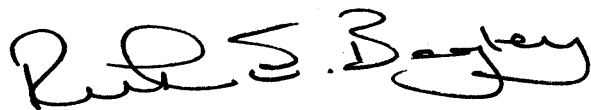


Date of issue: Friday 31<sup>st</sup> January, 2014

|  |  |   |
|--|--|---|
| <b>MEETING:</b>  | <b>CABINET</b><br>Councillor Anderson<br><br>Councillor P K Mann<br>Councillor Munawar<br>Councillor Pantelic<br>Councillor Parmar<br>Councillor Sharif<br><br>Councillor Swindlehurst<br>Councillor Walsh | <b>Leader of the Council -</b><br><b>Finance &amp; Strategy</b><br><b>Education &amp; Children</b><br><b>Social &amp; Economic Inclusion</b><br><b>Community &amp; Leisure</b><br><b>Environment &amp; Open Spaces</b><br><b>Performance and</b><br><b>Accountability</b><br><b>Neighbourhoods &amp; Renewal</b><br><b>Health &amp; Wellbeing</b> |
| <b>DATE AND TIME:</b>                                      | <b>MONDAY, 10TH FEBRUARY, 2014 AT 6.30 PM</b>  |   |
| <b>VENUE:</b>  | <b>MAIN HALL, CHALVEY COMMUNITY CENTRE, THE GREEN, CHALVEY, SLOUGH, SL1 2SP</b>  |   |
| <b>DEMOCRATIC SERVICES OFFICER:</b><br>(for all enquiries) | <b>NICHOLAS PONTONE</b><br><br><b>01753 875120</b>   |   |

**NOTICE OF MEETING**

You are requested to attend the above Meeting at the time and date indicated to deal with the business set out in the following agenda.



**RUTH BAGLEY**  
Chief Executive

**AGENDA**

**PART I**

Apologies for absence.

1. Declarations of Interest

*All Members who believe they have a Disclosable Pecuniary or other Pecuniary or non pecuniary Interest in any matter to be considered at the meeting must declare that interest and, having regard to the circumstances described in Section 3 paragraphs 3.25 – 3.27 of the Councillors' Code of Conduct, leave the meeting while the matter is discussed, save for exercising any right to speak in accordance with Paragraph 3.28 of the Code.*

*The Chair will ask Members to confirm that they do not have a declarable interest.*

*All Members making a declaration will be required to complete a Declaration of Interests at Meetings form detailing the nature of their interest.*

|     |   |           |                               |
|-----|---|-----------|-------------------------------|
| 2.  | Minutes of the Meeting held on 20 January 2014                                      | 1 - 8     |                               |
| 3.  | Finance & Performance Report: Quarter 2013-14                                       | 9 - 66    | All                           |
| 4.  | <b>Medium Term Financial Strategy 2014-18</b>                                       | 67 - 90   | All                           |
| 5.  | <b>Treasury Management Strategy</b>   | 91 - 118  | All                           |
| 6.  | <b>Capital Strategy 2014-19</b>   | 119 - 136 | All                           |
| 7.  | <b>Revenue Budget 2014-15</b>   | 137 - 218 | All                           |
| 8.  | <b>Review of Asset Management Plan &amp; Approval of Capital Disposal Programme</b> | 219 - 282 | All                           |
| 9.  | <b>Heart of Slough Masterplan - review of progress and implementation</b>           | 283 - 290 | Central;<br>Chalvey;<br>Upton |
| 10. | References from Overview & Scrutiny   | 291 - 294 | All                           |
| 11. | Notification of Forthcoming Decisions   | 295 - 304 | All                           |
| 12. | <b>EXCLUSION OF PRESS AND PUBLIC</b>  |           |                               |

It is recommended that the Press and Public be excluded from the meeting during consideration of the item in Part 2 of the Agenda, as it involves the likely disclosure of exempt information relating to the financial or business affairs of any particular person (including the authority holding the information) as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (amended).

**AGENDA  
ITEM**

**REPORT TITLE**

**PAGE**

**WARD**

**PART II**

13. **Plymouth Road Industrial Court** 305 - 312 Haymill

Press and Public

You are welcome to attend this meeting which is open to the press and public, as an observer. You will however be asked to leave before the Committee considers any items in the Part II agenda. Special facilities may be made available for disabled or non-English speaking persons. Please contact the Democratic Services Officer shown above for further details.

Note:-

**Bold = Key decision**

Non-Bold = Non-key decision

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**Cabinet – Meeting held on Monday, 20th January, 2014.**

**Present:-** Councillors Anderson, P K Mann, Munawar, Pantelic, Parmar (from 6.40pm), Sharif (from 6.36pm), Swindlehurst and Walsh

**Apologies for Absence:-** None.

**PART 1**

**69. Declarations of Interest**

None were declared.

**70. Minutes of the Meeting held on 16th December 2013**

**Resolved –** That the minutes of the meeting of the Cabinet held on 16<sup>th</sup> December 2013 be approved as a correct record.

**71. Medium Term Financial Strategy 2014-18 and Revenue Budget 2014-15 - Proposed Savings Update**

The Assistant Director Finance & Audit introduced a report which updated the Cabinet on the current position on the Medium Term Financial Strategy (MTFS) and requested approval for the second tranche of savings proposals that would support the 2014-15 Revenue Budget.

*(Councillor Sharif joined the meeting)*

The Cabinet were advised of the likely impacts of the Local Government Finance Settlement on the Council's financial position and noted a number of other significant changes to assumptions in the MTFS model since the last report to Cabinet in November 2013. These included an increase in the Council Tax base, Revenue Support Grant (assumption increased by £0.2m since the previous report) and a greater potential surplus on the Collection Fund. However, the figure for retained Business Rates had decreased by circa £1m and this figure was volatile and would be monitored closely. Members commented on Table 1.1 on page 10 of the agenda which highlighted that the Revenue Support Grant would fall from £39.76m in 2013-14 to £23.20m in 2015-16 with further significant reductions anticipated in future years which had been built into the MTFS model. The Cabinet discussed the challenges this would pose in terms of continuing to protect frontline services as far as possible, and Members commented that the bulk of savings agreed in recent years had been via 'efficiency and transformation', however these would become harder to find in the future. Members also requested a comparator figure of the level of Revenue Support Grant funding since 2010.

*(Councillor Parmar joined the meeting)*

The Cabinet discussed the increased Directorate pressure in the Children's social care budget. The service had reviewed its financial pressures for the year ahead and resulted in a revised figure of £3.4m of additional cost for core budgets with an additional £2.4m to be made available, if required, from one-off funds. Members were informed that the two elements of the growth item were Looked After Children (LAC) cost pressures and additional staffing costs. The Council had seen an increase in LAC in recent years and this was expected to continue as Slough's population was projected to rise. The staffing cost growth aimed to reduce social workers case loads to an average of 16 and to improve the recruitment and retention of skilled staff. The Cabinet welcomed the work that had been done to fully understand the growing pressures in Children's services and recognised the importance of ensuring the appropriate resources were available to manage the increasing pressures on the service in a planned way.

The net impact of the growth pressures and changing MTFS assumptions was to increase the total savings requirement for 2014-15 by £1.2m to a total of £13.4m of which £9.1m had been approved by the Cabinet in November for recommendation to the Council. Proposals for a second tranche of savings totalling £3m were included in Appendix A to the report. Members discussed the detail of a number of specific savings proposals including the anticipated increased investment returns of £800k, subject to agreement of the Treasury Management Strategy, and withholding the inflation uplift for libraries. In view of the growth pressures in Children's Services arising from the anticipated demographic change in the borough, the Cabinet also considered the potential impact on other service areas such as Special Educational Needs provision. Following due consideration, the Cabinet agreed to include the second tranche of proposed savings in the Revenue Budget 2014-15 that would be recommended to Council in February 2014.

**Resolved –** That the savings set out in Appendix A of the report be included in the Revenue Budget 2014-15 to be approved by Council in February, subject to any further adjustments.

## 72. Thames Valley Berkshire City Deal

The Head of Strategic Policy and Communications introduced a report which updated the Cabinet on the Berkshire City Deal and sought agreement to the formation of a joint committee to oversee implementation of the City Deal.

Members were informed that the City Deal had been accepted by the Government and signed by all six local authorities in Berkshire and Thames Valley Berkshire Local Enterprise Partnership (LEP) in October 2013. The City Deal focused on increasing the participation of 16-24 year olds in education, training and work. Members discussed the impact the targeted 50% reduction in youth unemployment would have if implemented in Slough over the next three years. It was noted that this target was Berkshire wide and there was not a specific target for Slough. The Deal would involve the establishment of an Employment and Skills Gateway to create skills and

employment opportunities and would be delivered by a 'hub and spoke' model. The 'spoke' in Slough would be Slough Aspire.

The governance arrangements were explained and the Cabinet were advised that it was necessary to set up a joint committee of all Berkshire unitary authorities to oversee implementation of the City Deal. It was noted that Reading Borough Council would be the accountable body and Bracknell Forest Council would provide the secretariat for the joint committee with the LEP being the operational body. The Cabinet noted the signing of the City Deal, welcomed the focus on youth unemployment and agreed the proposed governance arrangements as set out in the report.

**Resolved –**

- (a) That it be noted that the Thames Valley Berkshire City Deal, focused on increasing the participation of 16-24 year olds in education, training and work, to develop work-related skills and to streamline the pathway to employment for young people, was accepted by government and launched on 28 October 2013 with the signing of the deal document by all six unitary authorities and the Thames Valley Berkshire Local Enterprise Partnership (LEP).
- (b) That a Joint Committee be established of the six Berkshire Unitary Authorities be appointed under Section 102 (2) and (5) of the Local Government Act 1972 for the purposes of managing and delivering the agreed outcomes of the City Deal initiative, and in this regard:
- The Leader of the Council be appointed to the Joint Committee as Slough Borough Council's representative;
  - Reading Borough Council be recognised as the Accountable Body for the purposes of the City Deal initiative;
  - Bracknell Forest Borough Council be appointed to the role of Secretariat to the Joint Committee on behalf of the six unitary authorities;
  - The Berkshire-wide officer group set up to steer the development of the City Deal Proposal continue in this role reporting to the Joint Committee, and be responsible for:
    - Updating the Joint Committee on progress with the City Deal
    - Implementation and delivery of the City Deal on agreed priorities
    - Appropriate advice and guidance to the Joint Committee on cross-boundary decisions on spending based on agreed priorities and criteria for dispersal of funding.

**73. Thames Valley Berkshire Local Enterprise Partnership - Consultation Draft Strategic Economic Plan**

The Strategic Director Regeneration, Housing and Resources introduced a report regarding the Council's response to the consultation draft Strategic Economic Plan (SEP) 2015/16 – 2020/21 produced by Thames Valley Berkshire Local Enterprise Partnership (LEP).

The Government intended to agree a Growth Deal with every LEP which meant local areas could seek freedoms, flexibilities and greater influence on Government resources in return for the agreement of a SEP. The document would be both a strategic plan for the Berkshire economy and would also support bids for resources such as the Local Growth Fund in 2015/16.

The Cabinet were asked to delegate authority to respond to the current consultation which would confirm approval for the document in principle subject to a number of comments. These included a stronger emphasis on the distinctive local economies across Berkshire which recognised that Slough's functional economic area spread well beyond Berkshire into places such as west London and Buckinghamshire. The response would also recommend that the SEP be strengthened to reflect a wider focus of research and development activity across all growth sectors, including pharmaceuticals which were particularly strong in Slough, and greater clarity on the proposals for business support such as incubation facilities which the Council were pursuing. After due consideration, the Cabinet agreed the recommendations as set out in the report.

**Resolved –**

- (a) That the Strategic Director Regeneration, Housing and Resources be delegated authority to write to Thames Valley Berkshire Local Enterprise Partnership (TVB LEP) confirming approval in principle of the draft Strategic Economic Plan but subject to:
- A stronger approach to the distinctive local economies of TVB which more clearly identifies the interdependencies between local authorities and their residents and businesses, both within and outside the LEP area, for the provisions of jobs and housing.
  - incorporating and reflecting more effectively the wider functional economic area within which Slough is situated and the connections and dependencies with surrounding LEP areas and London.
  - the SEP being strengthened to reflect a focus on research and development (R+D) activity across all growth sectors and not just the tech-based, recognising that the development of 'clusters' can be generated by any sector where there is a coming together of ideas and knowledge development
  - clarity about the proposals for business support, particularly those for incubator space where SBC is pro-actively improving its offer through good asset management (Plymouth Road)



- (b) That it be noted that further consultation is being undertaken with groups representing local businesses and communities and that any comments received from this consultation will be passed directly to TVB LEP.

#### **74. Options Appraisal: Future Use of Gurney House Site**

The Assistant Director Housing & Environment introduced a report which updated Members of the progress made on the feasibility study and site evaluation for the land formerly occupied by Gurney House following the report considered by the Cabinet in September 2013.

Members were informed that the evaluation of all of the options had not been fully concluded, but that the work to date gave officers sufficient assurance that it would be in the Council's financial interests to retain the site and commission the development of family homes. An assessment of the options for the site had confirmed that a density of ten, 4 bedroom semi-detached homes would provide the most favourable scheme and an indicative plan was included in the report. The Cabinet recognised that the option of disposing of the site, as would generally have happened in the past, had been considered but that the Council's financial interests would be best served by retaining the site and developing much needed family homes in the borough. Members discussed the options and welcomed the progress to date, including the financial model and proposed configuration of the site, and believed that it would provide a desirable development whilst retaining the attractive streetscape in the locality.

Further work on developing the best tenure mix and delivery mechanism, which could include the Slough Regeneration Partnership, Capital Programme or a new subsidiary housing company, would continue and it was agreed that a further report be considered by the Cabinet in March 2014 to address these matters. Members discussed the progress of the demolition of the existing building and it was noted that this was due to take place imminently. The Cabinet also requested that consideration be given to the use of spoil from the demolition, potentially to fill rather than gate subways/underpasses where appropriate.

#### **Resolved –**

- (a) That approval be given to retain the site of the former Gurney House in order to construct high quality family homes;
- (b) That approval be given for the Strategic Director of Regeneration, Housing & Resources to complete the detailed feasibility study to develop proposals for a residential scheme determining
  - i. The size, number and layout of the new homes.
  - ii. The final tenure or mix of tenures on site and

- iii. The delivery mechanism to be used in order to limit risk to an acceptable level while maximising the speed and rate of capital or revenue return to the council.
- (c) That the Strategic Director of Regeneration, Housing & Resources report back to Cabinet in March 2014 on the proposed tenure mix, marketing and financial modelling for the proposed scheme.

## **75. References from Overview & Scrutiny**

The Cabinet considered two reports from scrutiny in relation to the Childhood Obesity review undertaken by the Overview & Scrutiny Committee and a review of Accident & Emergency Provision at Wexham Park Hospital carried out by the Health Scrutiny Panel.

Members welcomed the thorough analysis and evidence based conclusions in the report, particularly in relation to the Childhood Obesity Review, and agreed that it provided a number of clear recommendations which could now be implemented. The reports were both noted and the relevant recommendations for the Cabinet in relation to the Childhood Obesity Report as set out below were agreed.

### **Resolved –**

- (a) That the findings of the Overview & Scrutiny Committee's Review of Childhood Obesity be noted and that the following recommendations be agreed:
  - a. That the Cabinet agree the prioritising of work currently underway to improve the scope of healthy offers across a range of price levels by local retailers, specifically within the vicinity of local schools.
  - c. That the council work with all schools to encourage the inclusion of cooking classes and nutritional education in the curriculum for all schools in the borough.
  - e. That the council, through the Transport Working Party, provide support to the schools for initiatives to improve the use of sustainable travel to and from schools, recognising not only the health benefits, but also the congestion and environmental benefits improved School Transport Plans can have.
  - f. That the council looks at its methods of advertising the local leisure offer, particularly the available open spaces for 'unorganised' sporting activities, and include details of how improvements can/have been made when the Overview and Scrutiny Committee review the initial effectiveness of the new Physical Activity and Sport Strategy 2013-15 in autumn 2014.

- g. That the Cabinet commission officers to undertake a piece of work reviewing the balance of the leisure offer in the borough to ensure an appropriate mix for both boys and girls.
  - h. That a formalised process for information sharing on initiatives to tackle childhood obesity be developed between the CCG, children's centres, health visitors, SBC's Culture and Sport team and schools. This Review recommends that the CCG leads on this, to ensure their engagement as they would be able to develop an overall picture of health and refer patients to the most appropriate services or initiatives that are available.
- (b) That the findings of the Health Scrutiny Panel's Accident and Emergency Provision and Wexham Park Hospital Review be noted.

**76. Notification of Forthcoming Decisions**

The Cabinet noted that a number of updates had been made to the published Notification of Decisions with regards to the rescheduling of decisions on the Chalvey Regeneration Plan and the Hackney Carriage Fare Tariff, which were both now expected to be considered in March 2014.

**Resolved** – That the Notification of Decisions for February to April 2014 be approved.

**77. Exclusion of Press and Public**

**Resolved** – That the Press and Public be excluded from the meeting during consideration of the item in Part 2 of the Agenda, as it involves the likely disclosure of exempt information relating to individuals and the financial and business affairs of any particular person (including the authority holding the information) as defined in Paragraphs 1 and 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (amended).

**78. Part II Minutes - 16th December 2013**

**Resolved** – That the Part II minutes of the meeting of the Cabinet held on 16<sup>th</sup> December 2013 be approved.

Chair

(Note: The Meeting opened at 6.33 pm and closed at 7.15 pm)

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**SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Cabinet **DATE:** 10<sup>th</sup> February 2014

**CONTACT OFFICER:** Joseph Holmes, Assistant Director, Finance & Audit  
**(For all enquiries)** (01753) 875358

**WARD(S):** All

**PORTFOLIO:** Cllr. Rob Anderson; Lead Commissioner for Finance & Strategy

**PART I**  
**NON-KEY DECISION**

**FINANCE AND PERFORMANCE REPORT: QUARTER 3 2013-14**

**1 Purpose of Report**

This report highlights the Council's overall performance from delivery of service to financial management covering the period up to and including December 2013.

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

2.1 The Cabinet is requested to note and comment on the following aspects of the report:

- (a) To note the latest forecast financial information for the 2013-14 financial year;
- (b) To note the Council's performance against the balance scorecard indicators to date during 2013-14;
- (c) To note the Council's performance on 'Gold' projects during 2013-14; and
- (d) To approve the write-offs detailed within the report.

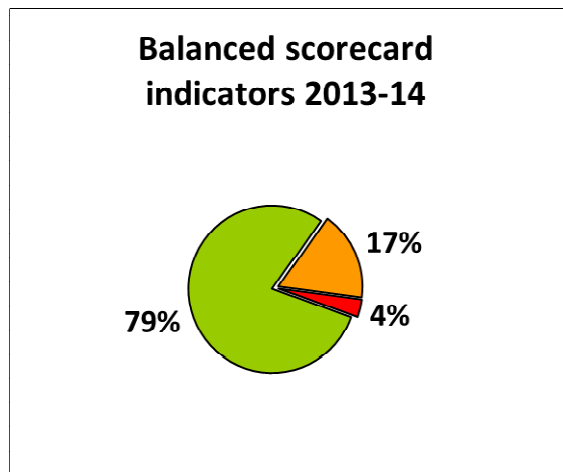
**3 Executive summary**

3.1.1 The Council is forecasting to underspend by £0.003m as at month 9. The move to a small underspend is the net result of an in-year savings initiative conducted over the recent months to bring the council's budget back into balance. This position needs to be maintained as any resulting overspend will have an impact on the Council's General Reserves. This is a much better position compared to month 8 when the Council reported a potential £0.363m overspend. Whilst the directorates are broadly showing a breakeven position at year end there are numerous budget pressures and overspends that are being matched with corresponding saving initiatives and underspends. The corporate items budget is showing a projected overspend of £0.66M for the current year. The existing contingency budget and additional savings highlighted during the year have not been sufficient to cover the additional budget pressures that have occurred. All of these savings and pressures are described in more detail later in the report and shown in Appendix E. The Budget monitoring report for December 2013 is shown in Appendix A.

3.1.2 The council has spent 28% of its available 2013/14 Capital Budget in the first nine months of the year. The latest projection for capital expenditure in 2013/14 is

£44.4m against a revised budget of £65.6m. This would represent 68% expenditure against the revised budget. A detailed Directorate breakdown of the month 8 capital monitoring can be seen at Appendix B.

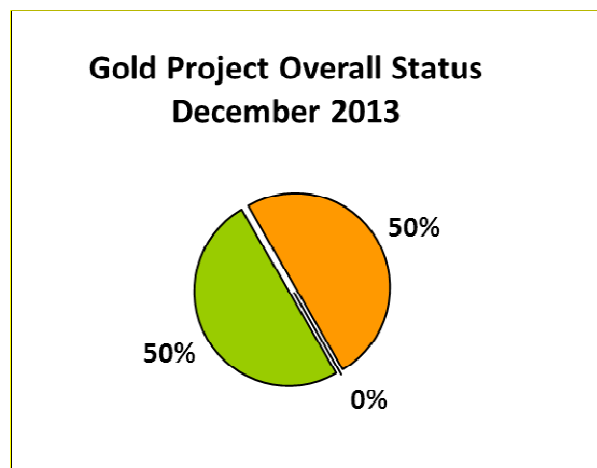
3.1.3 The latest position for the Council's balanced scorecard demonstrates that at the end of December 2013 the Council's performance is as below:



3.1.4 Key areas of noteworthy concerns remain:

- Children subject to Child Protection Plans. The number of children requiring this level of protection continues to increase and now stands at a number which exceeds our planned level.

3.1.5 The summary of the Gold projects at December 2013 indicates that the overall status of three of these are Green, with three assessed as Amber.



#### **4. The Slough Joint Wellbeing Strategy, the JSNA and the Corporate Plan**

##### **4.1 Sustainable Community Strategy Priorities**

The report indirectly supports all of the Community Strategy priorities and cross cutting themes. The maintenance of excellent governance within the Council to ensure that it is efficient, effective and economic in everything it does is achieve

through the improvement of corporate governance and democracy by ensuring effective management practice is in place.

#### 4.2 Corporate Plan 2013/14

The report helps achieve the Corporate Plan objectives by detailing how the Council has performed against its priority outcomes, as evidenced in the performance balanced scorecard and Gold projects reporting, and in delivering the Council's budget in line with the approved budget.

