

Slough's budget deficit:

- a) has **moved to a 10 year £479m problem,**
- b) has changed continuously throughout 2021/22 as work has been undertaken
- c) will continue to change throughout the next 12 months while the accounts up to 31/3/22 are prepared and audited and the budget for 2023/24 worked up in detail
- d) Will be dependant on getting Auditor sign-off on the accounts going back to 2018/19**

REVENUE BUDGET

- The Council faces a financial deficit of £223m up to the end of the current financial year
- In 2022/23 the Council has a budget requirement of £191.7m in 2022/23 and funding sources totalling £107.6m
- **This represents a budget deficit of £84.1m, 78%. This is unprecedented in Local Government**
- The deficit of £84.1m will be funded through a capitalisation direction from government, borrowing for this element of revenue spending that will be repaid over the next 20 years

SAVINGS

Directorate	Savings Proposed £'000
Resources	(2,824)
Place & Community	(7,453)
People (Adults)	(5,900)
People (Children)	(1,109)
Slough Children First	(2,673)
Total	(19,959)

GROWTH

	Demand growth 2022/23 £'000	Contract Inflation 2022/23 £'000	Pay Inflation 2022/23 £'000	Total £'000
Resources	0	233	348	581
Place & Community	1,152	338	472	1,962
People (Adults)	795	2,000	201	2,996
People (Children)	0	0	162	162
Slough Children First	0	217	260	477
Other Funding	2,000	0	0	2,000
Total	3,947	2,788	1,443	8,178

PRESSURES

Capitalisation Direction Breakdown	Pre 2022/23 £m	2022/23 £m	Projected Post- 2022/23 £m	Total £m
Estimated Financial Deficit	223	84	172	479

PRESSURES

The majority of the deficit can financially be attributed to:

- **Inadequate Minimum Revenue Provision (MRP) - the single biggest amount within the capitalisation direction is due to the incorrect accounting for MRP from 2016/7**
- £70m up to 2021/22, further £29m required for 2022/23
- Inadequate level of provisions - £25m (£11m for bad debts)
- Incorrect capitalisation of revenue costs - £48m
- Non-receipt of expected dividends from Company investments, potential liabilities in winding up some of these companies - £21m
- Inadequate budget estimation and failure to deliver planned cost savings

COUNCIL TAX

Band D Council Tax	2021/22 (£)	2022/23 (£)	Change (%)	Increase per week (£)
Slough Borough Council	1,322.15	1,351.81	1.99%	0.57
Adult Social Care Precept	168.15	183.05	1.00%	0.29
Sub-total Slough	1,490.30	1,534.86	2.99%	0.86
PCC for Thames Valley	231.28	241.28	4.32%	0.19
Royal Berkshire Fire Authority	68.95	73.95	7.25%	0.10
Annual Council Tax	1,790.53	1,850.09	3.33%	1.15

COUNCIL TAX

Band D Council Tax	2021/22	2022/23	Increase
	(£)	(£)	(%)
Reading	1,776.60	1,829.72	2.99%
Buckinghamshire	1,607.43	1,670.99	3.95%
Wokingham	1,620.14	1,668.58	2.99%
West Berkshire	1,596.41	1,660.26	4.00%
Slough	1,490.30	1,534.86	2.99%
Bracknell Forest	1,403.19	1,466.19	4.49%
Windsor & Maidenhead	1,131.17	1,164.99	2.99%

REVENUE BUDGET SUMMARY

- **1.99% Increase in General Council Tax**
- **1% Increase in Adult Social Care Precept**
- **£44.56 increase on Band D property, 3rd cheapest in Berkshire**
- **Capitalisation Still Required to balance forward Budgets AND Major Savings**
- **Huge Amount of Work to done on Savings for 23/24 before end of May**

CAPITAL PROGRAMME 2021/22 – 2026/27

The capital programme has been reviewed

- Removed projects which would have required additional borrowing
- Reduced the need to borrow by £90m
- Extended the capital programme from three years to a five year forward view in line with best practice.