### 5 Other Implications

#### 5.1 Financial

*The Financial implications are contained with this report, but in summary, the 2013-14 provisional forecasts would increase the Council's general reserves by £0.003m.*

#### 5.2 Risk Management

| <b>Risk</b>  | <b>Mitigating action</b>   | <b>Opportunities</b> |
|--|--|----------------------|
| 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  | None                 |
| Timetable for delivery; A number of capital projects have been re-profiled into the 2013-14 financial year | The capital programme is being closely monitored by the capital strategy group in 2013-14. | None                 |
| Project Capacity   | None   | None                 |
| Other  | None   | None                 |

#### 5.2.1 Human Rights Act and Other Legal Implications

*There are no Human Rights Act Implications of this paper*

#### Equalities Impact Assessment

*No identified need for the completion of an EIA*

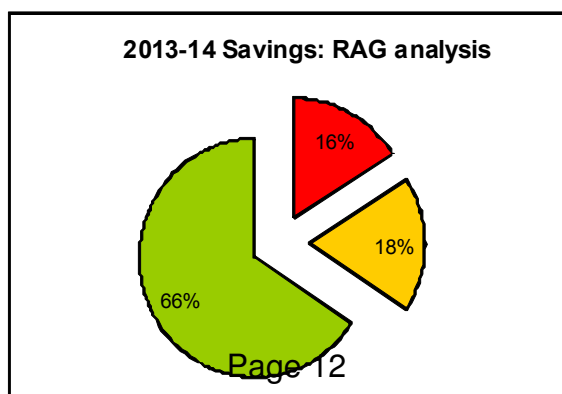
## 6 Supporting Information

This is the month 9 report to Cabinet for the 2013-14 financial year in respect of the financial and performance position of the Council

## 7 Financial Performance

### Revenue

- 7.1 The Council is forecasting to underspend by £0.003m as at month 9. Corporate budget items is the only service area showing material net overspends (£0.660M) with Customer and Community services showing a net underspend of £0.530M.
- 7.2 Wellbeing saw increased commitments on the Children & Families social work teams and on the Non Schools budget following the appointment of a new interim Head of Service. The current projected budgeted position is an overspend, behind this is a significant pressure on the Children Looked After (Placement) budgets within Children and Families service. The total overspend within this service is £2.7m, this is offset in part by savings within the Adult Social Care service of £1m and Education (Non Schools) of £1m.
- 7.3 At this point in time, the Customer and Community Services Directorate is forecasting an under spend position of £530k, largely due to the £498k one-off additional in year savings put forward in November, plus the transfer of the Parks and Open Spaces service into CCS with a £32k favourable variance. Within the transactional service area the £250k 2013/14 savings target for phase 2 transactional savings will not be achieved due to the ICT and Customer services areas transferring later in the year than anticipated.
- 7.4 The Regeneration, Housing and Resources Directorate is forecasting an under spend position of £243k, a movement of £335k from that reported last month. This has been due to an accommodation charge to the HRA, a change in the corporate repairs criteria to emergency repairs and maintenance and a reduction in the projected staffing costs for the year.
- 7.5 Corporate Services is showing a projected overspend of £0.66M. This overspend relates to numerous budget issues and they are shown in detail at the bottom of Appendix E
- 7.6 Of the £9.4m of savings for 2013-14, a majority (66%) of these are showing as green, with £1.5m (16%) showing as red. Green and amber categories combined make up 84% of the overall savings targets. The main saving identified as red relates to procurement savings of £473k that have not yet been identified and the Phase 2 transactional services contract. A detailed analysis of the savings can be seen at Appendix F.





## 8 Movements from Reserves

- 8.1 At the May CMT, it was agreed to transfer £228k of one off funding from the Transformation fund to Children's & Families service to assist the Improvement Programme being undertaken within that service. There has been a release of a Specific earmarked reserve to fund restructuring costs of £366k to deliver ongoing savings.

## 9 Write-offs

The write-offs below are requested for approvals. The main item relates to a significant write-off dating back a number of years which was previously assessed as eligible for, and received, mandatory charitable relief but which has now been re-assessed as being ineligible for this relief; due to case law the Council are unable to bill for this period.

| Reason                     | NNDR         | Council Tax | Former Tenant Arrears | Sundry Debtors | Housing Rents | Housing Benefits | Total        |
|----------------------------|--------------|-------------|-----------------------|----------------|---------------|------------------|--------------|
|                            | Value £      | Value £     | Value £               | Value £        | Value £       | Value £          | Value £      |
| Unable to trace            |              | 144,388.91  | 2,373.57              | 34,263.38      |               |                  | 181,025.86   |
| Uneconomical to pursue     |              |             | 203.93                | 4,905.06       |               |                  | 5,108.99     |
| Vulnerable persons         |              | 5,175.45    | 187.14                | 39,767.47      |               |                  | 45,130.06    |
| Tenant no estate / no NOK  |              |             | 6,333.66              |                |               |                  | 6,333.66     |
| Statute Barred             | 99,908.86    |             | 161.30                | 11,815.13      |               |                  | 111,885.29   |
| Bankruptcy                 |              | 12,281.24   |                       |                |               |                  | 12,281.24    |
| Absconded                  | 365,717.92   |             |                       |                |               |                  | 365,717.92   |
| Dissolved                  | 260,155.44   |             |                       |                |               |                  | 260,155.44   |
| Proposal to Strike         |              |             |                       |                |               |                  |              |
| Statute Debarred           | 85,536.83    | 2,636.60    |                       |                |               |                  | 88,173.43    |
| 8090 Report (System Error) |              |             | 12,372.83             |                |               |                  | 12,372.83    |
| Liquidation                | 31,425.14    |             |                       |                |               |                  | 31,425.14    |
| Administration             | 14,617.62    |             |                       |                |               | 9.34             | 14,626.96    |
| Receivership               |              |             |                       |                |               |                  |              |
| Misc.                      | 546,591.07   | 72,391.80   |                       | 29,285.16      |               |                  | 648,268.03   |
| Credit Balances            | (45,869.65)  |             |                       |                |               |                  | (45,869.65)  |
| Deceased                   |              | 2,622.86    |                       | 37,420.20      |               | 450.00           | 40,493.06    |
|                            | 1,358,083.23 | 239,496.86  | 21,632.43             | 157,456.40     |               | 459.34           | 1,777,128.26 |

## 10 Virements

Virements over £250k during the third quarter of the current financial year were as follows.

| Service Area   |                  | Amount £'000 | Reason  |
|----------------|------------------|--------------|---|
| From           | To               |              |   |
| Contingency    | All Directorates | 380,140      | Release of 2013/14 Pay Inflation                              |
| Appropriations | Wellbeing        | 5,970        | Release of Wellbeing Grants Reserve                           |
| Appropriations | Wellbeing        | 228,500      | Release of Transformation Fund (Cabinet Report 16th Sep 2013) |
| Contingency    | All Directorates | 1,661,730    | Release of 2013/14 Non-Pay Inflation                          |
| Appropriations | All Directorates | 527,760      | Release of 2012/13 Carry Forwards                             |

## 11 Council Performance

- 11.1 The latest available validated performance positions have been ascertained. This month, 29 performance indicators have been RAG rated – the majority at **Green** (23; 79%) or **Amber** (5; 17%). Those rated as Green or Amber - taken together -

account for 96% of measures. One measure this month (4%) is **Red** rated as being off target by more than 5% in this report.

## 11.2 Noteworthy Improvements

The following indicators were reported as **AMBER** in the previous report but have now improved to a **GREEN** target level of performance.

### 11.2.1 Prevalence of childhood obesity at end of primary school (Year 6) as measured by the NCMP

The latest annual data release for 2012-13 year was published in December.

Slough has a higher rate of childhood obesity than national average (18.9%) although this has decreased marginally from the previous year's findings, with the gap between Slough and England narrowing.

In the allied measurement of obesity amongst children in Reception year, the figures reveal a small increase in obesity rate, and a marginal widening of the gap compared to England.

Partnership actions and impact are being reviewed and revised by the relevant Priority Group of the Children & Young People's Partnership.

### 11.2.2 Speed of Processing of Housing Benefit and Council Tax Benefit claims:

(a) New Claims; (b) Change of Circumstances

Within December, both components of this indicator achieve the target values: processing new claims (16.26 days) and processing Changes of Circumstances (9.73 days).

The speed of processing measures have both improved steadily month after month, although with one-quarter of the year remaining the cumulative performance for 2013-14 still remains in excess of target (at 21.38 and 11.83 days respectively).

Now that the benchmarking has taken place these targets are being revised as part of the KPI review that should be concluded in the following months.

## 11.3 Noteworthy Concerns

The following indicator was rated **RED** this month as being more than 5% adrift of their currently defined target values:

### 11.3.1 Children subject to Child Protection Plans at month end

(a) Number

(b) Rate per 10,000 local children.

Provisional data shows that December resulted in a small increase in the number of children subject to a child protection plan. Since the end of March the number of children subject to a CP plan has increased by 97 children (an increase of 66%).

Our target was originally set with the aim of being within  $\pm 15\%$  of the Statistical Neighbour average (at March 2012) but we have seen a significantly larger than expected number of children suffering abuse or neglect and requiring this level of protection. More recent comparator rates for March 2013 have just been published, and the service will reflect on these and assess an appropriate target position for Slough.

The Full Corporate Balanced Scorecard is provided as **Appendix C**.

## 11.4 Council's Gold Project Update

11.4.1 The summary below provides CMT with an update on the Council's Gold Projects as at the 31<sup>st</sup> December 2013. Individual project progress reports have been made

by Project leads, with endorsement from the Project Sponsor, and are provided in **Appendix D**.

11.4.2 Please note that the highlight reports are submitted using the standardised format requested by the Chief Executive. The intention of this format was to ensure that the really pertinent points are drawn to CMT's attention, particularly any recommendations or requests that require CMT action to support project delivery.

## 11.5 Monthly Period Summary

11.5.1 This report covers six Gold Projects in total; highlight reports have been received for all.

11.5.2 The *Transactional Services - Phase 2 (Customer Services and ICT)* project completed on schedule on the 1<sup>st</sup> December 2013, and therefore has been removed from the gold project list.

11.5.3 Of the six project highlight reports submitted, all have been confirmed as agreed and authorised by the Project Sponsors with the exception of:

- *Fit For the Future*

11.5.4 The Safeguarding Improvement Plan project has been assessed as 'Red' for Issues and Risks.

11.5.5 None of the projects have been assessed as 'Green' for all aspects.

11.5.6 Of the six submitted highlight reports, three have been assessed to have an **overall** status of '**Green**' and three as '**Amber**'. For '*Timeline*' three projects have been evaluated at '**Green**' status and three at '**Amber**'. For '*Budget*' three are assessed as '**Green**' and three at '**Amber**'. For '*Issues and Risks*' one has been evaluated at '**Green**' status, four at '**Amber**' and one at '**Red**'. Details are provided in the table beneath.

**Project Manager / Sponsor assessed status of Gold Projects as at:  
31<sup>st</sup> December 2013**

|   | <b>Gold Project Name</b>               | <b>Overall status</b> | <b>Timeline</b> | <b>Budget</b>                           | <b>Issues + Risks</b>                   | <b>Sponsor authorisation status</b> |
|---|--|-----------------------|-----------------|---|---|-------------------------------------|
| 1 | Accommodation & Flexible Working       | <b>GREEN</b>          | <b>Green</b>    | <b>Amber</b>                            | <b>Green</b>                            | Approved                            |
| 2 | Fit for the Future Programme           | <b>GREEN</b>          | <b>Green</b>    | <b>Green</b>                            | <b>Amber</b><br>↓<br><b>(was Green)</b> | <i>Draft</i>                        |
| 3 | Learning Disabilities Change Programme | <b>Green</b>          | <b>Green</b>    | <b>Green</b>                            | <b>Amber</b>                            | Approved                            |
| 4 | Safeguarding Improvement Plan          | <b>AMBER</b>          | <b>Amber</b>    | <b>Amber</b><br>↓<br><b>(was Green)</b> | <b>Red</b>                              | Approved                            |
| 5 | School Places Programme <i>new</i>     | <b>AMBER</b>          | <b>Amber</b>    | <b>Green</b>                            | <b>Amber</b>                            | Approved                            |
| 6 | The Curve                              | <b>AMBER</b>          | <b>Amber</b>    | <b>Amber</b>                            | <b>Amber</b>                            | Approved                            |

N.B. Arrows show direction of change in Rag rating since the last Project Highlight report

↓ Indicates a reduction in status

↑ Indicates an improvement in status

No arrow indicates maintained status since last report

The individual Gold Project Updates are provided as **Appendix D.**

## 12 Capital

12.1 The detailed Capital Monitoring report was presented at the Capital Strategy Board meeting on the 28<sup>th</sup> January 2014. The Consolidated Capital Expenditure as at 31<sup>st</sup> December 2013 can be found in the following table:

| Directorate                           | Expenditure   |               |               | Balance       |
|---------------------------------------|---------------|---------------|---------------|---------------|
|                                       | Budget        | Actual        | Projection    |               |
| Slough Regeneration Partnership       | 14,372        | 2,437         | 4,370         | 10,002        |
| Heart of Slough                       | 1,020         | 304           | 695           | 325           |
| Resources (excluding Heart of Slough) | 6,300         | 2,041         | 5,356         | 944           |
| Wellbeing                             | 9,404         | 6,638         | 9,317         | 87            |
| Chief Executive                       | 61            | 273           | 61            | 0             |
| Customer & Community Services         | 13,099        | 2,477         | 8,333         | 4,766         |
| Housing Revenue Account               | 21,381        | 4,180         | 16,315        | 5,066         |
| <b>Total</b>                          | <b>65,637</b> | <b>18,350</b> | <b>44,447</b> | <b>21,190</b> |

12.2 A detailed directorate breakdown of the month 9 capital monitoring can be seen at Appendix B.

**13 Comments of Other Committees**

This report is due to the Overview & Scrutiny Committee on the 12<sup>th</sup> November 2013

**14 Conclusion**

The Council is currently forecasting a small underspend when compared to previous quarters of the financial year. The Council will continue to report back to Cabinet on progress at future meetings.

**15 Appendices Attached**

'A' - Revenue forecasts summary

'B' - Capital narrative & summary

'C' - Balanced Scorecard

'D' - GOLD projects update

'E' - Revenue forecasts narrative

**16 Background Papers**

n/a

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Appendix A

**SLOUGH BOROUGH COUNCIL  
2013/14 BUDGET MONITORING  
PERIOD 9 - December 2013**

| Directorate   | Net Current Budget | Projected Outturn | Variance: Over / (Under) Spend |
|---|--------------------|-------------------|--------------------------------|
|   | £'M                | £'M               | £'M                            |
| <u>Wellbeing</u>  |                    |                   |                                |
| Adult Social Care and Health Partnerships                 | 38.270             | 37.284            | (0.986)                        |
| Central Management  | (0.228)            | (0.228)           | 0.000                          |
| Children and Families                                     | 16.216             | 18.909            | 2.693                          |
| Education (Non-Schools)                                   | 9.413              | 8.454             | (0.959)                        |
| Public Health   | (0.150)            | (0.711)           | (0.561)                        |
| <b>Total Wellbeing</b>                                    | <b>63.521</b>      | <b>63.708</b>     | <b>0.187</b>                   |
| <b>Total Schools</b>                                      | <b>(0.420)</b>     | <b>(0.420)</b>    | <b>0.000</b>                   |
| <u>Customer and Community Services</u>                    |                    |                   |                                |
| Customer Services and IT                                  | 3.363              | 3.074             | (0.289)                        |
| Community and Skills                                      | 6.850              | 6.327             | (0.523)                        |
| Enforcement and Regulation                                | 6.462              | 6.503             | 0.041                          |
| Strategic Management                                      | 0.501              | 0.477             | (0.024)                        |
| Transactional Services                                    | 2.228              | 2.508             | 0.280                          |
| Procurement   | 0.287              | 0.272             | (0.015)                        |
| <b>Total Customer and Community Services</b>              | <b>19.692</b>      | <b>19.162</b>     | <b>(0.530)</b>                 |
| <u>Regeneration, Housing and Resources</u>                |                    |                   |                                |
| Strategic Management                                      | 0.317              | 0.377             | 0.060                          |
| Corporate Resources                                       | 1.696              | 1.711             | 0.015                          |
| Housing and Environment                                   | 14.620             | 14.390            | (0.230)                        |
| Estates and Regeneration                                  | 7.789              | 7.701             | (0.088)                        |
| <b>Total Regeneration, Housing and Resources</b>          | <b>24.422</b>      | <b>24.179</b>     | <b>(0.243)</b>                 |
| <u>Chief Executive</u>                                    |                    |                   |                                |
| Executive's Office  | 0.321              | 0.321             | 0.000                          |
| Communications  | 0.477              | 0.477             | 0.000                          |
| Policy  | 0.657              | 0.657             | 0.000                          |
| Professional Services                                     | 3.128              | 3.128             | 0.000                          |
| <b>Total Chief Executive</b>                              | <b>4.583</b>       | <b>4.583</b>      | <b>0.000</b>                   |
| <b>Total Corporate</b>                                    | <b>(0.150)</b>     | <b>0.510</b>      | <b>0.660</b>                   |
| <b>Total Net Cost of Services</b>                         | <b>111.647</b>     | <b>111.721</b>    | <b>0.074</b>                   |
| <b>% of revenue budget over/(under) spent by Services</b> |                    |                   | <b>0.1%</b>                    |
| <b>Total Non Distributed Costs</b>                        | <b>2.603</b>       | <b>2.603</b>      | <b>0.000</b>                   |
| <b>Total General Fund</b>                                 | <b>114.250</b>     | <b>114.324</b>    | <b>0.074</b>                   |
| <b>% of revenue budget over/(under) spent in total</b>    |                    |                   | <b>0.1%</b>                    |

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## Appendix B

### Consolidated Capital Expenditure as at 31<sup>st</sup> DECEMBER 2013

| Directorate                           | Expenditure   |               |               | Balance       |
|---------------------------------------|---------------|---------------|---------------|---------------|
|                                       | Budget        | Actual        | Projection    |               |
| Slough Regeneration Partnership       | 14,372        | 2,437         | 4,370         | 10,002        |
| Heart of Slough                       | 1,020         | 304           | 695           | 325           |
| Resources (excluding Heart of Slough) | 6,300         | 2,041         | 5,356         | 944           |
| Wellbeing                             | 9,404         | 6,638         | 9,317         | 87            |
| Chief Executive                       | 61            | 273           | 61            | 0             |
| Customer & Community Services         | 13,099        | 2,477         | 8,333         | 4,766         |
| Housing Revenue Account               | 21,381        | 4,180         | 16,315        | 5,066         |
| <b>Total</b>                          | <b>65,637</b> | <b>18,350</b> | <b>44,447</b> | <b>21,190</b> |

The council has spent 28% of its available 2013/14 Capital Budget in the first nine months of the year. It is anticipated that expenditure will pick up in the remainder of the financial year. However the council had spent approximately 42% of its budget at the same time last year. The latest projection is capital expenditure in 2013/14 of £44.447m against a revised budget of £65.602m. This would represent 68% expenditure against the revised budget.

A detailed Directorate Narrative is shown below.

#### Detailed Directorate Narrative

##### **Wellbeing**

The Capital Budget for Wellbeing which includes the schools capital programme was £15.203m. The budget has now been re-profiled and has now been reduced to £9.404m. This is partly through the re-profiling of budgets and partly by relinquishing budgets no longer required. At the end of December £6.638m had been spent which represents 71% of the total budget.

For budgets being relinquished, there was £800K under-spend from 2012/13 Primary Capital Programme funding has been automatically rolled forward, but which is not required. Also, £500K of this budget will be re-profiled into 2013/14. This is mainly due to projects at St Mary's, Khalsa and James Elliman which have not yet started the design stage; work will now start on site 2014/15 at the earliest.

The most recent Business Case approved for the Modernisation programme forecast capital expenditure of £1.8m in 2013/14. However, fewer schemes than expected were carried out over the summer break and the forecast has therefore been reduced to £870K.

Finally the Littledown capital budget was increased at the June Capital Strategy Board, the SEN Carry forward from 2012/13 is no longer required and the Baylis Court Project is now complete.

Schools continue to draw in significant levels of external income via government grant (particularly Basic Need) and section 106 agreements. This means that that schools and Children's Centre schemes are all 100% grant funded. Capital Expenditure devolved to schools is either financed from Devolved Formula Capital Grant or revenue contributions from schools.

There are also two small capital projects outstanding from the old Community and Wellbeing Directorate. The combined budget for these projects is only £52k and there has been no expenditure on these in the first four months of the year.

## **Resources, Housing and Regeneration**

This Directorate includes a number of significant schemes for the Council including the Heart of Slough and Britwell Regeneration Scheme. The budget to complete the Heart of Slough project in 2013/14 is £1.02m and expenditure in the first nine months of the year was £304k.

The budget for the other RHR Capital Schemes in 2013/14 is £6.300m. £2.041m or 32.4% of this budget has been spent. £893k of this is for the Britwell Regeneration scheme as work on the Britwell Centre is completed.

With regard to the Air Conditioning and Control project, the works to upgrade the air conditioning and electrical systems at St Martin Place are likely to start in early 2014 and will last 12 to 14 months. It is estimated that approximately £235k will be spent in 2013/14 with the balance in 2014/15.

The Colnbrook By-pass scheme budget is now projected to be spent in 2014/15 and it is envisaged that £200k will be carried forward for the infrastructure budget to 2014/15 to pay for tactile paving and kerb joints. Due to a delay on High Street Works, a £70k carry forward to 2014/15 is expected for the Highway & Land Drainage Improvements scheme. Finally the £25K budget for the Rochford's Canteen demolition has now been relinquished.

## **Customer & Community Services.**

This was a new directorate set up in 2012/13 following an organisational restructure. The budget in 2013/14 was £14.639m though budgets for some of the larger IT projects are awaiting a business case and the £2m Financial Systems Upgrade project has been moved into 2014/15. Expenditure in the first nine months of the year is £2,477K which represents 18.91% of the revised 2013/14 budget of £13,099K.

Some of the larger projects namely the Better Bus Fund, the Traffic Lights and Junction Improvements and the Local Sustainable Transport Fund are fully grant funded.

Expenditure on the IT Infrastructure Refresh has now commenced after a delay. The IT Disaster Recovery budget will need to be re-profiled pending a proposal and business case from arvato.

Many of the directorate's budgets are concerned with the delivery of the Council's Accommodation Strategy. It is expected that the Council will re-profile these. The budgets associated with this project are as follow:-

- Accommodation Strategy
- Expansion of DIP servers
- Refresh of existing IT assets (to enable mobile working)

- Document Image Processing Project (this is to fund resource and expertise to work with services to prepare and categorise the files ready for scanning)

With regards the Cemeteries and Crematorium projects, both budgets are still required but expenditure is not now expected until the fourth quarter of 2013/14 with the majority of the budget re-profiled into 2014/15.

### **Housing Revenue Account**

The Housing Revenue Account Capital Programme for 2013/14 has a budget of £21.381m which includes re-profiling from the 2012/13 capital programme of £8.587m. There has been expenditure of £1,143k on the Affordable Housing Budget in the first nine months of the year, the largest item of which is for the acquisition of the Merry Makers Public House. The building of nine houses on the former garage site in Wentworth Avenue was due to be completed in October but the remediation has been a lengthy process; the build programme commenced on 18th November 2013 with an anticipated completion date of 15th September 2014.