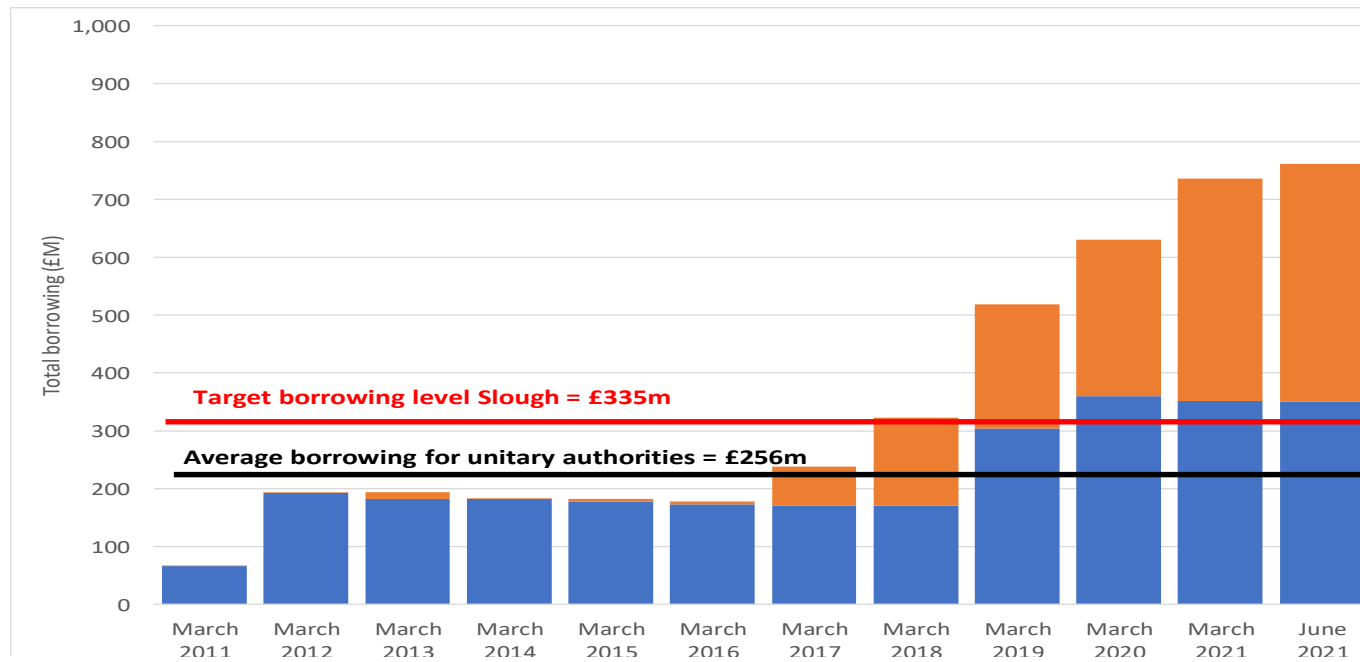
TREASURY MANAGEMENT

All local authorities are required by law to approve a treasury management strategy (TMS), investment strategy and minimum revenue policy before the year to which they apply as part of the budget setting.