There are a number of resident consultation exercises that have or are due to commence around further 'Estate/Environmental Improvement' schemes that could increase the spend profile within the allocation but this has not been included. Thus far £4,180K of the revised 2013/14 budget has been spent which represents 20%.

### **Slough Regeneration Partnership**

The main item on the 2013/14 Capital Programme for the SRP is the building of the Curve. During 2012.13 £27k of a £4m budget was spent. This under-spend has been carried forward so the revised 2013/14 budget is £13.973m. It is currently expected that £4.069m of this budget will be spent in 2013/14 (or 29%) and a total of £2,136k has thus been paid to the new Slough Regeneration Partnership Community Projects LLP to enable the payment to Morgan Sindell of a pre-construction agreement for the Curve. Any balance will be re-profiled into subsequent years.

### **Chief Executive**

There is a budget for the council's contribution to the Berkshire Superfast Broadband Scheme. There was an £120k budget in 2013/14 but there was £61k expenditure in 2012/13 in advance of the 2013/14 budget allocation. Therefore the budget in 2013/14 was £59k. The budget has increased by £50k to enable a further roll out of the project.

### **Community Investment Fund**

A request was made at a recent meeting of the Capital Strategy Board for an update on Community Investment Fund Expenditure. This update is shown below. It is expected that this budget will be spent in 2013/14.

Wellbeing

| Cost Centre | Project                                   | 2013/14 Budget<br>£'000 | 2013/14 Re-profiled Budget<br>£'000 | Actual<br>£'000 | Q4<br>£'000  | Total Projection<br>£'000 | Balance<br>£'000 |
|-------------|---|-------------------------|-------------------------------------|-----------------|--------------|---------------------------|------------------|
|             | <b>Education Services</b>                 |                         |                                     |                 |              |                           |                  |
| P749        | Repairs to Children's Centres             | 150                     | 102                                 | 20              | 82           | 102                       | 0                |
|             | Repairs to Youth Centres                  | 50                      | 0                                   |                 |              | 0                         | 0                |
|             | 2 Year Old Expansion Programme            | 700                     | 100                                 |                 | 100          | 100                       | 0                |
| P896        | Penn Rd & Chalvey Grove Children's Centre | 60                      | 156                                 | 3               | 153          | 156                       | 0                |
| P895        | Monksfield Way Children's Centre          | 150                     | 170                                 | 14              | 156          | 170                       | 0                |
|             | Children's Centre IT                      |                         | 35                                  |                 | 35           |                           |                  |
| P048        | Western House Expansion                   | 47                      | 47                                  | 35              |              | 35                        | 12               |
| P051        | Primary Expansions (Phase 2 for 2011)     | 5,078                   | 3,300                               | 2,436           | 864          | 3,300                     | 0                |
| P076        | Town Hall Conversion                      | 311                     | 311                                 | 171             | 140          | 311                       | 0                |
| P090        | Expand Littledown School                  | 98                      | 262                                 | 239             | 23           | 262                       | 0                |
| P093        | Schools Modernisation Programme           | 2,808                   | 870                                 | 282             | 588          | 870                       | 0                |
| P101        | SEN Resources Expansion                   | 417                     | 170                                 | 60              | 110          | 170                       | 0                |
| P664        | Baylis Court BSF                          | 22                      | 0                                   |                 |              | 0                         | 0                |
| P783        | Schools Devolved Capital                  | 197                     | 197                                 | 179             | 18           | 197                       | 0                |
| P856        | Haymill/Haybrook College Project          | 3,485                   | 3,442                               | 3,078           | 364          | 3,442                     | 0                |
| P865        | Parlaunt Park Primary                     | 34                      | 34                                  | 34              |              | 34                        | 0                |
| P886        | Wexham Court Primary                      | 68                      | 68                                  | 49              | 19           | 68                        | 0                |
| P887        | Willow School Expansion                   | 38                      | 38                                  | 38              |              | 38                        | 0                |
|             | DDA/SENDA access Works                    | 100                     | 50                                  |                 | 10           | 10                        | 40               |
|             | Lea Nursery Heat Pump                     | 12                      | 0                                   |                 |              | 0                         | 0                |
| P331        | Social Care IT System                     | 39                      | 39                                  |                 | 39           | 39                        | 0                |
| P723        | Home Care e-rostering System              | 13                      | 13                                  |                 | 13           | 13                        | 0                |
|             | <b>Total Education Services</b>           | <b>13,877</b>           | <b>9,404</b>                        | <b>6,638</b>    | <b>2,714</b> | <b>9,317</b>              | <b>52</b>        |

## Resources, Housing & Regeneration

| Cost Centre | Project                                      | 2013/14      | Actual       | Q4           | Total Projection | Balance    |
|-------------|--|--------------|--------------|--------------|------------------|------------|
|             |  | £'000        | £'000        | £'000        | £'000            | £'000      |
|             | <b>Resources, Housing and Regeneration</b>   |              |              |              |                  |            |
| P006        | Disabled Facilities Grant                    | 614          | 334          | 280          | 614              | 0          |
| P069        | Highway & Land Drainage Improvements         | 125          | 29           | 44           | 73               | 52         |
| P079        | Catalyst Equity Loan Scheme                  | 54           | 0            | 54           | 54               | 0          |
| P117        | Affordable Housing Garage Site Phase 7       | 64           | 4            | 60           | 64               | 0          |
| P085        | Air Conditioning and Controls                | 1,235        | 30           | 205          | 235              | 1,000      |
| P100        | Demolition Rochfords Hostel                  | 25           | 0            |              | 0                | 25         |
| P111        | Major Highways Programmes                    | 765          | 182          | 583          | 765              | 0          |
| P113        | Lascelles Lodge                              | 142          | 1            | 141          | 142              | 0          |
| P115        | Bath Road                                    | 90           |              | 90           | 90               | 0          |
| P116        | Windsor Road Widening Scheme                 | 156          | 127          | 29           | 156              | 0          |
| P728        | Highway Reconfigure & Resurface              | 124          | 388          |              | 388              | (264)      |
| P779        | Britwell Regeneration                        | 1,126        | 893          | 233          | 1126             | 0          |
| P869        | Chalvey Hub                                  | 323          | 0            | 323          | 323              | 0          |
| P881        | Colnbrook By-pass                            | 131          | 0            |              | 0                | 131        |
| P119        | Allocation to land appropriation             | 1,326        | 53           | 1273         | 1326             | 0          |
|             | <b>Total RHR (excluding Heart of Slough)</b> | <b>6,300</b> | <b>2,041</b> | <b>2,042</b> | <b>5,356</b>     | <b>944</b> |
|             | <b>Heart of Slough</b>                       |              |              |              |                  |            |
| P060        | Station Forecourt                            | 20           | 0            | 20           | 20               | 0          |
| P064        | Infrastructure                               | 400          | 68           | 132          | 200              | 200        |
| P063        | Bus Station                                  | 600          | 236          | 239          | 475              | 125        |
|             | <b>Total Heart of Slough</b>                 | <b>1,020</b> | <b>304</b>   | <b>391</b>   | <b>695</b>       | <b>325</b> |

## Customer and Community Services

| Cost Centre | Project                                  | 2013/14<br>£'000 | Actual<br>£'000 | Q4<br>£'000 | Total<br>Projection<br>£'000 | Balance<br>£'000 |
|-------------|--|------------------|-----------------|-------------|------------------------------|------------------|
|             | <b>Customer &amp; Community Services</b> |                  |                 |             |                              |                  |
| P097        | Better Bus Fund Improvements             | 1,308            | 143             | 1,165       | 1,308                        | 0                |
| P098        | Traffic Light & Junction Improvements    | 854              | 360             | 494         | 854                          | 0                |
| P102        | Local Sustainable Transport Fund         | 1,087            | 389             | 698         | 1,087                        | 0                |
| P322        | Parking Strategy                         | 16               | 0               | 16          | 16                           | 0                |
| P323        | Road Safety Programme                    | 118              | 0               | 118         | 118                          | 0                |
| P661        | Local Safety Scheme Programme            | 159              | 4               | 95          | 99                           | 60               |
| P874        | Casualty Reduction                       | 172              | 107             | 65          | 172                          | 0                |
| P875        | CCTV Relocation                          | 197              | 58              | 139         | 197                          | 0                |
| P879        | ITS Real Time Passenger Information      | 62               | 52              | 10          | 62                           | 0                |
|             | Air Quality Grant                        | 67               | 0               | 67          | 67                           | 0                |
| P118        | Replacement of Art Feature               | 20               | 0               | 20          | 20                           | 0                |
| P655        | Greener Travel                           | 36               | (29)            | 65          | 36                           | 0                |
| P083        | Cemetery Extension                       | 1,323            | 21              |             | 21                           | 1,302            |
| P084        | IT Infrastructure Refresh                | 250              | 90              | 160         | 250                          | 0                |
| P084        | Replacement of SAN                       | 125              | 0               |             | 0                            | 125              |
| P105        | Civica E-Payment Upgrade                 | 80               | 40              | 40          | 80                           | 0                |
| P873        | Crematorium Project                      | 2,056            | 316             | 290         | 606                          | 1,450            |
|             | Expansion of DIP Servers                 | 150              | 0               |             | 0                            | 150              |
|             | IT Disaster Recovery                     | 1,000            | 0               |             | 0                            | 1,000            |
|             | Refresh of Existing IT Assets            | 500              | 0               |             | 0                            | 500              |
|             | Document Image Processing Project        | 350              | 0               | 350         | 350                          | 0                |
| P784        | Accommodation Strategy                   | 207              | 110             | 97          | 207                          | 0                |
| P088        | Baylis Park Restoration                  | 55               | 0               | 55          | 55                           | 0                |
| P089        | Upton Court Park Remediation             | 25               | 0               | 25          | 25                           | 0                |
| P103        | Slough Play Strategy                     | 190              | 0               | 190         | 190                          | 0                |

|      |   |               |              |              |              |              |
|------|---|---------------|--------------|--------------|--------------|--------------|
| P107 | Repairs to Montem & Ice                                   | 1,070         | 273          | 550          | 823          | 247          |
| P383 | Herschel Park   | 86            | 0            | 86           | 86           | 0            |
| P860 | DCSF Play   | 34            | 32           | 2            | 34           | 0            |
|      | Leisure Capital Improvements-Langley, Ten Pin, The Centre | 352           | 0            | 352          | 352          | 0            |
| P871 | Community Investment Fund                                 | 1,150         | 511          | 707          | 1,218        | (68)         |
|      | <b>Total Customer &amp; Community Services</b>            | <b>13,099</b> | <b>2,477</b> | <b>5,856</b> | <b>8,333</b> | <b>4,766</b> |

|       |  | 2013/14      | Actual       | Q4           | Total Projection | Balance    |
|-------|--|--------------|--------------|--------------|------------------|------------|
|       | Project  | £'000        | £'000        | £'000        | £'000            | £'000      |
|       | <b>Housing Revenue Account</b>                 |              |              |              |                  |            |
| P544  | Affordable Warmth/Central Heating              | (588)        |              |              | 0                | (588)      |
| P544A | Boiler Replacement                             | 668          | 114          | 388          | 502              | 166        |
| P544B | Heating / Hot Water Systems                    | 640          |              | 595          | 595              | 45         |
| P544C | Insulation programmes                          | 945          |              | 965          | 965              | (20)       |
| P552  | Window Replacement                             | 658          |              | 2            | 2                | 656        |
| P552A | Front / Rear Door replacement                  | 717          | 381          | 340          | 721              | (4)        |
| P558  | Internal Decent Homes Work                     | 121          |              |              | 0                | 121        |
| P558A | Kitchen Replacement                            | 1,682        |              | 1,689        | 1,689            | (7)        |
| P558B | Bathroom replacement                           | 830          | 716          | 53           | 769              | 61         |
| P558C | Electrical Systems                             | 526          |              | 598          | 598              | (72)       |
| P559  | External Decent Homes Work                     | 119          | 599          |              | 599              | (480)      |
| P559A | Roof Replacement                               | 374          | 310          |              | 310              | 64         |
| P559B | Structural                                     | 718          |              | 252          | 228              | 490        |
| P576  | DISH   | 200          | 220          |              | 220              | (20)       |
|       | <b>Decent Homes</b>                            | <b>7,610</b> | <b>2,340</b> | <b>4,882</b> | <b>7,198</b>     | <b>412</b> |
| P516  | Winvale Refurbishment                          | 66           | 2            | 67           | 69               | (3)        |
| P541  | Garage Improvements                            | 452          |              | 95           | 95               | 357        |
| P548  | Mechanical Systems                             | 529          | 8            | 521          | 529              | 0          |
|       | Lifts  | 100          |              | 50           | 50               | 50         |
| P545  | Capitalised Repairs                            | (4)          |              |              | 0                | (4)        |
|       | Security & Controlled Entry Modernisation      | 88           |              | 88           | 88               | 0          |
|       | Parlaunt Shops-Flat Roof Replacement           | 0            |              |              | 0                | 0          |
| P564  | Darvills Lane - External Refurbs               | 291          |              | 65           | 65               | 226        |
| P565  | Estate Improvements/Environmental Works        | 400          | 47           | 248          | 295              | 105        |
| P569  | Replace Fascias, Soffits, Gutters & Down Pipes | 1,324        | 419          | 947          | 1,366            | (42)       |
| P573  | Upgrade Lighting/Communal Areas                | 792          | 19           | 434          | 453              | 339        |
| P573A | Communal doors                                 | 66           |              | 66           | 66               | 0          |
| P573B | Balcony / Stairs / Walkways areas              | 113          |              |              | 0                | 113        |
| P573C | Paths  | 327          |              |              | 0                | 327        |
| P573D | Store areas                                    | 200          |              |              | 0                | 200        |
|       | Sheltered / supported upgrades                 | 0            |              |              | 0                | 0          |



|           |   |               |              |               |               |              |
|-----------|---|---------------|--------------|---------------|---------------|--------------|
|           | <b>Planned Maintenance - Capital</b>                | <b>4,744</b>  | <b>495</b>   | <b>2,581</b>  | <b>3,076</b>  | <b>1,668</b> |
|           |   |               |              |               |               |              |
| P546      | <b>Environmental Improvements (Allocated Forum)</b> | 309           | 0            | 263           | 263           | 46           |
|           |   |               |              |               |               |              |
| P547      | <b>Major Aids &amp; Adaptations</b>                 | 668           | 202          | 466           | 668           | 0            |
|           |   |               |              |               |               |              |
| P779/P575 | <b>Affordable Homes</b>                             | 8,050         | 1,143        | 3,967         | 5,110         | 2,940        |
|           |   |               |              |               |               |              |
|           | <b>Housing Revenue Account</b>                      | <b>21,381</b> | <b>4,180</b> | <b>12,159</b> | <b>16,315</b> | <b>5,066</b> |

### Chief Executive

| <b>Cost Centre</b> | <b>Project</b>                      | <b>2013/14</b> | <b>Actual</b> | <b>Q4</b>    | <b>Total Projection</b> | <b>Balance</b> |
|--------------------|-------------------------------------|----------------|---------------|--------------|-------------------------|----------------|
|                    |                                     | <b>£'000</b>   | <b>£'000</b>  | <b>£'000</b> | <b>£'000</b>            | <b>£'000</b>   |
|                    | <b>Chief Executive</b>              |                |               |              |                         |                |
| P108               | Refurbishment 27 & 29 Church Street |                | 273           |              | 273                     | (273)          |
| P109               | Local Broadband Plan                | 61             |               | 61           | 61                      | 0              |
|                    | <b>Chief Executive</b>              | <b>61</b>      | <b>273</b>    | <b>61</b>    | <b>334</b>              | <b>0</b>       |

### Slough Regeneration Partnership

|      | <b>Project</b>                         | <b>2013/14</b> | <b>Actual</b> | <b>Q4</b>    | <b>Total Projection</b> | <b>Balance</b> |
|------|--|----------------|---------------|--------------|-------------------------|----------------|
|      |  | <b>£'000</b>   | <b>£'000</b>  | <b>£'000</b> | <b>£'000</b>            | <b>£'000</b>   |
|      | <b>Slough Regeneration Partnership</b> |                |               |              |                         |                |
| P066 | <b>The Curve</b>                       | 13,973         | 2,136         | 1,933        | 4,069                   | 9,904          |
| P099 | <b>Arbour Vale STFC</b>                | 350            | 230           |              | 230                     | 120            |
| P106 | LABV Project Costs                     | 49             | 71            |              | 71                      | (22)           |
|      | <b>Total LABV</b>                      | <b>14,372</b>  | <b>2,437</b>  | <b>1,933</b> | <b>4,370</b>            | <b>10,002</b>  |

Community Investment Fund (Capital Only)

| <b><u>Community Investment Fund (Capital Only)</u></b>              | <b>2013/14<br/>Budget<br/>£'000</b> | <b>2013/14<br/>Actual<br/>£'000</b> | <b>2013/14<br/>Balance<br/>£'000</b> | <b>2013/14<br/>Projection<br/>£'000</b> |
|---|-------------------------------------|-------------------------------------|--------------------------------------|---|
| <b>Description</b>  |                                     |                                     |                                      |   |
| MUGA's - floodlit to all community hubs / priority associated areas | 358                                 | 27                                  | 331                                  | 118                                     |
| Replace street bins and increase numbers in high litter areas       | 30                                  | 129                                 | (99)                                 | 100                                     |
| Replacement street signs - 2 year programme                         | 200                                 |                                     | 200                                  | 200                                     |
| Replacement permanent information signs for Slough parks            | 200                                 | 123                                 | 77                                   | 200                                     |
| Neighbourhood Enhancements/Walkabouts                               | 250                                 | 200                                 | 50                                   | 250                                     |
| Pavement Parking Policy   | 350                                 | 32                                  | 318                                  | 350                                     |
| <b>TOTAL</b>  | <b>1,388</b>                        | <b>511</b>                          | <b>877</b>                           | <b>1,218</b>                            |

## Appendix C: Slough Borough Council - Corporate Balanced Scorecard

### 2013-14: to end of Dec 2013

The corporate balanced scorecard presents the current outturn for a selection of high priority quantitative performance indicators, under the following headings: "Customer focus", "People" (relating to workforce development and well being), and the 5 themes of "Economy and Skills", "Health and Wellbeing", "Housing", "Regeneration and the Environment" and "Safer Communities".

Performance against target is recorded as **red** (more than 5% off target), **amber** (between 0% and 5% off target), or **green** (on target or better). Its purpose is twofold: firstly, to provide members with a balanced view of how the organisation is performing in these four respects. Secondly, to provide a small number of high priority quantitative performance indicators which act as a litmus test of organisational health, rather than presenting detailed outturn data for all performance indicators monitored across the council.

**n/a** = not applicable, because this is a **volume** indicator only, the value of which SBC cannot seek to directly influence or because the issue is complex.

Direction of travel indicates whether performance has improved (↑), deteriorated (↓) or remained unchanged (↔) compared to previous performance.

| Customer Focus  |              |  |                             |                     |                     |            |  |
|---|--------------|--|-----------------------------|---------------------|---------------------|------------|--|
| Performance Indicator   | Date updated | Baseline                                     | 2013-14 target              | Actual              | Direction of travel | RAG rating | Comments   |
| Number of online financial payments made  | 22-Jan-14    | 1,462<br>[March-12]<br><br>2,034<br>[Mar-13] | increasing<br>2,000+        | 3,305<br>[Dec 2013] | ↑                   | Green      | A slight increase (of 17 payments) received this month (Nov: 3,288 versus Dec: 3,305). The volume of online payments remains significantly above baseline position, and represents very effective cost savings for transactions.   |
| Percentage of calls to MyCouncil that were abandoned by the caller rather than queuing (in the month) | 22-Jan-14    | 38.8%<br>[March-12]<br><br>44.8%<br>[Mar-13] | Target to be set (reducing) | 17.6%<br>[Dec 2013] | ↓                   | Green      | An increase on the 14.3% value obtained in November. In December MyCouncil offered 14,833 calls of which 2,612 calls were abandoned out side service level agreement (SLA) by customers - an abandoned calls rate of 17.6%. Despite not formally agreeing a numeric improvement target, this service is delivering a significantly improved response rate. |

**Customer Focus**

| Performance Indicator  | Date updated | Baseline   | 2013-14 target        | Actual  | Direction of travel | RAG rating | Comments   |
|--|--------------|--|-----------------------|---|---------------------|------------|--|
| Number of Freedom of Information requests made (total across whole council)  | 22-Jan-14    | 75.6<br><i>[average per month 2011-12]</i><br><br>78.6<br><i>[average per month 2012-13]</i>                         | n/a                   | 92<br>[Dec 2013]<br><br>97.5 monthly average year to date             | n/a                 | n/a        | This is a volume indicator, monitored on the basis of ensuring appropriate resource to respond, and to inform public information releases.<br><br>92 requests were received in December, totalling 1,170 for the year to December 2013 - an average of 97.5 per month.<br><br>The number of FOI requests made to the council continues to increase. For comparison 943 were received in total in 2012/13 (a monthly average of 78.6; maximum: 110 in July; minimum: 46 in September). In terms of Departments, Customer and Community Services is the subject of most FOI requests at 41% of all requests received between January and November 2013.  |
| Proportion of Freedom of Information requests made in month by people who had made at least one previous FOI application in the past 12 months | 11-Dec-13    | 32%<br><i>[March 2012]</i><br><br>45%<br><i>[March 2012]</i>   | n/a                   | 42%<br>36 of 92<br>[Dec 2013]   | n/a                 | n/a        | The measure seeks to assess the degree of 'repetition' that exists within FOI applications, and states the proportion of FOI applications made by individuals who have made at least one other FOI application in the preceding 12 months. Across the whole year to end of December 2013, 42% of all FOI requests made were by individuals with a history of previous requests. Some requesters are particularly enthusiastic: for example, in the same period one individual made at least 77 separate applications, or 7% of all the requests received.  |
| Number of stage 1 complaints made (across the council, including avarto)   | 22-Jan-14    | Total: 638<br>53.2 monthly average<br><i>[2011-12]</i><br><br>Total: 442<br>36.8 monthly average<br><i>[2012-13]</i> | 45 or fewer per month | Total: 509<br>42.4 monthly average year to date<br>[year to Dec 2013] | ↘                   | Green      | December 2013 saw 42 stage one complaints logged, a total for the year-to-date of 509, with a monthly average for this period of 42.4. This represents a small increase over 2012-13 levels.<br><br>Following specific complaint training council wide over the last year, departments are recognising and logging complaints, these figures therefore represent a significant improvement over historic patterns in the quality of SBC services, and / or a much improved communication to residents and service users of what they can realistically expect from each service interaction. Detailed Directorate and service-level complaints figures will be circulated to target attention on those areas generating highest volumes of complaints. |