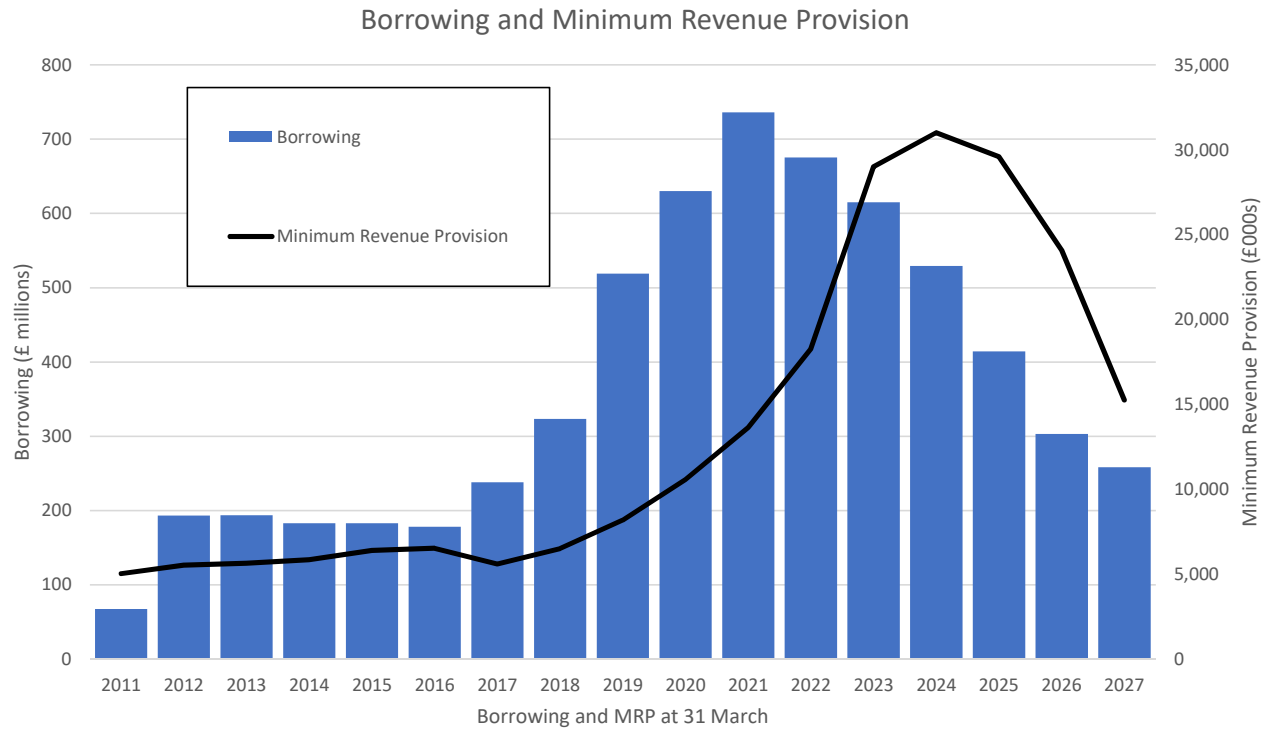
- Capital expenditure forecast did not link back to the capital strategy meaning that affordability of borrowing were mis-stated
- If corrected the Council's borrowing would have exceeded the capital financing requirement, which is not unlawful but would have indicated that the Council was **borrowing far too much**
- The Council's borrowing of £760m at 31 March 2021 was the **third highest per head of population amongst all unitary local authorities**
- Annual interest and debt charge **rises to 32% in 2022/23**. This is neither affordable or sustainable
- MRP policy did not comply with statutory guidance, and had not even been applied in practice

The above issues have been addressed in the TMS for 2022/23 to ensure that the Council is compliant with statutory guidance and brings borrowing back to a sustainable and affordable level over the next five years.