**People**

| Performance Indicator   | Date updated | Baseline   | 2013-14 target                                   | Actual                    | Direction of travel | RAG rating | Comments   |
|---|--------------|--|--|---------------------------|---------------------|------------|--|
| Number of staff in establishment (headcount)                    | Oct-13       | 1,521<br>[Q4 2011-12]<br><br>1,413<br>[Q4 2012-13]     | reduce   | 1,256<br>[Sept 2013]      | ↑                   | Green      | Number of staff has reduced as new models of service delivery are implemented.   |
| Number of staff in establishment (FTE - 'full time equivalent') | Oct-13       | 1,286.9<br>[Q4 2011-12]<br><br>1,136.8<br>[Q4 2012-13] | reduce   | 982.20<br>[Sept 2013]     | ↑                   | Green      | Number of staff has reduced as new models of service delivery are implemented.   |
| Staff turnover (resignations only)                              | Oct-13       | 5.5%<br>[2011-12]<br><br>7.9%<br>[2012-13]             | 5-15%  | 9.8%<br>[year to Sept-13] | ↑                   | Green      | Data is provided as a 'rolling year' position.<br>We have seen an increase in staff resignations, moving towards the national average for the sector.  |
| Average staff sickness rate (days lost per FTE)                 | Aug-13       | 11.6 days<br>[2011-12]<br><br>9.9 days<br>[2012-13]    | 8.5 days by Sept 2013.<br>6.5 days by Sept 2014. | 10.2<br>[year to July-13] | ↑                   | Green      | Data is still being verified for quarter 2, hence no further update is available for this current report.<br>Data is provided as a 'rolling year' position.<br>Reductions in sickness have levelled since last reporting period.<br>Managers and Staff encouraged to use overall Balanced Scorecard diagnostically to focus on areas of high sickness. |

| Economy and Skills   |              |  |                |                                   |                     |            |  |
|--|--------------|--|----------------|-----------------------------------|---------------------|------------|--|
| Performance Indicator  | Date updated | Baseline                                 | 2013-14 target | Actual                            | Direction of travel | RAG rating | Comments   |
| Number of Slough primary schools in special measures or with notice to improve                         | 22-Jan-14    | 2<br>[Mar-12]<br>3<br>[Mar-13]           | 0              | 4<br>[Dec-13]                     | ↔                   | Amber      | Work is underway between the council and school leadership teams to address concerns raised and implement improvement activity at individual schools.  |
| <b>New:</b> % of pupils achieving a good level of development across the Early Years Foundation Stage. | Oct-13       | New indicator for 2012/13                | increase       | 50.1%<br>[2012-13]                | n/a                 | n/a        | This is a new indicator that was introduced by DfE this year to replace the percentage of pupils achieving at least 78 points across the Early Years Foundation Stage (with at least 6 in each of the scales in Personal, Social & Emotional Development and Communication, Language & Literacy). Achievement in the 2012-13 academic year shows performance in Slough is just 1.9% under the England average (52%). |
| <b>New:</b> % of pupils achieving level 4 or above in reading, writing and mathematics at Key Stage 2  | Sep-13       | 73%<br>[2011-12]                         | increase       | Provisional<br>74%<br>[2012-13]   | ↑                   | Green      | This is a new indicator that was introduced by DfE this year to replace the <i>percentage of pupils achieving level 4 or above in english &amp; mathematics at Key Stage 2</i> . Achievement in the 2012-13 academic year shows a 1% improvement on the previous year. However, other authorities have also improved such that Slough's performance in 2012-13 is 2% under the England average (76%).                |
| % of pupils achieving 5 or more GCSEs at A* - C (including English and Maths)                          | Oct-13       | 68.1%<br>[2010-11]<br>66.1%<br>[2011-12] | increase       | Provisional<br>70.8%<br>[2012-13] | ↑                   | Green      | Achievement in the 2012/13 academic year. Provisional data from the Department for Education shows that performance in Slough Schools has improved by 4.7% from 66.1% in 2011/12 to 70.8% 2012/13. Slough's result remains well above both the England average of 56.8% for 2012/13.   |

| Economy and Skills   |              |                  |  |                         |                     |            |
|--|--------------|------------------|--|-------------------------|---------------------|------------|
| Performance Indicator  | Date updated | Baseline         | 2013-14 target                                   | Actual                  | Direction of travel | RAG rating |
| <p>Unemployment: Overall<br/>unemployment rate: proportion of resident population of area aged 16-64 claiming Job Seekers Allowance (JSA)</p> <p>Comparisons for latest data:<br/><b>National: 3.0%</b>   <b>South East: 1.9%</b></p>  | 22-Jan-14    | 3.7%<br>[Mar-13] | maintain at low level compared to national value | 2.9%<br>[November 2013] | ↑                   | Green      |
| <p>Comments</p> <p>JSA claimant rate in November has reduced to 2.9%, comprising 2,730 people.</p> <p>The council and partners are seeking to increase employment opportunities and improve skills to secure a reduction in overall unemployment. Local value is historically better than nationally but remains high for the South East of England.</p> <p>The Council is continuing its work with partners to support the unemployed off unemployment benefit and back into the labour market. Our current activity is being delivered through 'Aspire for You' which includes community based Jobs Clubs, careers information, advice and guidance, CV and interview preparation support. The Business Community Start Up project support individuals that wish to develop their business idea and set up in business.</p> <p>In relation to employment at Heathrow Airport, SBC is part of the Academy Model around retail, construction and aviation. Our programme prepares interested individuals who are then referred to the relevant Academy. The academy prepares the individual further and guarantees a job interview in competition with other candidates. SEE PDG and Aspire have set up a further task group: Job Outcomes Group that will bring the town's employment support providers together to enhance partnership working, better coordination of activity and better preparation of individuals for local vacancies.</p> <p>Other task groups of the SEE PDG are Apprenticeships led by East Berkshire College and Business and Enterprise Skills Development led by a private sector partner.</p> |              |                  |  |                         |                     |            |

| Economy and Skills  |              |                               |                |                              |                     |            |
|---|--------------|-------------------------------|----------------|------------------------------|---------------------|------------|
| Performance Indicator   | Date updated | Baseline                      | 2013-14 target | Actual                       | Direction of travel | RAG rating |
| Unemployment: Proportion of unemployed 18-24 year olds who have been unemployed for more than 6 months (USA claimants).   | 22-Jan-14    | 33.3%<br>[Mar-13]             | decrease       | 31.4%<br>[Nov-13]            | ↑                   | Green      |
| Unemployment: Proportion of the economically inactive working-age population who state they <b>want</b> a job.<br>[Measure derives from ONS Annual Population Survey, and is updated quarterly.]<br><br><b>National: 27.0% South East: 24.7%</b>  | Oct-13       | 24.4%<br>[year to March 2012] | increase       | 22.4%<br>[year to June 2013] | ↔                   | Amber      |
| <p>In November a total of 615 people aged 18-24 were claiming JSA; 190 of these were claims of 6 months or more.</p> <p>All the programmes referenced in the preceding indicator are open to all cohorts, including young unemployed.</p> <p>The council seeks to engage with young unemployed residents to increase their employment opportunities and secure a reduction in long term unemployment.</p> <p>The structural changes to the labour market have disadvantaged this cohort who are often seen as less favourable to the employer as they lack the experience that employers require.</p> <p>This time of the year will also see an increased level of unemployment amongst this cohort.</p>  |              |                               |                |                              |                     |            |
| <p>This measure is established by a small scale national survey and is updated periodically by Office for National Statistics. The latest data indicates a slight decrease in the proportion of economically inactive residents stating that they are seeking employment (22.6% decreased to 22.4%). Regional and national estimates both decreased by 0.1%. This context will be referenced locally in assistive employment activities.</p> <p>The recent research commissioned by SBC into the barriers faced by economically inactive people who aspire to enter the labour market, highlighted key factors that hinder this; these factors include: expensive childcare, inflexible job opportunities and low skills of the resident population.</p> <p>The "Jobs Outcome Group" task group will look into how partners can work collectively to address these barriers and provide more engagement and opportunity for these residents to find work.</p> |              |                               |                |                              |                     |            |



N.B. The current Health and Wellbeing indicators represent a holding position and are included only whilst the SBC Health Strategy is being developed. Once valid and viable performance indicators are available, these context measures will be reported on an annual basis.

| Performance Indicator  | Date updated     | Baseline   | 2013-14 target                        | Actual             | Direction of travel | RAG rating | Comments  |
|--|------------------|--|---------------------------------------|--------------------|---------------------|------------|---|
| Prevalence of modelled adult obesity as measured by the Health Survey for England              | Aug-12           | 23.7%<br>[2006-2008]   | reducing, under 24.2% [England value] |                    | n/a                 | Green      | N.B. only one data set has been released to date by national Government. Although obesity is a significant health concern, there is a shortage of robust local data on prevalence.  |
| Prevalence of childhood obesity at start of primary school (Reception) as measured by the NCMP | <b>22-Jan-14</b> | 10.8%<br>[2009-10]<br>11.0%<br>[2010-11]<br>11.8%<br>[2011-12] | reduce closer to national rate        | 12.4%<br>[2012-13] | ↘                   | Amber      | Measured annually. Latest data for 2012-13 year has just been released.<br>Slough has a higher rate of childhood obesity than the national average in 2012-13 (9.3%) and this has increased from the 11.8% established in 2011-12. The gap between Slough and England has marginally increased.<br>Partnership actions and impact are being reviewed and revised by the relevant Priority Group of the Children & Young People's Partnership. |
| Prevalence of childhood obesity at end of primary school (Year 6) as measured by the NCMP      | <b>22-Jan-14</b> | 21.4%<br>[2009-10]<br>21.2%<br>[2010-11]<br>21.3%<br>[2011-12] | reduce closer to national rate        | 20.7%<br>[2012-13] | ↗                   | Green      | Measured annually. Latest data for 2012-13 year has just been released.<br>Slough has a higher rate of childhood obesity than national average (18.9%) although this has decreased marginally, with the gap between Slough and England narrowing in the past year.<br>Partnership actions and impact are being reviewed and revised by the relevant Priority Group of the Children & Young People's Partnership.                              |

## Housing

| Performance Indicator   | Date updated | Baseline  | 2013-14 target  | Actual  | Direction of travel | RAG rating | Comments   |
|---|--------------|---|---|---|---------------------|------------|--|
| Number of Housing Benefit Claimants   | 22-Jan-14    | 11,590<br>[Mar-12]<br><br>11,722<br>[Mar-13]  | n/a   | 11,642<br>[Dec-13]  | n/a                 | n/a        | This is a volume indicator, monitored on the basis of ensuring appropriate resource to respond to public need. A slight reduction from 11,732 claimants in November 2013.  |
| Number of Council Tax Benefit Claimants   | 22-Jan-14    | 11,710<br>[Mar-12]<br><br>11,800<br>[Mar-13]  | n/a   | 10,867<br>[Dec-13]  | n/a                 | n/a        | This is a volume indicator, monitored on the basis of ensuring appropriate resource to respond to public need. A slight decrease from 10,936 claimants in November 2013.   |
| Speed of Processing of Housing Benefit and Council Tax Benefit claims:<br>(a) New Claims<br>(b) Change of Circumstances<br>England 2011-12 : (a) 24 (b) 9 | 22-Jan-14    | (a) 19 days<br>(b) 8 days<br>[2011-12]<br><br>(a) 27.54 days<br>(b) 13.99 days<br>[2012-13] | Provisional targets<br>(a) 20 days<br>(b) 10 days<br>(or fewer) | In month performance<br>(a) 16.3 days<br>(b) 9.7 days<br>[Dec-13] | ↑                   | Green      | Within December, both components of this indicator achieve the target values: processing new claims (16.26 days) and processing Changes of Circumstances (9.73 days). However, despite this recent improvement, the cumulative performance for 2013-14 remains in excess of target (at 21.38 and 11.83 days respectively). Now that the benchmarking has taken place these targets are being revised as part of the KPI review that should be concluded in the following months. The turnarounds have improved in November, from the October figures of (a) 22.4 days and (b) 12.0 days. |
| Number of households in temporary accommodation   | 22-Jan-14    | 90<br>[Mar-12]<br><br>87<br>[Mar-13]  | 85 or less  | 72<br>[Dec-13]  | ↑                   | Green      | A decrease from 81 households in November 2013. Homelessness is increasing both locally, regionally and nationally. The demand for temporary accommodation is predicted to increase. We are increasing our permanent offers to those cases on the housing register but have a significant fall in the number of vacancies that we get in each year. SBC have created a new social lettings agency to discharge our duty into the private rented sector.  |

**Regeneration and the Environment**

| Performance Indicator   | Date updated     | Baseline                           | 2013-14 target | Actual                    | Direction of travel | RAG rating | Comments   |
|---|------------------|------------------------------------|----------------|---------------------------|---------------------|------------|--|
| Improve bus punctuality: Non-frequent bus services running on time (formerly NI 178a) | Oct-13           | 77.5% [2009/10]<br>83.0% [2011/12] | increasing     | 91.0% [2012/13]           | ↑                   | Green      | Data is collated and reported annually by Department for Transport. There was an 8% improvement from the previous year [83% 2011/12].<br>Local punctuality is above the England value for 2012/13 (82.8%).   |
| The percentage of household waste sent for reuse, recycling or composting.            | <b>22-Jan-14</b> | 30.7% [2011-12]<br>29.9% [2012-13] | >30.7%         | 29.7% [year to Sept 2013] | ↓                   | Amber      | Latest results show a 0.6% reduction in the whole year recycling rate due to lower than anticipated green waste tonnages arising due to dry weather. However, will be compensated for by sustained green waste tonnage until December. Quarter 2 of 2013-14 saw 31.4% of all waste recycled or reused.<br><br>Data is available on a quarterly basis only (some months in arrears), and is subject to stringent validations by Defra and Eurostat before release.  |
| Percentage of municipal waste sent to landfill.                                       | <b>22-Jan-14</b> | 6.4% [2011-12]<br>9.9% [2012-13]   | <6.4%          | 7.1% [year to Sept 2013]  | ↑                   | Amber      | Latest results show an improved position (lower percentage of waste disposed by landfill) on previous report.<br>This annual figure includes an exceptional performance for quarter 1 but also includes a period of greater than anticipated usage in September, resulting from a three week closure of the Energy from Waste plant. The Waste & Environment Manager has taken up this issue with the contracted plant operators.<br>The percentage of waste sent to landfill throughout July-September 2013 was therefore high (at 17.1%) but still represents an improved rate on the same quarter in 2012/13 (19.8%). |

Safer Communities

| Performance Indicator  | Date updated | Baseline   | 2013-14 target   | Actual                              | Direction of travel | RAG rating | Comments   |
|--|--------------|--|--|-------------------------------------|---------------------|------------|--|
| Children looked after by the council at month end (excluding respite care arrangements)<br>(a) Number<br>(b) Rate per 10,000 local children. | 22-Jan-14    | 172 (54.3)<br>[March-12]<br><br>185 (48.3)<br>[March-13] | rate below last England average (59.1 in 2012, 60.1 from 2013)                             | (a) 212<br><br>(b) 54.9<br>[Dec-13] | ↓                   | Green      | <b>Provisional data</b><br>The Council is legally obliged to accommodate children when this is necessary to ensure their safety. October saw a net rise of 2 further LAC.<br>Since the end of March the number of children looked after has increased by 27 children.  |
| Children subject to Child Protection Plans at month end<br>(a) Number<br>(b) Rate per 10,000 local children.                                 | 22-Jan-14    | 209 (55.9)<br>[March-12]<br><br>146 (38.1)<br>[March-13] | rate within +/- 15% of last England average (37.0 to 50.0 in 2012; 31.2 to 42.2 from 2013) | (a) 243<br><br>(b) 62<br>[Dec-13]   | ↓                   | Red        | <b>Provisional data</b><br>December saw a small increase in number of children subject to a child protection plan. Since the end of March the number of children subject to a CP plan has increased by 97 children (an increase of 66%).<br>Our target was originally set with the aim of being within $\pm 15\%$ of the Statistical Neighbour average (at March 2012) but we have seen a significantly larger than expected number of children suffering abuse or neglect and requiring this level of protection. More recent comparator rates for March 2013 have just been published, and the service will reflect on these and assess an appropriate target position for Slough. |

Safer Communities

| Performance Indicator  | Date updated | Baseline                           | 2013-14 target       | Actual                   | Direction of travel | RAG rating | Comments  |
|--|--------------|------------------------------------|----------------------|--------------------------|---------------------|------------|---|
| % of children looked after adopted from care or granted a special guardianship order (in year to date)   | 22-Jan-14    | 27.6% [2011-12]<br>14.9% [2012-13] | above 8%             | 18.2% [yr to Nov-13]     | ↑                   | Green      | Current performance represents 26 children who have secured permanent family homes due to adoption or special guardianship arrangements in the past 12 months.  |
| Number (and %) of Adult Safeguarding Alerts that led to a strategy meeting per month<br><br>Our 'tolerance' target of 30-40% has been set as a guide for ensuring we receive all appropriate safeguarding concerns for consideration - without casting our net either too widely or too narrowly.<br><br>RED = miss target for 3 consecutive months in same direction. | 22-Jan-14    | 38% [2012-13 year]                 | low number<br>30-40% | 38%<br>12 of 32 [Dec-13] | ↔                   | Green      | <b>Provisional data:</b> This month the proportion of safeguarding referrals requiring progression to strategy meetings remains within target tolerance.<br><b>Across the whole of the 2013-14 period to date, this value remains on target tolerance (at 35%).</b><br>Activities underway to ensure this is maintained include:<br>All safeguarding alerts are triaged by a Designated Safeguarding Manager (DSM) to determine whether they need to progress through the safeguarding process. The levels of response guidance has been reissued to all DSMs enabling them to determine the need for a safeguarding response to keep individuals safe or whether other processes are more appropriate eg care management review, referral to other agencies eg Womens Aid, Anti Social Behaviour Team. |

Safer Communities

| Performance Indicator   | Date updated | Baseline                                  | 2013-14 target | Actual                      | Direction of travel | RAG rating | Comments   |
|---|--------------|---|----------------|-----------------------------|---------------------|------------|--|
| Percentage of Adult Safeguarding strategy meetings taking place within 5 working days of referral per month | 22-Jan-14    | 81%<br>[2012-13 year]                     | above 80%      | 93%<br>13 of 14<br>[Dec-13] | ↓                   | Green      | <p><b>Provisional data:</b> On target this month, and for the whole of the 2013-14 period to date (94%).</p> <p>Activities are being sustained to maintain target achievement as follows:</p> <p>All operational team administrators have been reminded by email that data should be recorded in a timely manner to ensure that data is accurate. Team Managers have been asked to check this in team meetings and supervisions.</p> <p>All DSMs have been emailed and spoken to by Heads of Service to ensure that all safeguarding strategy meetings will be held within five working days other than in truly <i>exceptional</i> circumstances. This was discussed and agreed at January Care Governance Board.</p> <p>The Slough Safeguarding Procedure is being reviewed to provide more clarity on the use of virtual as well as actual strategy meetings to ensure adherence to time guideline. It is suspected that virtual strategy meetings have occurred but not been comprehensively recorded.</p> |
| Crime rates per 1,000 population:<br><b>All crime</b><br>(cumulative from April)                            | Oct-13       | 110.49<br>[2011/12]<br>89.75<br>[2012/13] | reducing       | 86.99<br>[year to Sept-13]  | ↑                   | Green      | <p><b>Data to end of December will become available shortly</b></p> <p><b>A significant decrease in crime rates has been secured, which represents a real decrease in crime levels.</b></p>  |
| Crime rates per 1,000 population:<br><b>Violence against the person</b><br>(cumulative from April)          | Oct-13       | 22.60<br>[2011/12]<br>16.68<br>[2012/13]  | reducing       | 16.37<br>[year to Sept-13]  | ↑                   | Green      | <p>Crime rates for September 2012/13 when compared to September 2011/12 saw a reduction in all three crime rates.</p> <p>All crime reduced by 7% (was 93.44);</p>  |
| Crime rates per 1,000 population:<br><b>Serious acquisitive crime</b><br>(cumulative from April)            | Oct-13       | 25.70<br>[2011/12]<br>20.53<br>[2012/13]  | reducing       | 19.44<br>[year to Sept-13]  | ↑                   | Green      | <p>Violence against the person reduced by 7% (was 17.55) and Serious acquisitive crime reduced by 11% (was 21.82).</p>   |

**Appendix D: Councils Gold Project Updates as at 31<sup>st</sup> December 2013**

|   |              |              |                               |                |                       |
|---|--------------|--------------|-------------------------------|----------------|-----------------------|
| <b>Accommodation &amp; Flexible Working</b>   |              |              | <b>Project SPONSOR</b>        | Roger Parkin   |                       |
| <b>Wards affected</b>   |              |              | <b>Project MANAGER</b>        | Charan Dhillon |                       |
|   | Timeline     | Budget       | Issues & Risks                | OVERALL STATUS | Date of update report |
| <b>Current period</b>   | <b>GREEN</b> | <b>AMBER</b> | <b>GREEN</b>                  | <b>GREEN</b>   | 31/12/2013            |
| <i>Previous month</i>   | <b>GREEN</b> | <b>AMBER</b> | <b>GREEN</b>                  | <b>GREEN</b>   | 29/11/2013            |
| Project start date:   | 01/04/2013   |              | Anticipated Project end date: | TBC            |                       |
| <b>Timeline graph to be inserted once the project end date has been agreed</b>  |              |              |                               |                |                       |
| Has this highlight report been agreed and authorised by the Project Sponsor? Yes <input checked="" type="checkbox"/> No (draft) <input type="checkbox"/>  |              |              |                               |                |                       |
| <b>Key activities completed / milestones achieved in <b>this</b> period:</b>  |              |              |                               |                |                       |
| <ol style="list-style-type: none"> <li>OJEU advert issued by Property Services for the Mechanical &amp; Electrical and building works on 10<sup>th</sup> Dec 2013.</li> <li>Finance Home working pilot is continuing to go well.</li> <li>Simon Atherton, auditor attended the last accommodation board meeting. Awaiting feedback.</li> <li>Wi-Fi – Options paper prepared IT obtaining associated costs.</li> <li>Layout plans amended in response to further feedback from management.</li> <li>Nimble Storage solution being configured by Arvato. Once complete a programme will be developed to commence the DIP project.</li> <li>Hub set up at Chalvey with 2 PCs available for staff to work at when between meetings.</li> <li>Arvato have confirmed that they will transfer the IT staff from SMP and Customer Services staff from LMP to their new building Phoenix House in the New Year. This will enable Housing to have more space on the Ground Floor as well as move the NET team from SMP to LMP.</li> <li>Children Services have highlighted an immediate requirement of about 40 desks. This will mean that the planning for decanting of the teams out of the 2<sup>nd</sup> floor west wing, in preparation for the mechanical &amp; electrical works needs to be reviewed.</li> </ol> |              |              |                               |                |                       |
| <b>Key activities / milestones scheduled for <b>next</b> period:</b>  |              |              |                               |                |                       |
| <ol style="list-style-type: none"> <li>New front of house furniture being installed January 2014 at LMP.</li> <li>Communication to be sent to staff updating them on progress and letting them know that the Hub is set up at Chalvey Community Centre.</li> <li>Programme for building works and staff moves will start to be drafted.</li> <li>Facilities to start working with Arvato and Housing in relation to Customer Services moving out of LMP and IT moving out of SMP. Housing has requested partitioning between the public area and office area, Facilities to work on quotations and proposals.</li> <li>Charan Dhillon to place priority on responding to Children Services immediate requirement for 40 desks at SMP. Assess options for moving other teams out of SMP immediately, rather than waiting for the mechanical and electrical works to start. Although the IT area will become vacant once they move to Phoenix House in January, this area was already earmarked to support the decant of the 2<sup>nd</sup> floor west.</li> </ol>  |              |              |                               |                |                       |
| <b>Key issues of <b>risk / obstacles to progress</b>:</b>   |              |              |                               |                |                       |
| <b>Recommendations for CMT:</b>   |              |              |                               |                |                       |
| <ol style="list-style-type: none"> <li>To support the project board with the proposed changes to working practices.</li> </ol>  |              |              |                               |                |                       |



**Appendix D: Councils Gold Project Updates as at 31<sup>st</sup> December 2013**

|   |              |              |                               |                   |                       |
|---|--------------|--------------|-------------------------------|-------------------|-----------------------|
| <b>Fit for the Future Project</b>   |              |              | Project <b>SPONSOR</b>        | Ruth Bagley       |                       |
| <b>Wards affected:</b>  |              |              | Project <b>MANAGER</b>        | Tracy Butterworth |                       |
|   | Timeline     | Budget       | Issues & Risks                | OVERALL STATUS    | Date of update report |
| <b>Current period</b>   | <b>GREEN</b> | <b>GREEN</b> | <b>AMBER</b>                  | <b>GREEN</b>      | 08/01/2014            |
| <i>Previous month</i>   | <b>GREEN</b> | <b>GREEN</b> | <b>GREEN</b>                  | <b>GREEN</b>      | 09/12/2013            |
| Project start date:   | 08/10/2013   |              | Anticipated Project end date: | 21/05/2014        |                       |
| <p>0%    10%    20%    30%    40%    50%    60%    70%    80%    90%    100%</p>  |              |              |                               |                   |                       |
| Has this highlight report been agreed and authorised by the Project Sponsor?    Yes <input type="checkbox"/> No (draft) <input checked="" type="checkbox"/>   |              |              |                               |                   |                       |
| Key activities completed / milestones achieved in <b>this</b> period:   |              |              |                               |                   |                       |
| <ol style="list-style-type: none"> <li>Draft OD and HR strategies submitted to CMT on 16 December 2013.</li> <li>HR and OD Skills Development Programme complete. Coaching ongoing.</li> <li>Leadership Development Programme ongoing with good feedback on module 1. Coaching ongoing.</li> <li>Review of People Management Practice ongoing. Focus groups completed in December 2013.</li> <li>CMT Development Programme ongoing.</li> <li>Management Development Programme begins 22 January 2014. Places offered – currently over-subscribed.</li> <li>Aspiring Leaders. Panel shortlisting now complete and places offered on development centre.</li> <li>Skill transfer programme agreed and distributed. HR and L&amp;D volunteers have expressed interest in rolling out programme delivery.</li> </ol>  |              |              |                               |                   |                       |
| Key activities/milestones scheduled for <b>next</b> period.   |              |              |                               |                   |                       |
| <ol style="list-style-type: none"> <li>Q&amp;A with CMT in order to facilitate final sign off of HR and OD strategies.</li> <li>HR and L&amp;D coaching programmes ongoing.</li> <li>Module 2 “Leading Change” takes place on 17 January 2014. Coaching programmes ongoing.</li> <li>Review of customer feedback and submission of recommendations for future people management practice.</li> <li>CMT development programme continues.</li> <li>Module 1 Management Development Programme “Strategic Awareness” takes place 22 January 2014.</li> <li>All applicants for Aspiring Leaders to receive feedback on their expressions of interest from the panel, via their manager by 20 January 2014.</li> <li>Skill transfer workshop on 16<sup>th</sup> January 2014 for HR and L&amp;D practitioners involved in the Management Development and Aspiring Leaders Programmes. Project start up meeting to be organised.</li> </ol>  |              |              |                               |                   |                       |
| Key issues of <b>risk / obstacles to progress:</b>  |              |              |                               |                   |                       |
| <ol style="list-style-type: none"> <li>No decision from CMT on HR or OD strategies. No further progress or feedback since submission on 16 December 2013. As development activity aims to support participants to implement new strategies, any delays in finalising these documents will have a direct and potentially detrimental impact on programme delivery of Leadership, Management and Aspiring Leader Programmes.</li> <li>No decision made on future format of SLT – intention was to change this into a permanent vehicle to enable change along the lines of The Leadership Forum. Issues such as lack of clarity around governance, decision making, transformational capability and change/transition management unlikely to be addressed without a decision being made here; especially in the light of HR and OD strategies not being signed off.</li> <li>Members, key stakeholders and staff not being engaged in the need for change. As December</li> </ol> |              |              |                               |                   |                       |



**Appendix D: Councils Gold Project Updates as at 31<sup>st</sup> December 2013**

report.

4. Absence of shared consensus amongst leaders about the nature of the work that needs to be done. As December report.
5. No lack of participation in development witnessed by managers – Management Development Programme has been oversubscribed.
6. Heavy reliance on externals. Transition planning must be addressed if momentum is to be maintained on this project beyond April/May 2014.
7. Ongoing professional development. As December report.

**Recommendations for CMT:**

1. Organise Q&A (if needed) and carefully consider content and implications of draft strategies no later than Mon 13 January 2014.
2. Decide purpose of SLT format.
3. Create clear communications plan post strategy sign off.
4. As December report.
5. No action recommended.
6. Project Sponsor and Project Manager to meet asap to agree deliverables during the period January-May 2014 and arrangements for transition.
7. As December report.

## Appendix D: Councils Gold Project Updates as at 31<sup>st</sup> December 2013

|   |                |              |                               |                   |                          |
|---|----------------|--------------|-------------------------------|-------------------|--------------------------|
| <b>Learning Disabilities Change Programme</b> |                |              | Project<br><b>SPONSOR</b>     | Jane Wood         |                          |
| <b>Wards affected: All</b>                    |                |              | Project<br><b>MANAGER</b>     | Alan Sinclair     |                          |
|   | Timeline       | Budget       | Issues & Risks                | OVERALL<br>STATUS | Date of update<br>report |
| <b>Current period</b>                         | <b>GREEN</b>   | <b>GREEN</b> | <b>AMBER</b>                  | <b>GREEN</b>      | 06/01/2014               |
| <i>Previous month</i>                         | <b>GREEN</b>   | <b>GREEN</b> | <b>AMBER</b>                  | <b>GREEN</b>      | 05/12/2013               |
| Project start date:                           | September 2012 |              | Anticipated Project end date: | March 2016        |                          |



Has this highlight report been agreed and authorised by the Project Sponsor? Yes  No (draft)

Key activities completed / milestones achieved in **this** period:

### **Review of Learning Disability Change Programme (LDCP)**

The LDCP brings together a number of strands of work to transform LD services to deliver better outcomes and efficiencies. To bring greater focus to the programme a reconstituted LD Change Programme Board has been established and a revised overarching PID and project plan developed for the four principle components which are:

- **LD1 Housing Care and Support – Developing wide range of supported living options**
- **LD2 Developing Day Opportunities**
- **LD3 Review of support to Carers – support and respite**
- **LD4 Reviewing Pathways and Processes – including personalisation and transitions**

### **Context**

LD1 This area of work is the first work stream to be underway and is made up of the following component parts:

- 1 Developing an effective provider market through the Approved Supplier List to ensure supported living services can be efficiently and effectively procured.
- 2 Moving people from residential placements into supported tenancies of their own in accommodation provided by either the LA or social &/or private landlords.
- 3 Converting existing in-borough Residential Care into Supported Living schemes.
- 4 Using HRA funding to develop additional accommodation suitable for Supported Living provision to facilitate transition to independent living.
- 5 Using the Care Funding Calculator (CFC) – to negotiate improved value for money of service provision.
- 6 People placed out of borough returning or having care costs renegotiated.

### **Key deliverables during the period**

Further progress has been made during the month to ensure the efficiencies identified for 2014-15 will be delivered on target including:

- Choice Care client assessments and costings nearly complete and further negotiations on rent levels and contractual terms and conditions have taken place. There is an issue with refurbishment of the accommodation and possible solutions are being explored.
- Implementation meetings have been held with all 4 providers and a regular programme of monthly implementations meetings has been set up.
- A programme of meetings with the 6 additional providers now on the approved supplier list has been set up for January 2014.
- The development of the Council's own stock of accommodation for community based supported housing has progressed with a final list of 18 suitable units identified for development over an 18 month to 2 year time frame. Detailed plans for the agreed sites are now being developed by Housing.

## **Appendix D: Councils Gold Project Updates as at 31<sup>st</sup> December 2013**

- Comfort Care further negotiations have taken place on pricing and re-housing clients at the newly refurbished scheme. The mix of clients is being reconfigured to achieve greater savings.
- Initial meetings have taken place with all commissioned in borough Residential Care providers about converting the stock into Supported Living. A programme of future meetings to agree implementation plans etc has been set up for January 2014.
- Scattered stock an initial meeting with Look Ahead was held on 28.11.2013. A further negotiation on stock, clients and implementation programme has been programmed for 24.01.2014. In the meantime consultation will commence on arranging moving clients from Tower House to the scattered stock.
- A Participation Officer has been recruited and commenced employment on 06.01.2014.
- An overarching PID, Project Plan and Communication Strategy have been developed.
- All Families/Carers of LD clients living out of Borough have been written to in December 2013. setting out objectives of LD1 as part of the Communication Plan.

### **Key activities / milestones scheduled for **next** period:**

#### **LD1**

- The appointment of the Participation Officer and additional resourcing of the LDCP through the appointment of a Project Officer from 06.01.2014 allows for intensive consultation with all the individual families/carers of clients in Residential Care to begin.
- The EIA can now be updated to take account of the revisions to the programme.
- Legal Department to review the Supported Living Nominations Agreement.
- Develop SMART plan to convert existing Residential Care services into Supported Living with providers at implementation meetings scheduled during January 2014.
- The development of the action plan to manage mental capacity and deputyship issues will commence.
- Two Supported Living consultation events have been programmed for the beginning of February 2014.

#### **LD2**

- Scoping existing provision of day care services and good practice examples in other local authority areas.

### **Key issues of **risk / obstacles to progress**:**

1. Capacity – In House - reduced resource within the SBC Learning Disability team has slowed progress regarding undertaking Care Funding Calculator assessments and consulting with families (also slowed by vacancy in Participation Officer Post). Operational vacancies have now been filled and an additional resource has been identified for the LDCP.
2. Capacity – Health - All intended returning clients will need health needs assessment undertaken by Health in locality where they currently live for in-house team to assess what health services they will need in Supported Living services, until this is completed there will be uncertainty on whether there is sufficient local capacity. Health representative will attend the LD Programme Board meetings to ensure strategic liaison.
3. Capacity - Mental Capacity Assessment process needs to be adequately resourced.
4. Delay in completing CFC assessments has 2 key delivery impacts 1) to provide basis to be able to initiate negotiations with existing Residential Care providers at reducing costs and 2) to facilitate negotiations on price with Approved Supplier providers to agree Supported Living services. Now additional resource available to the LDCP CFC assessment programme underway.
5. Accommodation Provision – house prices now increasing Approved Providers need to be able to procure appropriate accommodation and make it suitable for the client group within the constraints of HB Regulations. Ongoing review of progress against target is monthly.
6. Individualised Supported Living care costs higher than Block Residential Care cost – this will be monitored and managed throughout the lifetime of the programme and sign off of all new placements/services will be via the Assistant Director Adult Social Care, Commissioning and Partnerships.
7. A number of the out of borough placements are living close to family/carers and will be reluctant to

**Appendix D: Councils Gold Project Updates as at 31<sup>st</sup> December 2013**

return to Slough. This will require in-depth consultations and/or negotiations with existing providers about reducing costs. Additional resource will allow for more intensive consultation to take place. A policy to manage clients who outright refuse needs to be developed.

8. A small number of the out of borough placements are in highly specialised provision and suitable provision may not be available locally or to develop locally will be too expensive.
9. Returning clients too quickly to the Borough may put undue stress on related provision within the borough especially health & day services etc if not planned and programmed carefully.
10. Upfront implementation/transition costs will impose increased budget pressure in short term.

**Recommendations for CMT:**

1. To note the update.

**Appendix D: Councils Gold Project Updates as at 31<sup>st</sup> December 2013**

|   |              |              |                                      |                       |                       |
|---|--------------|--------------|--------------------------------------|-----------------------|-----------------------|
| <b>Safeguarding Improvement Board</b>   |              |              | <b>Project SPONSOR</b>               | Jane Wood             |                       |
| <b>Wards Affected: All</b>  |              |              | <b>Project MANAGER</b>               | Kitty Ferris          |                       |
|   | Timeline     | Budget       | Issues & Risks                       | <b>OVERALL STATUS</b> | Date of update report |
| <b>Current period:</b>  | <b>AMBER</b> | <b>AMBER</b> | <b>RED</b>                           | <b>AMBER</b>          | 23/12/2013            |
| <i>Previous month</i>   | <b>AMBER</b> | <b>GREEN</b> | <b>RED</b>                           | <b>AMBER</b>          | 30/11/2013            |
| <b>Project start date:</b>  | June 2011    |              | <b>Anticipated Project end date:</b> | End 2013/14           |                       |
| <p>80% <span style="margin-left: 100px;">Completed</span> <span style="margin-left: 100px;">90%</span> <span style="margin-left: 100px;">Remaining</span> <span style="margin-left: 100px;">100%</span></p> |              |              |                                      |                       |                       |
| Has this highlight report been agreed and authorised by the Project Sponsor? Yes <input checked="" type="checkbox"/> No (draft) <input type="checkbox"/>  |              |              |                                      |                       |                       |

Performance

Rates of referrals per 10,000 children continue to rise and remain within the tolerance level agreed by the Improvement Board, and are in line with statistical neighbours. This indicates thresholds are being applied consistently and appropriately to the levels agreed and appropriate for referral to Children's Social Care at the "front door". Repeat referrals have also sustained the lower level reported in the last period. Correspondingly the service continues to see an increase in the number of children subject to CP Plans, and, a corresponding increase in the number of Looked After Children (LAC) in line with statistical neighbour performance, the latter which has reached the highest rate for some years though still remains below statistical neighbours. The rising demand has impacted upon case load levels which are above the level set by the Council, (avg 40 rather than 20-25 cases per worker).

The previous report confirmed that quality audits at the 5 points across the pathway are demonstrating over improved performance in social work practice: 16% cases evaluated as 'good', 64% adequate and 20% requiring improvement (inadequate). However, the deep dive audit of children in need cases (over 400 cases) has identified a higher number of inadequate cases and concerns that plans were not sufficiently focussed and effective. Of the total number of cases, improvement is required on 30%. During November and December the actions to address the combined impact of rising case loads, workflows and quality continued to be implemented.

Significantly, continuity of SW and the quality of practice also continues to be effected by recruitment difficulties with 52% of posts still filled with agency staff. Turnover of agency staff whilst reduced as compared to the previous year is running at 40% through the year. To improve quality of practice the senior management team replaced many agency staff during the autumn period and all new recruits have now commenced in post. Inevitably workforce changes of this nature result in the transfer of cases to new sw and continuity.

**Key activities completed / milestones achieved in this period:**

NB –From 19<sup>th</sup> November-11<sup>th</sup> December 2013 the Council was subject to an unannounced Ofsted Inspection under the new single inspection framework. Throughout this period the Council has continued to focus on the key levers to improve (as set out below) each of which was endorsed by Ofsted as critical levers for change.

- With the additional in year resources agreed (400k) to address caseload levels, interviews for two additional SW teams have been undertaken, each comprising 1 practice manager and 5-6 SWs. New agency recruits to commence early January 2014.
- Remedial actions to address CIN case work practice continues to be implemented- three arm approach: HR process (where appropriate), professional development strategy, realignment of pathway to improve interface.

## **Appendix D: Councils Gold Project Updates as at 31<sup>st</sup> December 2013**

- Full business case completed for MTF growth to tackle higher workloads and increase in LAC placements and discussed at C&D - for presentation to January 2014 Cabinet.
- Plans to being worked up to develop marketing strategy for Slough & Council to long term support recruitment and shift balance of agency and permanent staff.
- Next version of CiC strategy completed.
- Key actions to improve the working environment.

### **Key Activities/milestones scheduled for next period**

#### Key Actions for January 2014

- Cabinet report & decision regarding the two budget growth proposals, workforce and LAC placements.
- Commence development of corporate parenting panel.
- Headline feedback to ECS scrutiny panel.
- Senior Management Away Day to review strategies to deliver the Improvement plan.
- Feedback meetings with partners following Ofsted initial feedback.
- Identify how capacity of the council can best support the improvement going forward
- Explore best practice sites Surrey and Southampton re alternative marketing & recruitment approach.
- Implement next programme of temp to perm for agency wishing to stay with Slough.
- Commence BSO workflow review.
- Commence implementation of CiC strategy, with particular focus on new adoption and fostering recruitment programmes.
- Commence work to establish appropriate alternative means to stabilise LAC increases.
- Agree proposals to enhance capacity supporting AD to deliver change and improvement

### **Key issues of risk / obstacles to progress:**

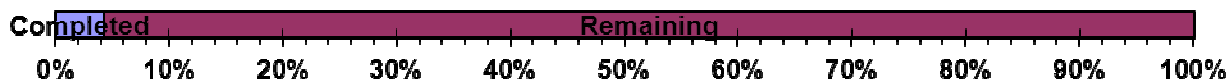
- Increase demand, work rates and case loads impacting on SW response: Obstacle – base budget and ability to recruit permanent staff in sufficient numbers of the required calibre.
- Recruitment and retention, impacting on consistency and quality of practice: Obstacle – ability to recruit permanent staff in sufficient numbers of the required calibre and attract staff wishing to come to council with higher workloads and improvement priorities.
- Inappropriate work environment- Short and longer term accommodation issues impacting on practice environment required.

### **Recommendations for CMT:**

Note progress and agree proposed actions and agree to provide collective support across the organisation.

**Appendix D: Councils Gold Project Updates as at 31<sup>st</sup> December 2013**

|                                |              |              |                               |                |                       |
|--------------------------------|--------------|--------------|-------------------------------|----------------|-----------------------|
| <b>School Places Programme</b> |              |              | Project <b>SPONSOR</b>        | Ruth Bagley    |                       |
| <b>Wards affected: All</b>     |              |              | Project <b>MANAGER</b>        | Tony Madden    |                       |
|                                | Timeline     | Budget       | Issues & Risks                | OVERALL STATUS | Date of update report |
| <b>Current period</b>          | <b>AMBER</b> | <b>GREEN</b> | <b>AMBER</b>                  | <b>AMBER</b>   | 05/01/2014            |
| <i>Previous month</i>          | <b>AMBER</b> | <b>GREEN</b> | <b>AMBER</b>                  | <b>AMBER</b>   | 05/12/2013            |
| Project start date:            | 01/09/2013   |              | Anticipated project end date: | 31/08/2021     |                       |



Has this highlight report been agreed and authorised by the Project Sponsor? Yes  No (draft)

Key activities completed / milestones achieved in **this** period:

Slough is taking a long term strategic approach to school places to ensure all Slough children and young people secure a school place to 2021. This report is split into strategic and delivery activities.

**Strategic Plan**

1. Project Initiation Document (PID) signed off by CMT.
2. Report presented to Education and Children’s Services Scrutiny Panel on the projected demand for school places and the emerging strategy to answer this demand.
3. Final sign off of the annual School Capacity (SCAP 2013) return to the Department for Education (DfE). This includes current capacity information, forecasts, local expansion plans and budget information. This is used by the DfE to determine local requirements including capital funding allocations.

**Operational Delivery**

**Primary** – There are places available in all year groups and most in-year applicants are offered a place within 4 weeks.

- a) Supplier appointed to provide new classrooms at Castlevew Primary for Easter 2014.
- b) Professional practice appointed to take forward the design of the new extension at Godolphin Junior.
- c) Tender returns assessed for a supplier to provide new classrooms at Penn Wood Primary.
- d) Ryvers Primary appointed an architect to take forward the design of their phase 2 expansion.

**Secondary** – There are places available in all year groups, either in Slough or in schools just outside the borough. Most in-year applicants are offered a place within 4 weeks. There is expected to be some pressure on places in Year 11 in 2014.

The 10 new places at Haybrook College have now been offered and any new applicants will be offered places at East Berkshire College.

**SEN** –

- a) Haybrook College re-provision and expansion is nearly complete and the school has started a phased transfer into the new accommodation.
- b) Expansion of Littledown School completed on site.

## **Appendix D: Councils Gold Project Updates as at 31<sup>st</sup> December 2013**

Key activities / milestones scheduled for **next** period:

### **Strategy Plan**

1. Continue discussions with Primary and Secondary Heads' groups on the need for further Free Schools in future years.
2. Further develop Strategic School Places Programme.

### **Operational Delivery**

3. Post tender notices for supply of new classrooms at Godolphin Junior, Baylis Court Nursery, Cippenham Primary and Ryvers Primary.
4. Post tender notice for professional practices to start planning the expansion of the Town Hall Campus, St Mary's CE Primary, James Elliman Primary and St Anthony's RC Primary (phase 2).

Key issues of **risk / obstacles to progress**:

### **Early draft – detailed risk register being compiled**

1. **Control of Free Schools** - Slough can't control the approval and opening dates of new Free Schools. The new strategy is designed to be flexible enough to deal with this by agreeing a pipeline of projects that can be accelerated or slowed as required (see risk 6).
2. **Sites** - Identification of sites for new schools will continue to represent the biggest risk to opening new Schools. The limited availability of sites means that Slough will need to prioritise proposals for schools which are most likely to maximise places for Slough children.
3. **Land ownership** – The strategy will require that a number of sites in private ownership are acquired. This introduces cost uncertainty and the timing and achievement of purchases will be out of the control of the council.
4. **SEN places** – A proportionate number of SEN places are required which require specialist units so limiting the choice of sites and increasing costs for some proposals. There is an opportunity to encourage Free School promoters to create new resourced units for children with SEN within their bids for funding to the DfE.
5. **Programme funding** - Funding new schools is expensive, if new Free Schools aren't approved (these are externally funded) then this would put severe pressure on the Council's capital programme to meet its statutory duty in relation to school places.
6. **Delivery timeline** - From approval, large projects are likely to take at least 24 months to complete on site before opening places to pupils. Projects need to start in good time with the possible risk that this provides some overprovision.
7. **Changing demographics** - Demand for primary places are based on recent patterns, these may change and lead to a reduction in demand or births may start to fall. This is constantly monitored and any changes may suggest that projects are delayed or cancelled.
8. **Capacity** - Slough's capacity to deliver such a large expansion programme will need consideration.
9. **Delivery risk** - There is a risk projects do not proceed as planned, for instance schools choose not to cooperate or do not have the capacity to expand.
10. **Legal challenge** – The aim that new places are created for Slough pupils will need to adhere to the admissions Code of Practice.
11. **School performance** – Expansion projects can affect school performance in a number of ways including by distracting senior staff from focusing on teaching and learning and by putting pressure on the existing buildings and open spaces on the school site.