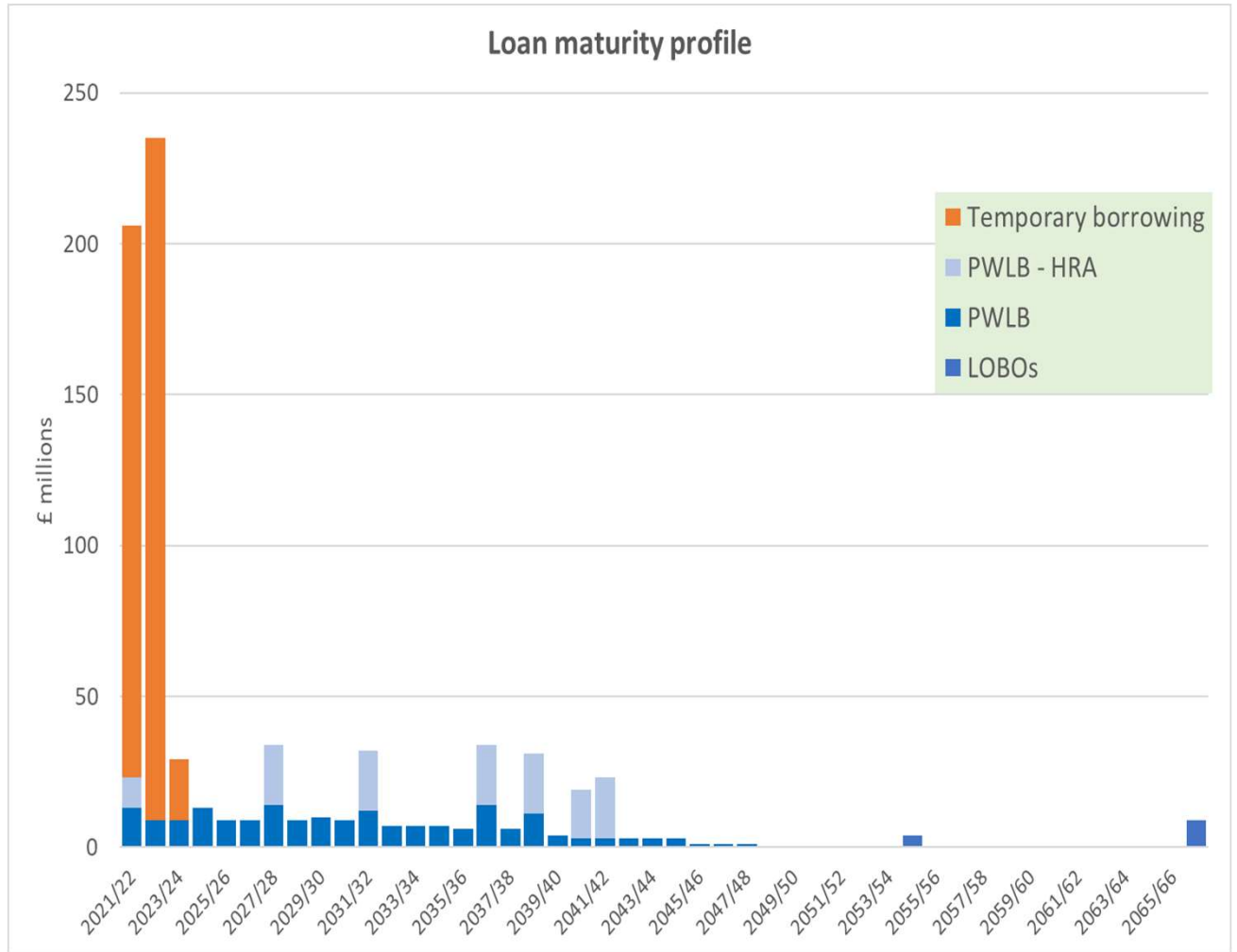
TREASURY MANAGEMENT



TREASURY MANAGEMENT



TREASURY MANAGEMENT



COUNCIL TAX SUPPORT SCHEME

- Current scheme allows the Council to uprate by the appropriate level of inflation measured by the Consumer Price Index (CPI) at 1st October preceding the effective financial year **or** by a percentage representing the increase in personal allowance within the applicable amounts for the Housing Benefit for the relevant financial year, **whichever is the lowest.**
- The CPI was 4.2% but the personal allowance uprating has been announced as 3.1% so the recommendation is that the latter is applied.
- If the council does not uprate the income bands there will be less CTS paid out which could potentially benefit the Council financially.
- However, any reductions in amount of CTS paid would mean an additional charge to financially vulnerable residents at a time when the cost of living is rising sharply, these additional sums are likely to be difficult to collect and the costs of collection and the amount of bad debt provision required is therefore unlikely to give the council any financial gain.

BUDGET SUMMARY

- **Budget is still extremely Challenging**
- **This is the first Step on a Multi-Layered Recovery Process**
- **No Council has ever faced this level of Challenge**
- **It shows how quickly things can go from well-managed to chaos without the right Leadership and Oversight.**
- **Biggest challenge will be next 12 months to close all the outstanding Accounts, crystallise the final Deficit , THEN put in place ACTION to create a sustainable Council**