Recommendations for CMT:

1. To note that recent tender submissions on a number of ongoing school expansion projects are exceeding the budget allocations and the original capital allocation model will be reviewed.
2. To note for the time being the scale and nature of the risks to successful delivery pending a comprehensive risk register and mitigation plan being drawn up.



**Appendix D: Councils Gold Project Updates as at 31<sup>st</sup> December 2013**

|  |              |              |                               |   |                       |
|--|--------------|--------------|-------------------------------|---|-----------------------|
| <b>The Curve</b>   |              |              | <b>Project SPONSOR</b>        | Roger Parkin                                      |                       |
| <b>Wards affected: All</b>   |              |              | <b>Project MANAGER</b>        | Executive Andrew Stevens<br>Manager Mark Bradbury |                       |
|  | Timeline     | Budget       | Issues & Risks                | OVERALL STATUS                                    | Date of update report |
| <b>December 2013</b>   | <b>AMBER</b> | <b>AMBER</b> | <b>AMBER</b>                  | <b>AMBER</b>                                      | 27/12/2013            |
| <i>Previous month</i>  | <i>AMBER</i> | <i>AMBER</i> | <i>AMBER</i>                  | <i>AMBER</i>                                      | 29/11/2013            |
| Project start date:  | 01/10/2013   |              | Anticipated Project end date: | 21/09/2015  |                       |
|  |              |              |                               |   |                       |
| Has this highlight report been agreed and authorised by the Project Sponsor? Yes <input checked="" type="checkbox"/> No (draft) <input type="checkbox"/>   |              |              |                               |   |                       |
| <b>Key activities completed / milestones achieved in this period:</b>  |              |              |                               |   |                       |
| <ol style="list-style-type: none"> <li>1. On track in agreements with neighbouring landlords, including Criterion and St Ethelbert's.</li> <li>2. Financial close and completion of sign-off achieved on 11<sup>th</sup> December 2015.</li> <li>3. Press release on financial close.</li> <li>4. Capital budgets revised within target.</li> <li>5. Agreement with Joseph Holmes on projected impact of projects to avoid the need for revenue growth in 2015 (reduced running costs from Morgan Sindall estimates; increased income; administration and library efficiency savings). Projects initiated for delivery in good time for planning 2015/16 MTFS.</li> </ol>  |              |              |                               |   |                       |
| <b>Key activities / milestones scheduled for next period:</b>  |              |              |                               |   |                       |
| <ol style="list-style-type: none"> <li>1. Update and complete project plan and project documentation.</li> <li>2. Construction works start on site 13 January 2014.</li> <li>3. Completion of agreements with Criterion and St Ethelbert's church.</li> <li>4. Press photo call on start of work on site 13 January 2014.</li> <li>5. NEC software training 10 and 20 January 2014.</li> <li>6. Implement project management arrangements in Property for effect from 1 April 2014 until completion.</li> <li>7. Continue projects to define and minimise revenue cost running the Curve</li> </ol> <p>Key project dates include:</p> <ul style="list-style-type: none"> <li>• Construction start date: 13/01/2014 <ul style="list-style-type: none"> <li>○ Handover of new sub-station: 26/03/2014</li> <li>○ Handover of Queensmere toilets: 03/06/2014</li> <li>○ Handover of goods lift: 19/09/2014</li> <li>○ Handover of shopping centre entrance: 16/12/2014</li> </ul> </li> <li>• Contract completion / handover: 14/07/2015</li> </ul> |              |              |                               |   |                       |
| <b>Key issues of risk / obstacles to progress:</b>   |              |              |                               |   |                       |
| <ol style="list-style-type: none"> <li>1. Risk of delay in neighbour agreements.</li> <li>2. Risk that costs could be over budget (good degree of certainty with main costs agreed at financial close; contingency budget of £700K retained in full to date).</li> <li>3. Potential slippage for weather and unplanned issues on site. 3 months allowed for in works programme.</li> <li>4. Final completion date amended to September 2015 to reflect 14 July 2015 handover date agreed at financial close and to allow for SBC work before service opens, including IT.</li> <li>5. Capacity of SBC's ICT support to meet deadlines and complete work on schedule throughout project.</li> </ol>   |              |              |                               |   |                       |
| <b>Recommendations for CMT:</b>  |              |              |                               |   |                       |
| <ol style="list-style-type: none"> <li>1. Note that main preparatory works on site will start in January.</li> <li>2. Note that projects have started to establish firm running costs and to minimise impact on the council's revenue budget.</li> </ol>   |              |              |                               |   |                       |

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**WELLBEING DIRECTORATE**  
**2013-14 Budget Summary**

**OVERVIEW:**

The Directorate's net controllable Revenue budget for 2013/14 is **£63.101m**. The projected total net expenditure after taking into account all known commitments is **£63.288m**. This represents an overspend of **£0.187m** (0.3%), an increase of **£0.153m** since November.

The Looked After Children outturn has increased by £115k and there is an additional employee related pressure of £40k on the Non Schools budget.

The latest summary table is shown below

| <b>WELLBEING<br/>BUDGET MONITORING SUMMARY</b> |               |                |             |             |            |             |
|--|---------------|----------------|-------------|-------------|------------|-------------|
| <b>Service</b>                                 | <b>Budget</b> | <b>Outturn</b> | <b>Diff</b> | <b>Last</b> | <b>Chg</b> | <b>%</b>    |
| Adult Social Care                              | 38,270        | 37,284         | -986        | -986        | 0          | -3%         |
| Public Health                                  | -150          | -711           | -561        | -561        | 0          | 374%        |
| Central Management                             | -228          | -228           | 0           | 0           | 0          | 0%          |
| Children & Families                            | 16,216        | 18,909         | 2,693       | 2,579       | 114        | 17%         |
| Education (Non Schools)                        | 9,413         | 8,454          | -959        | -998        | 39         | -10%        |
| Schools (DSG)                                  | -420          | -420           | 0           | 0           | 0          | 0%          |
| <b>GRAND TOTAL</b>                             | <b>63,101</b> | <b>63,288</b>  | <b>187</b>  | <b>34</b>   | <b>153</b> | <b>0.3%</b> |

**Directorate summary of the 2013-14 financial year:** The current projected overspend is relatively small however this masks a significant pressure on the Children Looked After (Placement) budgets within Children and Families service. The total overspend within this service is **£2.7m**, although it is offset in part by savings within the Adult Social Care service of **£1m** and Education (Non Schools) of **£1m**.

**ADULT SOCIAL CARE**

**Explanation of variation from budget:** This division is expected to underspend by **£986k**. This is due to the careful application of additional resources received from the recent NHS Transfer plus savings on staffing and commissioning budgets.

| <b>Adult Social Care</b>                 |                       |                |                         |                   |               |
|--|-----------------------|----------------|-------------------------|-------------------|---------------|
| <b>SERVICE</b>                           | <b>Revised Budget</b> | <b>Outturn</b> | <b>Current Variance</b> | <b>Last Month</b> | <b>Change</b> |
|  | <b>£'000</b>          | <b>£'000</b>   | <b>£'000</b>            | <b>£'000</b>      | <b>£'000</b>  |
| Safeguarding and Governance              | 243                   | 140            | -103                    | -82               | -21           |
| ASC Management & Business Support        | 485                   | 410            | -75                     | -4                | -71           |
| Access & Long Term I & S                 | 2,544                 | 2,346          | -199                    | -139              | -60           |
| Re-ablement & Directly Provided Services | 5,388                 | 4,476          | -912                    | -967              | 55            |
| Mental Health                            | 4,120                 | 4,417          | 296                     | 291               | 5             |
| Commissioning Budgets                    | 20,131                | 20,541         | 410                     | 292               | 118           |
| Commissioning & Contracts                | 5,360                 | 4,955          | -404                    | -377              | -27           |
| <b>TOTAL</b>                             | <b>38,270</b>         | <b>37,284</b>  | <b>-986</b>             | <b>-986</b>       | <b>0</b>      |

**Progress against the 2013-14 Savings target:** This service is on target to successfully achieve all its savings targets for the current year. The savings are shown in the table below along with the RAG rating:

| <b>ADULT SOCIAL CARE</b>                                     | <b>Target<br/>£'000</b> |
|--|-------------------------|
| Savings from Resource Allocation System (RAS) implementation | -100                    |
| Transformational Strategy - Wellbeing                        | -990                    |
| Supporting People delivery changes                           | -25                     |
| Review of Care Packages                                      | -120                    |
| Project manager for service redesign                         | -113                    |
| <b>TOTAL</b>   | <b>-1,348</b>           |

## **PUBLIC HEALTH**

**Explanation of variation from budget:** Public Health is showing an underspend of **£516k**, unchanged from last month. This is due to the expected refund in respect of the School Nurses contract plus savings relating to the Chlamydia service and smoking cessation.

| <b>PUBLIC HEALTH</b>    |                       |                          |                         |                   |               |
|-------------------------|-----------------------|--------------------------|-------------------------|-------------------|---------------|
| <b>Detail</b>           | <b>Revised Budget</b> | <b>Projected Outturn</b> | <b>Current Variance</b> | <b>Last Month</b> | <b>Change</b> |
| <b>Expenditure</b>      |                       |                          |                         |                   |               |
| Employee costs          | 635                   | 507                      | -128                    | -113              | -15           |
| Premises costs          | 12                    | 12                       | 0                       | 0                 | 0             |
| Running costs           | 61                    | 68                       | -4                      | 7                 | -11           |
| Projects                | <b>4,444</b>          | <b>4,171</b>             | <b>-292</b>             | <b>150</b>        | <b>-442</b>   |
| <b>Total</b>            | <b>5,152</b>          | <b>4,758</b>             | <b>-424</b>             | <b>44</b>         | <b>-468</b>   |
| <b>Income</b>           |                       |                          |                         |                   |               |
| Government Grant        | -4,987                | -4,988                   | 0                       | 0                 | 0             |
| Other Income            | -315                  | -406                     | -92                     | -44               | 0             |
| <b>Total</b>            | <b>-5,302</b>         | <b>-5,394</b>            | <b>-92</b>              | <b>-44</b>        | <b>0</b>      |
| <b>Total Net Budget</b> | <b>-150</b>           | <b>-636</b>              | <b>-516</b>             | <b>0</b>          | <b>-468</b>   |

## **CHILDREN & FAMILIES**

**Explanation of variation from budget:** This service is currently showing an overspend of **£2.693m**, an increase of **£115k** from the previous monitor. This is summarised in the table below.

| CHILDREN & FAMILIES              |                |               |                  |              |            |
|----------------------------------|----------------|---------------|------------------|--------------|------------|
| SERVICE                          | Revised Budget | Outturn       | Current Variance | Last Month   | Change     |
|                                  | £'000          | £'000         | £'000            | £'000        | £'000      |
| Asylum Seekers                   | 37             | -6            | -43              | -43          | 0          |
| Children Looked After            | 5,784          | 7,846         | 2,062            | 1,947        | 115        |
| Commissioning & Social Work      | 5,586          | 6,833         | 1,247            | 1,247        | 0          |
| Family Support Services          | 828            | 891           | 63               | 63           | 0          |
| Other Children & Family Services | 1,945          | 2,043         | 99               | 99           | 0          |
| Youth Offending Team             | 556            | 568           | 12               | 12           | 0          |
| Early Help                       | 1,480          | 734           | -746             | -746         | 0          |
| <b>Total</b>                     | <b>16,216</b>  | <b>18,909</b> | <b>2,693</b>     | <b>2,578</b> | <b>115</b> |

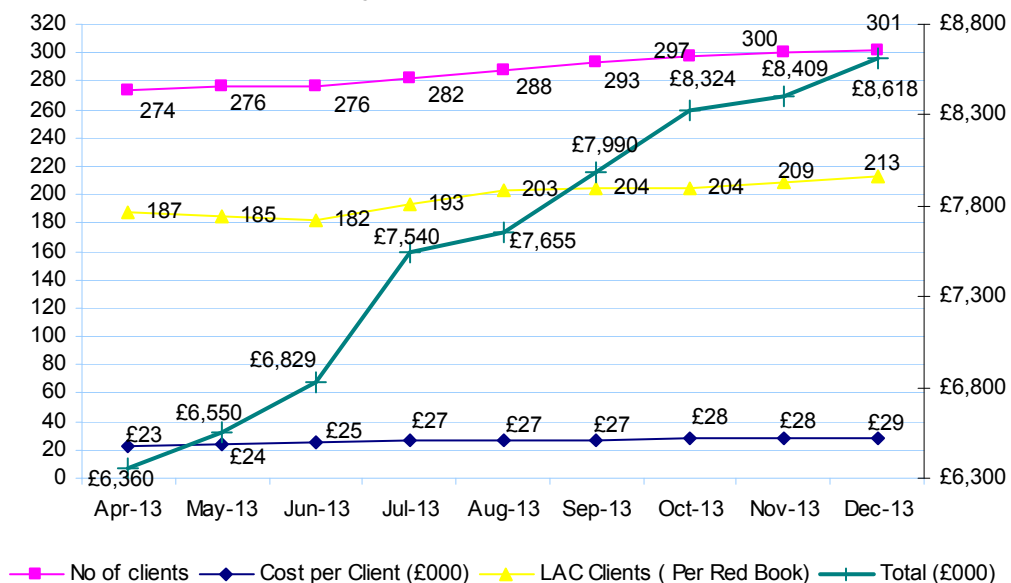
**Early Help**

This service now shows an underspend of **£746k** unchanged from last month overall this underspend is due to the many vacancies in this new service.

**Children Looked After**

Children Looked After shows an overspend of **£2,062k** up by £115k, this leaves a provision of over £150k for new commitments for the rest of the year.

LAC Projected Commitments, Client No's and Unit Costs by month for 13-14 (£'000)



The graph above clearly highlights the growing trend for commitments, client no's and unit costs. Commitments currently stand at £8.6m, an increase of £0.2m from last month and 3.5% (5.2%) increase in a rolling 3 month period. The equivalent increase in the no of clients is 1.4% (2.4%), but 9.9% (9.5%) from the beginning of the year.

The increase in commitments of £209k is due to 2 new short term mother and baby placements of £76k, an extension to a residential placement £46k and transfer of client from IFA to a secure placement £87k. In addition, emergency arrangements to find temporary accommodation for a vulnerable client at a cost of £7k have been

## Appendix E – P9 December 2013

included in the outturn. The continuing trend has resulted in an adverse variance of £115k in the December monitor.

### Commissioning and Social Work

The Commissioning and Social Work service shows an overspend of £1,247k for December (£1,247k November). This overspend relates to staffing of £968k, Legal Fees of £274k and other pressure of £5k.

### Staffing – Overspend £870k in December (£870k Nov)

The Table below shows the establishment by cost centre and compares the permanent and agency staff that cover the budgeted posts and the resulting variance in no's and projected Variance in monetary terms. The total staffing overspend in Commissioning and Social work of £968k (as above), less the saving in Early Help staffing of (£98k) keeps the overspend at £870k.

| Cost Centre            | Estab'mt   | Perm      | Agency    | Total      | Variance No | Not Filled | Variance £000 |
|------------------------|------------|-----------|-----------|------------|-------------|------------|---------------|
| Management Team        | 9          | 4         | 7         | 11         | 2           | 0          | -117          |
| BSO Team               | 14         | 14        | 1         | 15         | 1           | 0          | 42            |
| Duty/ Hospital Team    | 14         | 4         | 6         | 10         | -4          | 4          | -98           |
| CIN Team 1             | 7          | 3         | 5         | 8          | 1           | 0          | 61            |
| CIN Team 2             | 7          | 3         | 5         | 8          | 1           | 1          | 110           |
| CIN Team 3             | 7          | 3         | 5         | 8          | 1           | 0          | 126           |
| CIN Team 4             |            | 3         | 5         | 8          | 8           | 0          | 100           |
| Protection Care Team 1 | 7          | 4         | 3         | 7          | 0           | 0          | 63            |
| Protection Care Team 2 | 7          | 3         | 4         | 7          | 0           | 0          | 74            |
| Protection Care Team 3 | 6          | 1         | 6         | 7          | 1           | 0          | 150           |
| Protection Care Team 4 |            | 0         | 3         | 3          | 3           | 4          | 75            |
| LAC Leavers Team       | 11         | 10        | 3         | 13         | 2           | 0          | 168           |
| IRO / Safeguarding     | 8          | 4         | 3         | 7          | -1          | 1          | 155           |
| PAT Team               | 4          | 1         | 0         | 1          | -3          | 3          | -39           |
| <b>Total</b>           | <b>101</b> | <b>57</b> | <b>56</b> | <b>113</b> | <b>12</b>   | <b>13</b>  | <b>870</b>    |

The £870k overspend includes 400k approved by senior management in assisting to reduce the case load of the current staff by employing more Social Workers and is being closely monitored in the coming months. Management action is being monitored closely to ensure that the budget is managed within existing resources.

**Progress against the 2013-14 Savings target:** This service has a single savings target and is expected to fully achieve this by the end of the year.

## EDUCATION (NON SCHOOLS)

**Explanation of variation from budget:** The Directorate's net controllable revenue budget for 2013/14 is **£9.480m**. The projected total net expenditure is **£8,454m** and represents an underspend of **£964k** which is a favourable movement of £48k from last month.

The main changes are within the retained service. Increased costs within the LDD service area is offset by an additional underspend for the services outsourced to Mott Macdonald. This is for the first six months of the year when services were within SBC

| EDUCATION (NON SCHOOLS) |                |              |                  |             |           |
|-------------------------|----------------|--------------|------------------|-------------|-----------|
| SERVICE                 | Revised Budget | Outturn      | Current Variance | Last Month  | Change    |
|                         | £'000          | £'000        | £'000            | £'000       | £'000     |
| Retained Offer (Core)   | 2,294          | 1,983        | -311             | -241        | -70       |
| Schools Offer (Core)    | 7,086          | 6,439        | -648             | -757        | 109       |
| <b>Total</b>            | <b>9,380</b>   | <b>8,422</b> | <b>-959</b>      | <b>-998</b> | <b>39</b> |

**Progress against the 2013-14 Savings target:** This service is on target to successfully achieve all its savings targets for the current year. The savings are shown in the table below:

| EDUCATION (NON SCHOOLS)                                 | Target<br>£'000 |
|---|-----------------|
| Previous years underspends - full year effect Wellbeing | -150            |
| EIG savings identified Ph 1 post grant reduction        | -700            |
| Services to Schools Review                              | -200            |
| <b>TOTAL</b>  | <b>-1,050</b>   |

## CENTRAL MANAGEMENT

**Explanation of variation from budget:** This area is expected to spend to budget as shown below.

| SERVICE                   | Revised Budget | Outturn     | Current Variance | Last Month | Change   |
|---------------------------|----------------|-------------|------------------|------------|----------|
|                           | £'000          | £'000       | £'000            | £'000      | £'000    |
| <b>Central Management</b> |                |             |                  |            |          |
| Management                | -228           | -228        | 0                | 0          | 0        |
| <b>TOTAL</b>              | <b>-228</b>    | <b>-228</b> | <b>0</b>         | <b>0</b>   | <b>0</b> |

## SCHOOLS (DSG)

**Explanation of variation from budget:** This is a ring fenced budget and as such any variations are carried forward to the new financial year. However, the service is currently expected to breakeven.

| SCHOOLS (DSG)              |              |               |                |               |
|----------------------------|--------------|---------------|----------------|---------------|
| SERVICE                    | Budget<br>£k | Outturn<br>£k | Variance<br>£k | Variance<br>% |
| Schools Block              | 49,877       | 49,877        | 0              | 0             |
| Schools Block De-delegated | 367          | 367           | 0              | 0             |
| High Needs Block           | 19,106       | 19,106        | 0              | 0             |
| Early Year Block           | 10,868       | 10,868        | 0              | 0             |
| Grants                     | -80,639      | -80,639       | 0              | 0             |
| <b>Net Expenditure</b>     | <b>-417</b>  | <b>-417</b>   | <b>0</b>       | <b>0%</b>     |

## Budget Monitoring

### Customer and Community Services:

Revised Budget £19.691m, Forecast Outturn £19.161m, underspend £530k  
(2.69% of the budget)

### Customer and Community Services: Departmental Summary

| Department                                     | Rev'd Budget<br>£'000 | Outturn<br>£'000 | Variance<br>£'000 | %             | Change<br>in month |
|--|-----------------------|------------------|-------------------|---------------|--------------------|
| Customer Services, IT & Information Governance | 3,363                 | 3,074            | (289)             | -8.6%         | (5)                |
| Community and Skills                           | 6,850                 | 6,327            | (523)             | -7.6%         | (30)               |
| Enforcement and Regulation                     | 6,462                 | 6,503            | 41                | <b>0.6%</b>   | (83)               |
| Strategic Management                           | 501                   | 477              | (24)              | -4.8%         | (24)               |
| Corporate Procurement Team                     | 287                   | 272              | (15)              | -5.2%         | 5                  |
| Transactional Services                         | 2,228                 | 2,508            | 280               | <b>12.6%</b>  | 30                 |
| <b>Total</b>                                   | <b>19,691</b>         | <b>19,161</b>    | <b>(530)</b>      | <b>-2.69%</b> | <b>(107)</b>       |

### Directorate Summary for the 2013/14 year to date

At this point in time, the Customer and Community Services Directorate is forecasting an under spend position of £530k, largely due to the £498k one-off additional in-year savings put forward in November, plus the transfer of the Parks and Open Spaces service into CCS with a £32k favourable variance. Details are given below:

#### **Service: Customer Services, IT and Information Governance**

##### Explanation of variation from budget:

The favourable variance of £289k reflects staffing vacancies and in-year one-off additional IT savings of £190k.

#### **Service: Community and Skills**

##### Explanation of variation from budget:

The projected underspend of £523k is due to £115k compensation to the contractor for loss of income whilst the pool is closed at Montem for repairs, offset by a £43k underspend in staffing vacancies and supplies, £198k additional income from cemeteries and cremations and an £156k underspend on Youth Services due



to savings arising from the Staffing restructure plus £209k additional one-off in year savings and £32k salary underspend from the transferred Parks and Open Spaces service; the restructure should generate annual savings in staff costs of over £150k.

Identification of any income pressures:

Loss of income from the temporary closure of the pool at the Montem Leisure centre will result in a compensation payment to the contractor. This has been reflected in the outturn.