CLLR SABIA AKRAM - LEISURE, CULTURE AND COMMUNITIES

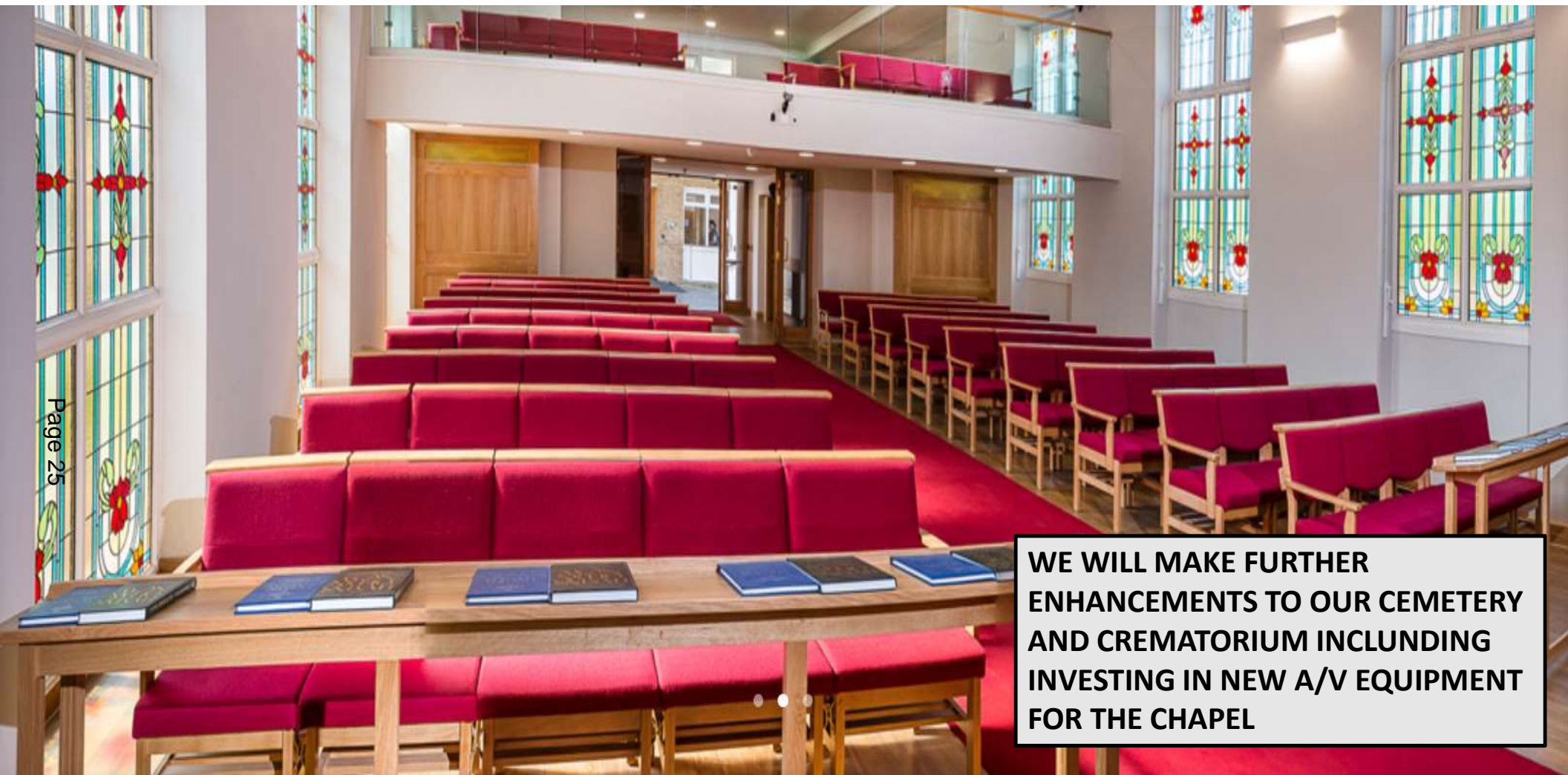




CONTINUING OUR URBAN TREE FUND TO PLANT TREES IN A VARITEY OF URBAN LOCATIONS AROUND SLOUGH – 8,500 PLANTED TO DATE



**CAPITAL SPEND IN OUR PARKS TO
MAINTAIN A HIGH QUALITY PUBLIC
REALM FOR RESIDENTS TO ENJOY**



WE WILL MAKE FURTHER ENHANCEMENTS TO OUR CEMETERY AND CREMATORIUM INCLUDING INVESTING IN NEW A/V EQUIPMENT FOR THE CHAPEL

CLLR MARTIN CARTER - HOUSING AND ENVIRONMENT



**£105 MILLION OF COUNCIL HOUSING
IMPROVEMENT TO PROVIDE OUR
RESIDENTS WITH SAFE, HIGH QUALITY
HOMES TO LIVE IN**

POPULAR HOUSE, LANGLEY

**PROTECTING AND IMPROVING
OUR ENVIRONMENT**



CLLR BALVINDER BAINS - REGULATION AND PUBLIC PROTECTION



**WORKING WITH THE SAFER SLOUGH
PARTNERSHIP TO TACKLE VIOLENCE
AGAINST WOMEN AND GIRLS**



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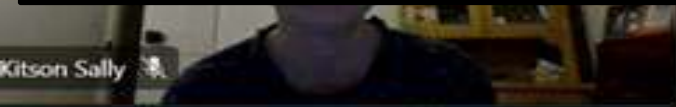