**Service: Enforcement and Regulation**

Explanation of variation from budget:

The £41k projected overspends in this service area comprise the following:

- £119k funding pressure for the CCTV service
- £58k pressure in Safer Communities Initiative
- £50k income pressure for on-street parking due to private parking and free parking after 3pm
- £20k pressure on electricity costs for car parks
- £260k income pressure for car parks due to closures and non-renewal of season tickets
- £60k pressure from late billing of business rates
- Projected £100k underspend on cessionary fares
- £50k underspend on NLIS contract fee
- £62k underspend on Ordnance survey
- £114k underspend on salaries etc
- £40k surplus contribution from Building Control
- £70k savings on transport planning
- £89k additional in year savings identified in November.

**Service: Corporate Procurement Team**

Explanation of variation from budget:

The favourable underspend is due to a vacant post which has still to be filled and a one-off recharge to the HRA for the Interserve contract review, offset by agency staff costs.

**Service: Transactional Services**

Explanation of variation from budget:

Within the transactional service area, there are emerging pressures, including project work outside the normal contract, which will be reported separately. A funding gap of £2.7m has been identified and funding sought. In addition, the £280k overspend is a recognition that the £250k 2013/14 savings target for phase 2 transactional savings will not be achieved and that there will be a small budget overspend against year 1 of the phase 2 contract.

## Regeneration, Housing and Resources Directorate: 2013-14 Monthly Summary

Overview: P9 – Dec '13

| Service  | Budget / £k   | Forecast<br>Outturn / £k | Variance /<br>£k | Variance<br>/ % |
|--|---------------|--------------------------|------------------|-----------------|
| Strategic<br>Management                                      | 317           | 377                      | 60               | 18.9%           |
| Corporate<br>Resources                                       | 1,696         | 1,711                    | 15               | 0.9%            |
| Housing and<br>Environment                                   | 14,620        | 14,390                   | (230)            | -1.6%           |
| Estates<br>Regeneration                                      | 7,789         | 7,701                    | (88)             | 1.1%            |
| <b>Total<br/>Regeneration,<br/>Housing and<br/>Resources</b> | <b>24,422</b> | <b>24,179</b>            | <b>(243)</b>     | <b>-0.1%</b>    |

**Directorate summary for the 2013-14 year to date**

At this point in time the Regeneration, Housing and Resources Directorate is forecasting an under spend position of £243k, after accounting for a net £536k of allocated Corporate Growth and Savings for 2013/14.

**Service: Housing and Environment**Explanation of variation from budget:

The £230k favourable variance includes the £150k additional savings from the Amey 2013 profit share and the Lakeside Efw credit, a £70k staffing underspend from the Neighbourhood Enforcement Team (NET), and an £10k forecast underspend from the Housing General Fund service reflecting staffing vacancies and a projected overspend on Homelessness.

**Service: Estates and Regeneration**Explanation of variation from budget:***Property Service***

The previously report net pressure of £4k is now converted to a £58K under spend. This is the combination of £45K under spend due to a shift in focus from planned corporate repairs and maintenance to emergency repairs only and £13K efficiency savings.

***Facilities & Corporate Landlords***

The £171K net saving is mainly the gross savings of £159K from HRA Recharge Income for the Housing Team's accommodation at The Centre and The Landmark Place and £12K attributable to efficiency savings as a result of reduced cost of utilities due to re-negotiated procurement contracts for St Martin's Place and the Community Centres.

The above budgets were realigned as there were savings in some areas and overspends in others. It was deemed prudent to re-profile these rather than put growth bids in for next year as the overall bottom line for FM is sufficient.

### ***Highways Engineering***

The service budgets are projected to be on target as in-year savings are factored into setting the respective budgets. Additional £100K in-year savings identified in respect of vacancies resulting in £50K underspend and £50k due to over-recovery of developer income.

### ***Asset Management***

The previously reported net overspend of £336K is reduced to £242K. This £94K saving relates specifically to reduced costs from a combination of £43K saving necessitated by the early termination of consultancy contracts due to directorate restructure and £51K from a reduction in the overall consultancy projected costs.

There is £87K under spend at this point in time from the Bus Station following a review of the budgets.

### **Progress against the 2013-14 Savings targets:**

Highways Engineering initially projected full compliance with in-year savings factored into the service budgets. However the service now anticipates a further in-year savings of £100K. This comprises £50K staffing costs saving due to vacancies and developer income over-recovery of £50K. These savings have been reported and formed part of the 13-14 in year savings to help close the budget gap.

**CHIEF EXECUTIVE**  
**2013-14 Budget Summary**

| <b>Service</b>                   | <b>Budget / £k</b> | <b>Forecast<br/>Outturn / £k</b> | <b>Variance /<br/>£k</b> | <b>Variance<br/>/ %</b> |
|----------------------------------|--------------------|----------------------------------|--------------------------|-------------------------|
| <b>Chief Executive</b>           | <b>321</b>         | <b>321</b>                       | <b>0</b>                 | <b>0.0%</b>             |
| <b>Communications</b>            | <b>477</b>         | <b>400</b>                       | <b>(77)</b>              | <b>-16.1%</b>           |
| <b>Policy</b>                    | <b>657</b>         | <b>657</b>                       | <b>0</b>                 | <b>0.0%</b>             |
| <b>Professional<br/>Services</b> | <b>3,122</b>       | <b>3,122</b>                     | <b>0</b>                 | <b>0.0%</b>             |
| <b>Total Chief<br/>Executive</b> | <b>4,577</b>       | <b>4,577</b>                     | <b>(77)</b>              | <b>-1.7%</b>            |

**Directorate summary for the 2013-14 year to date**

At this point in time the Chief Executive's Directorate has identified additional savings over and above their efficiency targets and is reporting a small underspend of £77k in the current year.

**CORPORATE SERVICES**  
**2013-14 Budget Summary**

| Service  | Budget / £k  | Forecast<br>Outturn / £k | Variance /<br>£k | Variance<br>/ % |
|--|--------------|--------------------------|------------------|-----------------|
| Corporate and<br>Democratic Core                 | (205)        | (205)                    | 0                | 0.0%            |
| Pensions   | 467          | 1,127                    | 660              | 141.3%          |
| Benefits Paid and<br>Subsidies                   | (411)        | (411)                    | 0                | 0.0%            |
| Housing Act<br>Advances / Equity<br>Share Scheme | (1)          | (1)                      | 0                | 0.0%            |
| <b>Total</b>                                     | <b>(150)</b> | <b>510</b>               | <b>660</b>       | <b>440.0%</b>   |

**Directorate summary for the 2013-14 year to date**

Explanation of variation from budget:

|   |        |               |
|---|--------|---------------|
|   | £M     | £M            |
| <b>Contingency Budget</b>   |        | 3.00          |
| <b>Additional Income</b>  |        |               |
| Fees and Charges  | 0.20   |               |
| Insurance Fund  | 0.20   |               |
| improved treasury management<br>returns through investment in the<br>pension fund | 0.30   |               |
| Treasury management Additional<br>Interest  | 0.10   |               |
| Unutilised Future budget requirements   | 0.44   |               |
| <b>Total Additional Income</b>  |        | 1.24          |
| <b>Additional Pressures</b>   |        |               |
| Phase 1 Transactional Services  | (2.70) |               |
| Additional Base Budget above<br>estimates   | (1.80) |               |
| Carbon Reduction Commitment   | (0.20) |               |
| Homelessness Grant  | (0.20) |               |
| <b>Total Additional Pressures</b>   |        | (4.90)        |
| <b>Budget Overspend</b>   |        | <b>(0.66)</b> |

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**SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Cabinet **DATE:** 10<sup>th</sup> February 2014

**CONTACT OFFICER:** Joseph Holmes; Assistant Director Finance & Audit, section 151 officer  
**(For all enquiries)** (01753) 875358

**WARD(S):** All

**PORTFOLIO:** Cllr. Rob Anderson; Commissioners for Finance & Strategy

**PART I**  
**KEY DECISION**

**MEDIUM TERM FINANCIAL STRATEGY 2014-18**

1 **Purpose of Report**

The report details the Medium Term Financial Strategy 2014-18 as set out in Appendix A of the report.

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

The Cabinet is requested to Recommend this Medium Term Financial Strategy 2014-18 to Council.

3. **The Slough Joint Wellbeing Strategy, the JSNA and the Corporate Plan**

The Slough Joint Wellbeing Strategy (SJWS) is the document that details the priorities agreed for Slough with partner organisations. The SJWS has been developed using a comprehensive evidence base that includes the Joint Strategic Needs Assessment (JSNA). Both are clearly linked and must be used in conjunction when preparing your report. They have been combined in the Slough Wellbeing Board report template to enable you to provide supporting information highlighting the link between the SJWS and JSNA priorities.

3a. **Slough Joint Wellbeing Strategy Priorities –**

This paper assists in the achievement of the all of the strategic priorities:

- Economy and Skills
- Health and Wellbeing
- Regeneration and Environment
- Housing
- Safer Communities

3b **Corporate Plan 2013/14**

The Plan's objectives are:

1. Improve customer experience
2. Deliver high quality services to meet local needs

3. Develop new ways of working
4. Deliver local and national change
5. Develop a skilled and capable workforce
6. Achieve value for money

The Plan includes targets for each of the objectives. This report helps achieve all of the above objectives by providing an overall financial strategy to support the delivery of the Corporate Plan.

#### 4 **Other Implications**

##### (a) Financial

As detailed within the report.

##### (b) Risk Management

| <b>Risk</b>            | <b>Mitigating action</b>  | <b>Opportunities</b>                                 |
|------------------------|---|--|
| Legal                  | None  | none   |
| Property               | None  | None   |
| Human Rights           | None  | None   |
| Health and Safety      | None  | None   |
| Employment Issues      | Will be detailed in the revenue budget for each applicable year | None   |
| Equalities Issues      | To be assessed per each proposed saving                         | None   |
| Community Support      | None  | None   |
| Communications         | None  | None   |
| Community Safety       | None  | None   |
| Financial              | Detailed within the report                                      | None   |
| Timetable for delivery | April 2014  | 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 Council's responsibilities to provide minimum levels of provision in key areas. 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.

##### (d) Equalities Impact Assessment

Equalities Impact Assessments will require completion prior to final agreement of savings proposals. Proposals which are 'disinvestment' or a genuine reduction in service will require careful examination to ensure no group is disproportionately affected.



Members may have to consider making provision to fund any mitigation arising from detailed analysis of Equalities Impact Assessments.

## 5 Supporting Information

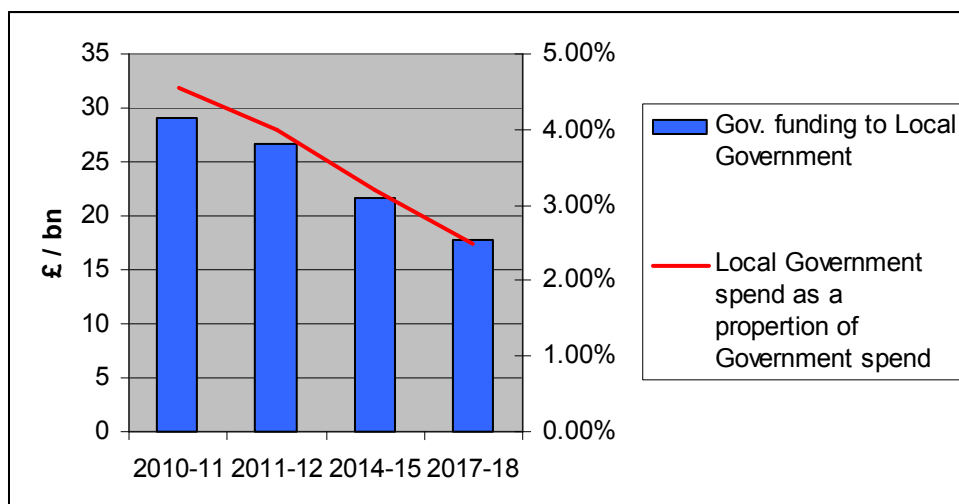
### 5.1 Summary

- 5.1.1 The Council continues to face a challenging funding environment due to the substantial changes to its core funding streams. The Medium Term Financial Strategy (MTFS) sets out the current financial position as well as estimating its future financial position. The MTFS reflects the need to continue to deliver public services but in a more joined up, effective and efficient manner.
- 5.1.2 The Council remains well prepared to meet the financial challenges it faces in the coming years, delivering a number of change projects whilst maintaining investment in its infrastructure through its capital programme.
- 5.1.2 This attached MTFS sets out the overarching framework for the Council. The other reports on this agenda; the Revenue Budget 2014-15, Capital Strategy 2014-19 and the Treasury Management Strategy 2014-15 provide the detail behind this. The Medium Term Financial Strategy, which accompanies this paper for approval, details the longer term financial challenges that the Council faces into the future years, whilst the capital strategy sets out the wider financial implications of decisions made in investing in the borough's infrastructure. The Treasury Management Strategy details how the Council will undertake transactions concerning investments and borrowings and this is contingent on the capital strategy as well as having an impact on the revenue budget savings proposals for 2014-15.

### 5.2 The current financial situation

- 5.2.1 Government spending on Local Government as a whole has reduced by 25% from 2010 to 2015 (as shown in the chart below) and the Council is currently in the middle of a long term process of contracting public sector spending. The Council's financial position must be considered with this in mind.

**Chart 1: Reductions in Local Government revenue spending: 2010-18**



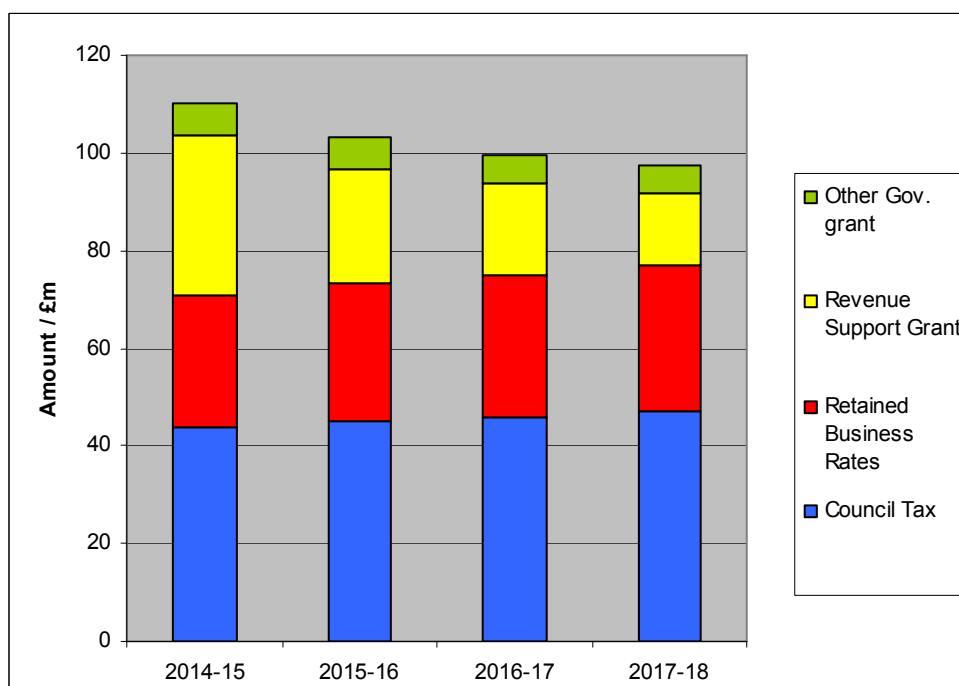
5.2.2 Since 2010 the Council's net budget has reduced by 8% and by the end of the current MTFS it is expected to have reduced by 22%.

5.2.3 The Council will continue to deliver capital investment throughout the period covered by the MTFS.

### 5.3 How the Council finances its expenditure

5.3.1 The Council is financed at present through three main sources of funding; Council Tax, Retained Business Rates and Government Grant. As shown below the overall income figure as well as the proportion of these income stands will be changing over the period of the MTFS.

**Chart 2: Income streams 2014-18**



5.3.2 In 2018, at the end of the current MTFS, the Council will be less reliant upon Government funding. It will provide an opportunity for the Council to have greater financial clarity about the future and enable greater planning for future years.

5.3.3 It is also clear that the Council will have significantly reduced funds going forward although many of the demands placed upon the Council will still remain. One of the key pressures that the Council faces concerns Children's Social Care and responding to the growing number of Looked After Children.

### 5.4 Strategy

5.4.1 The period of the MTFS is likely to see a significant reduction in the Council's overall expenditure, whilst at the same time seeing a growing population base that the Council must provide services to. A period of transformation is required to ensure the two challenges are delivered.

## **5.5 Risk Management**

Ensuring that there is appropriate risk management is key to underpinning the success of the MTFS. The Corporate Risk Register currently includes delivering the MTFS as a key risk.

## **6 Conclusion**

- 6.1 This report sets out the Councils current financial position estimates the future financial position and sets out the Council Strategy to ensure the financial challenges are met.

## **7 Appendices Attached**

'A' - Medium Term Financial Strategy 2014-18

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**APPENDIX A**

**Medium Term Financial Strategy: 2014-18**



## **Introduction**

The Medium Term Financial Strategy (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.

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.

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. Over the period of this MTFS, one of the most significant will be the building of the Curve building in the centre of Slough.

This document provides the overarching framework for the Council; the revenue budget 2014-15, Capital Strategy 2014-19 and the Treasury Management Strategy 2014-15 provide the detail behind this and are due to Cabinet and Council in February 2014.

The corporate plan provides the high level outcomes that this document seeks to deliver through the financing of the Council's activities. The draft summary themes of the corporate plan 2014/15 (to be considered by Cabinet in April 2014, but building on the 2013/14 version) are highlighted in the below:

**Graph 1.1: Corporate Plan 2014-15**



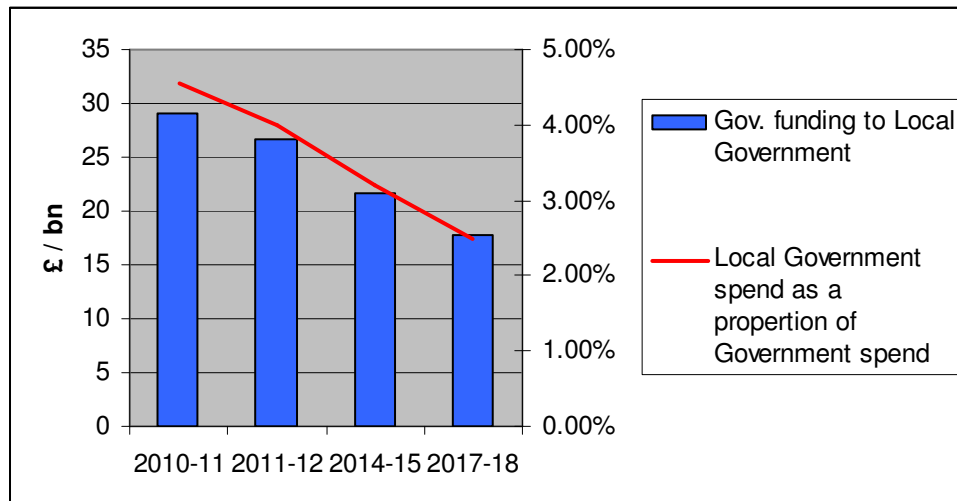
The strategy will also be informed by the Government's vision for Local Government and its funding going forward. The current coalition Government has introduced a Council Tax referendum requirement for those Councils exceeding 2% (for 2013-14). This is likely to continue under the existing coalition over the MTFS period. It is also likely that similar levels of Government grants reductions will continue with the current Government going forward, or indeed, whichever Government is in power from 2015 onwards. Integrated health and social care is also a theme that will be strengthened upon over the period of the MTFS irrespective of the Government in power. Some of the more pronounced Government driven impacts on Council policy and finances may be across housing and these will continue to be monitored over the period of the MTFS to identify any impacts upon the Council.

## The current financial situation

The Council's financial position needs to be considered by being in the middle of a long-term process of contracting public sector spending.

Since 2010, Government spending on Local Government as a whole has reduced by 25% from 2010 to 2015 as shown by the chart below.

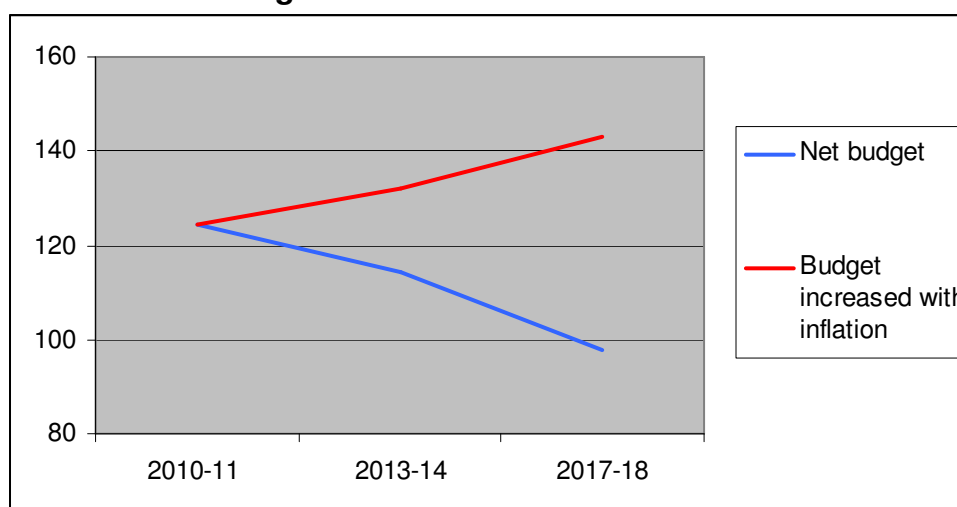
**Chart 2.1: Reductions in Local Government revenue spending: 2010-18**



The impact on the Council has been significant. Since 2010, the Council's overall net budget has reduced by 8% and by the end of this MTFs, it is expected to have declined by 22%. Put another way, what the Council delivered for £100 in 2010-11 will now need to be delivered for £78 in 2017-18.