**WORKING WITH OUR COMMUNITIES
TO IMPROVE PUBLIC SAFETY ACROSS
SLOUGH**

CLLR NATASA PANTELIC - SOCIAL CARE AND PUBLIC HEALTH



TRANSFORMING OUR ADULT SOCIAL CARE SERVICES TO DELIVER BEST OUTCOMES FOR PEOPLE





**WE ARE COMMITTED TO HELPING
OUR RESIDENTS IMPROVE THEIR
HEALTH, WELLBING AND FITNESS**



**OUR RESIDENTS NEED
MEANINGFUL ACTION,
NOT RHETORIC**

CLLR CHRISTINE HULME - CHILDREN'S SERVICES, LIFELONG LEARNING & SKILLS

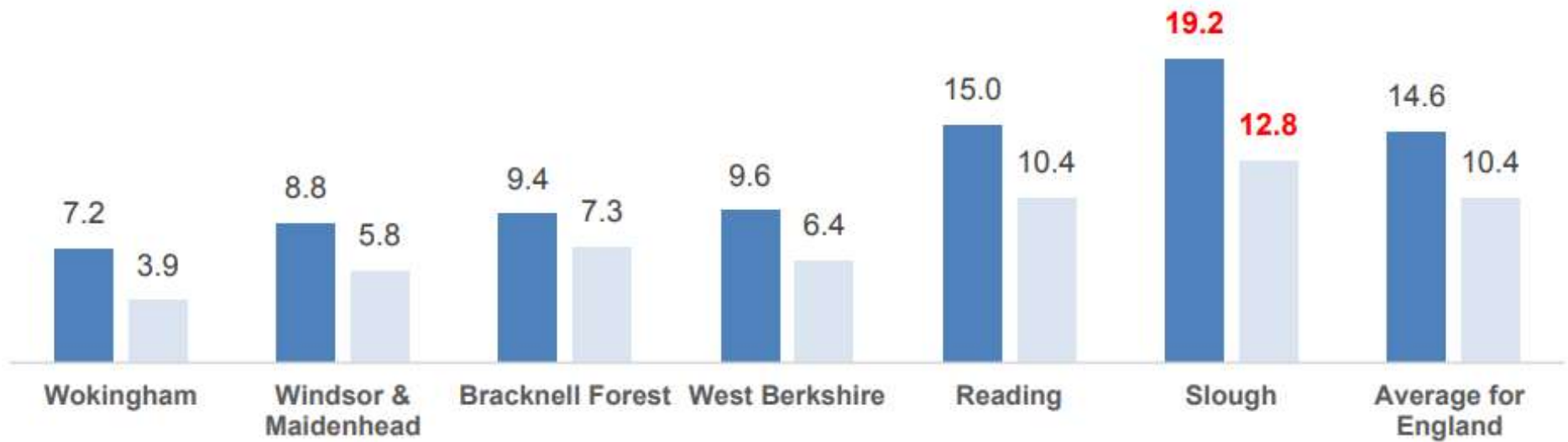




**WE WILL INVEST £11 MILLION IN
OUR SCHOOL MODERNISATION AND
PLACES EXPANSION PROGRAMME**

Proportion of Working Age Residents Claiming Benefits

■ % of Working Age Residents claiming Universal Credit ■ % of Working Age Residents claiming Housing Benefit



UPSKILLING OUR RESIDENTS

ALL OUR COMMUNITY LIBRARIES WILL
REMAIN OPEN IN THE YEAR AHEAD



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CLLR PAVITAR K. MANN - TRANSPORT, PLANNING AND PLACE





**PLANNING FOR THE FUTURE
TO PROVIDE THE FAMILY
HOUSING SLOUGH NEEDS**



WE CONTINUE TO WORK WITH PARTNERS TO REGENERATE SLOUGH AND PROVIDE AFFORDABLE HOMES FOR OUR RESIDENTS



**THE ELIZABETH LINE (CROSSRAIL)
WILL OPEN UP NEW
OPPORTUNITIES FOR RESIDENTS
AND BUSINESSES**

CLLR JAMES SWINDLEHURST – FORWARD STRATEGY AND CORPORATE RESOURCES



PUTTING THE PLANS AND STRATEGIES IN PLACE FOR OUR RECOVERY JOURNEY AND RIGHT-SIZING THE COUNCIL





CUSTOMER SERVICES

FUNCTIONAL CAPABILITY

RENEWAL AND RECOVERY PLAN

REVENUE AND BENEFITS

DIGITAL AND I.T. OFFER



ICT MODERNISATION PROGRAMME

Investment of £4.6 million over 3 years

Enable the Council to make effective use of the ICT systems through the stabilisation and modernisation of the IT infrastructure

Ensure best value of money for service delivery

Improve the council's cyber resilience

Equipment improvements to help serve residents better

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