Over this period, there would be a substantial gap between the Council's budget forecast against the Council's budget rising with the Bank of England's target inflation rate:

**Chart 2.2: Net budget vs Inflation**

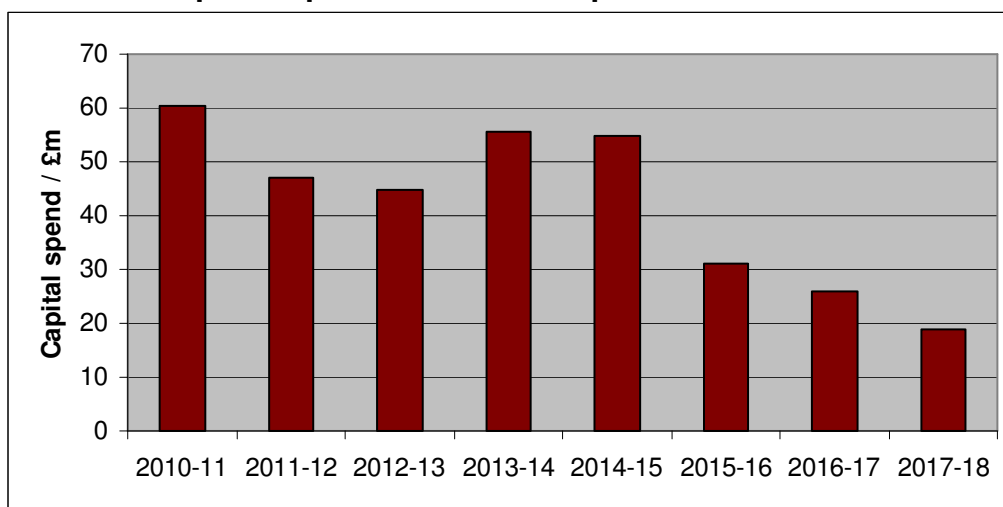




Over this period of reduced expenditure, the Council has been given greater freedoms with where it spends money with the removal of many of the previously ring-fencing funding streams. Though this has not compensated the Council for the funding reductions it has faced, it has meant that the Council has more control over its future spending priorities.

The Council has maintained capital investment over the recent past and is due to continue to invest in infrastructure into the period covered by the MTFs. Through the Slough Regeneration Partnership (SRP) the Council will seek to deliver its most significant infrastructure projects outside of the Housing Revenue Account and Education schemes. The Capital Strategy 2014-19 details more the future capital plans for the Council going forward.

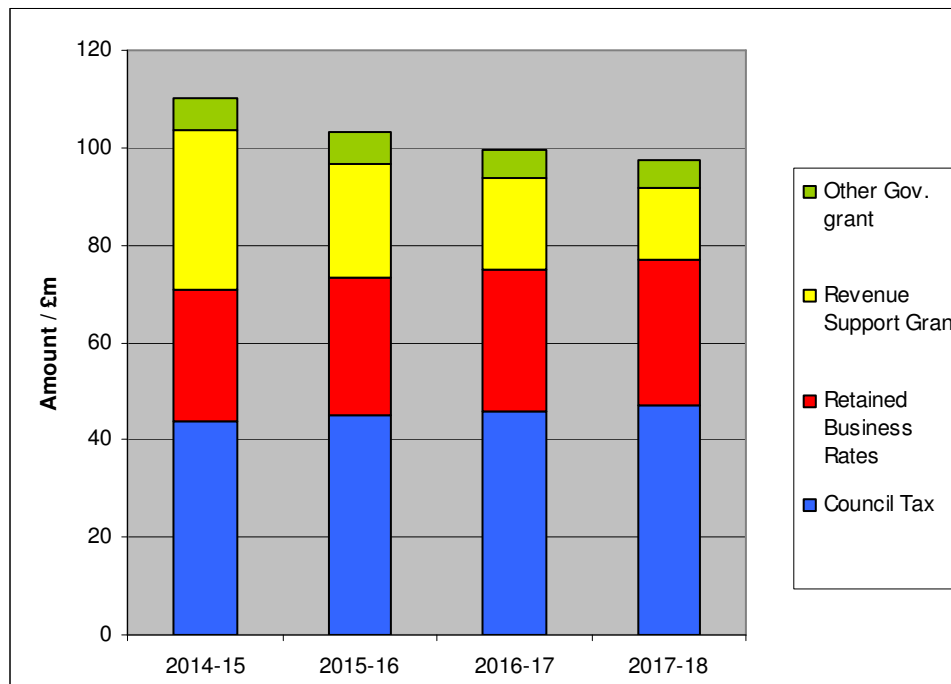
**Chart 2.3: Capital expenditure & future plans**



## How the Council is financing & where it spends money

The Council is financed at present through three main sources of funding; Council Tax, Retained Business Rates and Government Grant. As the chart below shows, the proportion of these income strands will be changing over the period of the MTFS. It is also important to note the overall income figure is reducing significantly over this period.

**Chart 2.4: Income streams 2014-18**



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 65% to almost 80% 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 is amending its Corporate Plan to seek to improve its focus on supporting local businesses as well as attracting new businesses into the borough.

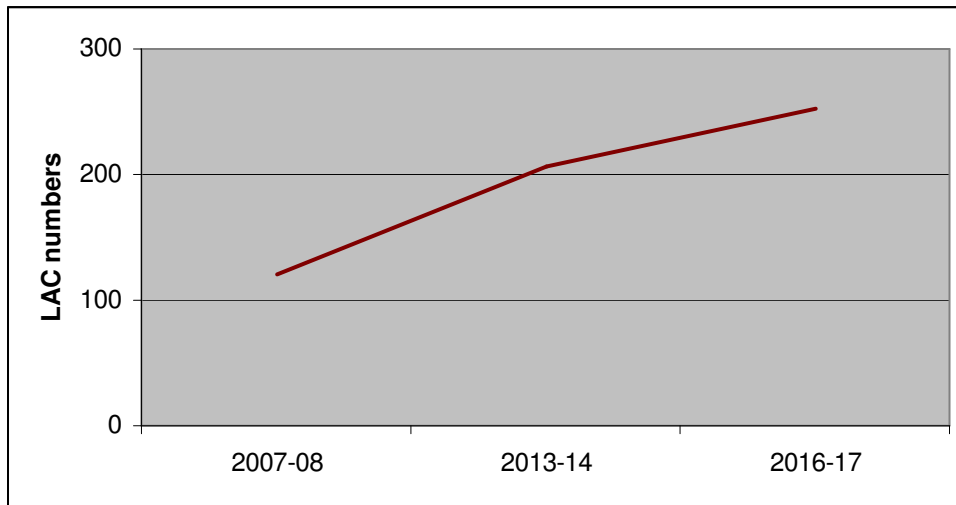
This fundamental change to how the Council is financed provides an opportunity for the Council to have greater financial clarity about the future (this should be assisted by the Government providing longer term financial settlements to Councils from 2015-16) and therefore enable greater planning for future years. It also provides an opportunity for the Council to have more control and influence over its future income streams and so reduce its reliance upon Government.

**Chart 2.5. Comparable budget: 2010-18**



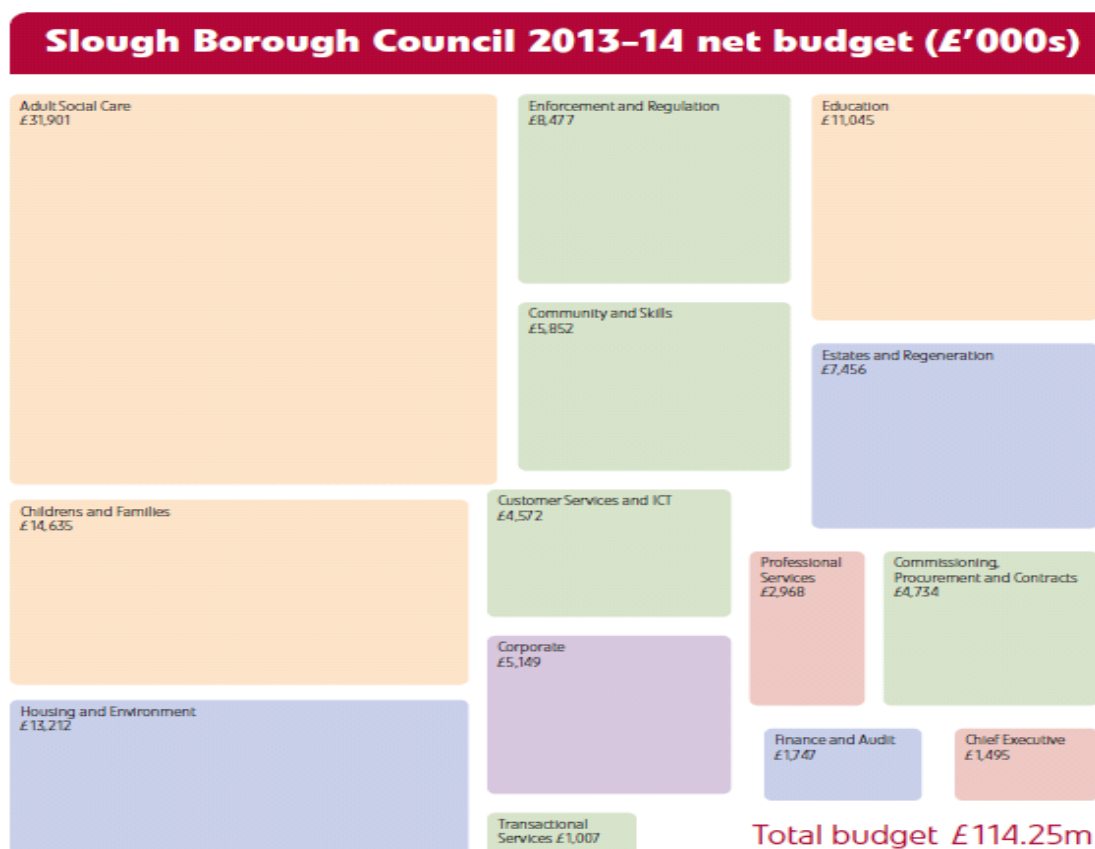
It is also clear from the above chart that the Council will have significantly reduced funds going forward. The chart below highlights the relative decrease in the comparable budgets over time from 2010 through to 2018. Over this same period, many of the demands on the Council have not gone away, and responsibilities remain for the plethora of services that the Council delivers to its taxpayers. One of key pressures that the Council faces concerns Children's Social Care and especially responding to the growing number of Looked After Children (LAC). The graph below highlights the level of growth seen to date and expected into the future. Later in the MTFs, the cost of this pressure is highlighted, but increased LAC budget alone in 2014-15 is likely to require an additional £2.5m of funding.

**Graph 1.2: Looked After Children numbers**



On the expenditure side of the Council’s finances, the summary position for 2013-14 is below.

**Chart 2.6: Net expenditure by service – 2013-14**

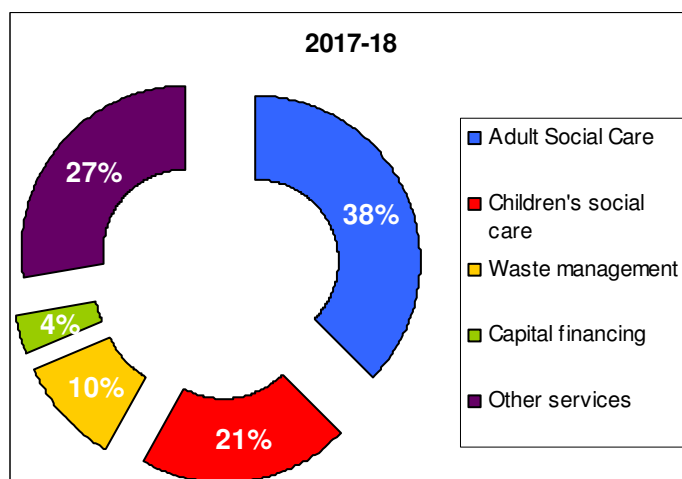
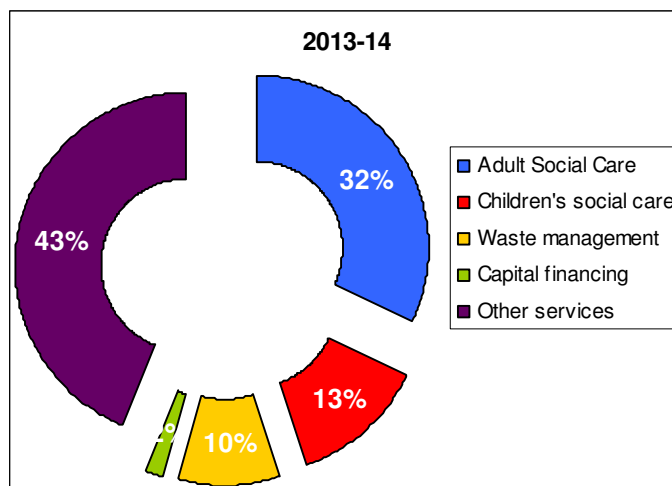


The three largest spends areas of Adult Social Care, Children’s Social Care and Waste Management (the main bulk of the Housing & Environment

budget) are all seeing demographically led demand growth to their budget; Slough's population as a whole is growing and this places pressure on its public services. The strategy further in the MTFS details some of the methods that might be utilised over the period of the MTFS, but the Council will need to ensure that these three areas of spend are as well controlled, and are delivered to their maximum efficiency over the period of the MTFS, as possible to ensure that the Council continues to provide all of its other services.

The graph below highlights that, assuming that the Children's Social Care additional costs are approved and that costs rise by inflation in this service, that Adult Social Care holds its costs flat in cash terms, and that waste management makes savings but that costs rise by inflation, that the following scenario will occur by 2017-18:

**Graph 1.3: Comparative budgets 2013 to 2018**

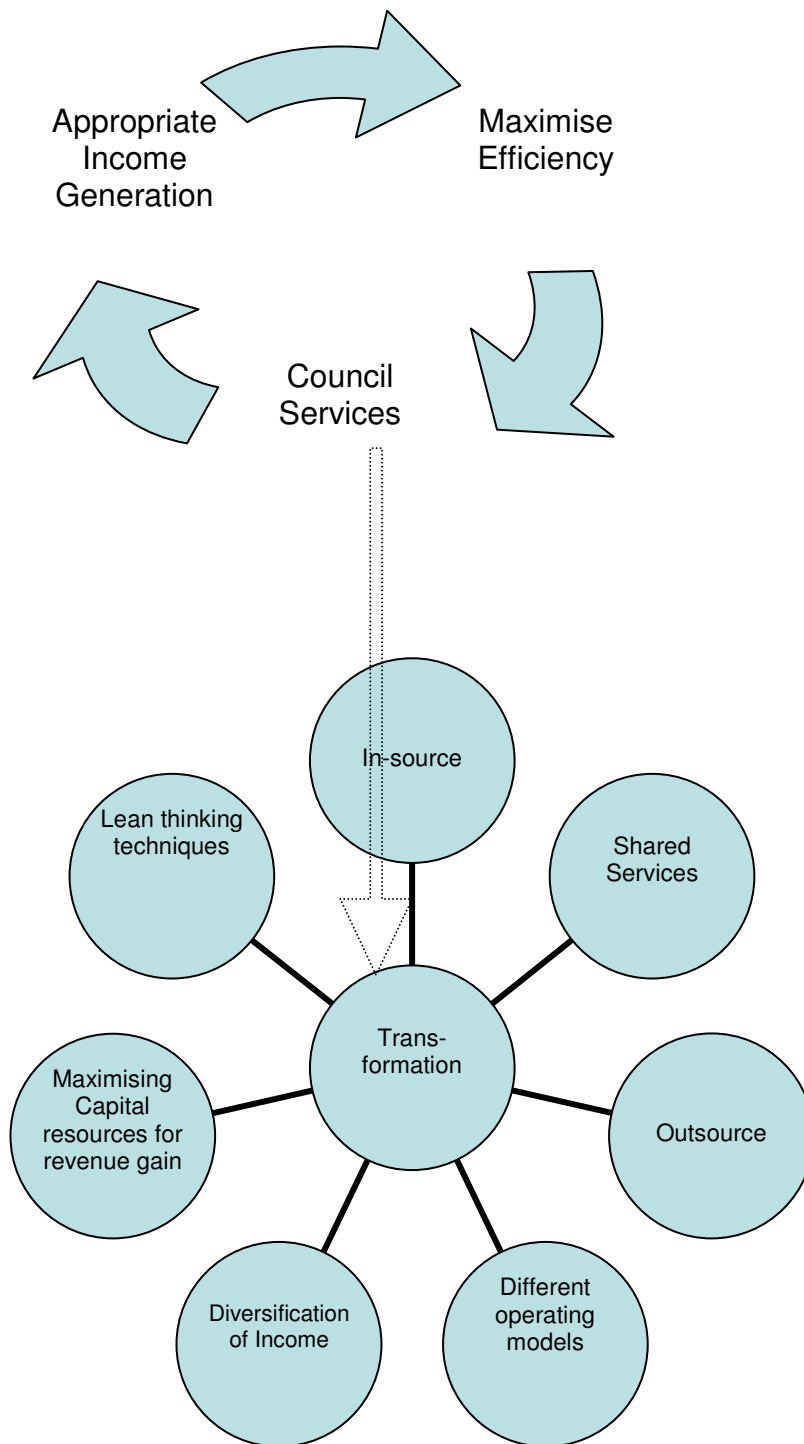


## **The Council's Strategy**

The period of the MTFSS is likely to see a significant contraction in the Council's overall spend, whilst at the same time seeing a growing population base that the Council must provide services to. To ensure that these two challenges are delivered, the Council will need to undergo a period of concentrated transformation to enable a continuation of those services that provide a universal benefit to all residents whilst at the same time deliver services for the vulnerable in society.

The first step the Council will undertake is to maximise all efficiencies from across its service areas; before any further transformation is completed, it is important that all services' comparative costs are understood and the Council is either content with these, or wishes to drive out further reductions in cost. It is also important that the Council maximises the generation of income. The two main income sources are Council Tax and Business Rates and there is a very real incentive for the Council to collect a higher percentage of overall Council Tax and Business Rates through its transactional services partner, arvato. The Council also collects income through how it sets its fees and charges and over the coming year the Council will review further where subsidies are provided through its charging regime and where it would be appropriate to adjust these subsidies for the Council Tax payer and / or for the service user.

**Chart 2.7: Approach to the financial challenges**



Finally, the Council will develop transformation through a variety of themes as articulated in the above. Given the scale of the financial pressures on the Council, following one theme alone is unlikely to yield all of the savings required going forward, and so the Council will need to be aware of the opportunities presented through the life of this MTFS via the themes above.

The Council has experience of delivering services using many of the themes identified. Already in the MTFS there are examples of these; for example savings through the outsourcing of some education functions to Mott McDonald or via Phase 2 transactional services. The Council is proposing to maximise income through a shift in its emphasis on treasury management activity away from short term and high liquidity holdings. There is much transformational work being undertaken within Adult Social Care to work with partners in the public and private sector to deliver lower cost services in a different way.

The key over the period of this MTFS is that the activity already identified as occurring is likely to need to move at a faster pace, supported by clear business cases driven by the outcomes for services and a strong evidence base. This change and challenge will need to be reflected across the whole of the Council in order for it to deliver a balanced budget over the life of the MTFS.



## 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.

**Table 3.1: The MTFs financial model**

| No. | 2013-14 | Funding                              | 2014-15       | 2015-16       | 2016-17      | 2017-18      |
|-----|---------|--------------------------------------|---------------|---------------|--------------|--------------|
| 1   | 42.29   | Council Tax                          | 43.85         | 44.73         | 45.63        | 46.55        |
| 2   | 26.23   | Retained Business Rates              | 27.13         | 28.15         | 29.00        | 29.87        |
| 3   | 39.76   | Revenue Support Grant                | 32.47         | 23.20         | 18.56        | 14.85        |
| 4   | 2.11    | Education Services Grant             | 1.96          | 1.25          | 1.06         | 0.90         |
| 5   | 1.84    | NHS monies to support Social Care    | 2.36          | 2.36          | 1.84         | 1.84         |
| 6   | 1.76    | New Homes Bonus                      | 2.01          | 2.61          | 3.21         | 3.21         |
| 7   | 0.26    | Other non-ringfenced grants          | 1.03          | 0.90          | 0.50         | 0.50         |
| 8   |         | Collection Fund                      | 1.30          |               |              |              |
| 9   | 114.25  | <b>Total Budgeted income</b>         | <b>112.11</b> | <b>103.21</b> | <b>99.80</b> | <b>97.72</b> |
| 10  |         | Prior year baseline                  | 114.25        | 112.11        | 103.21       | 99.80        |
| 11  |         | Base budget                          | 3.54          | 2.90          | 2.90         | 2.90         |
| 12  |         | Directorate Pressures                | 8.20          | 1.98          | 2.92         | 1.86         |
| 13  |         | Revenue impact of Capital investment |               | 0.60          | 0.60         | 0.00         |
| 14  |         | Other adjustments                    | -1.34         | -0.06         |              |              |
| 15  |         | Savings identified                   | -12.53        | -14.33        | -9.82        | -6.84        |
| 16  | 0       | <b>Net Expenditure</b>               | <b>112.11</b> | <b>103.21</b> | <b>99.80</b> | <b>97.72</b> |

n.b. Rounding errors apply. Further detail contained within the 2014-15 figures will be included within the 2014-15 Revenue Budget papers.

- (1) Council Tax – assumed that the taxbase (i.e. number of properties in Slough) rises by 1% from 2015-16 onwards. Council Tax is due to be frozen in 2014-15.
- (2) Retained Business Rates – assume no growth or loss in Business rates over the life of the MTFs and that they rise in line with inflation
- (3) Revenue Support Grant (Government grant) – includes 2014-15 and 2015-16 figures announced by Government in December 2013. All future years to see a reduction of 20% from Government
- (4) Education Services Grant (Government grant) – expect to reduce as this grant reduces with every school that converts to academy status
- (5) NHS monies to support Social Care – assumed flat at the £2.4m level 2014-16. From 2015-16 there will be 'Better Care Funds' in place that will be significantly more than this sum, but that which must be pooled with NHS partners. The MTFs assumes no financial benefit from this at present until further work is completed to understand the cost / benefit implications of the Government announcements and how these will work at Slough.
- (6) New Homes Bonus – assumed growth of approximately 1% in the taxbase

- (7) Other non-ringfenced grants – similar assumptions through the MTFS as this relates to smaller non ringfenced grants that are announced in the finance settlement e.g. adjustments for NHB allocations retained by Government, or for Council Tax Freeze grant (which is likely to be mainstreamed in future years).
- (8) Collection Fund – the balance of surplus / deficit on retained business rates and Council Tax compared to original assumptions
- (10) Prior Year baseline – the previous year net budget position
- (11) Base budget adjustments – increases due to non-pay and pay pressures across the Council
- (12) Directorate pressures – items coming through in year. For 2014-15 the largest item is in respect of Children’s Social Care at £3.3m. This is respect of additional Looked After Children placements of £2.5m and additional Children’s Social Care staffing costs of £0.8m. The latest MTFS provided to Cabinet in November 2013 highlighted the growing pressures within Children’s Social Care, along with the quarter 2 financial & performance report. The future year’s assumptions include £0.7m for children’s social care in 2015-16 along with an assumption around areas of other service pressures going forward.
- (13) 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.
- (14) Other adjustments – in 2014-15 this assumes some financial benefit from the Single Person Discount review on Council Tax as well as some reversal of prior year’s growth items
- (15) Savings– the amount of savings required for each financial year

## Managing Risk

Ensuring that there is appropriate risk management is key to underpinning the success of the MTFS. The Corporate Risk Register currently includes delivering the MTFS as a key risk, along with other related risks highlighted in this strategy e.g. children's social care, the delivery of the SRP and the impact of demographic changes.

**Table 3.2: Corporate Risk Register**

| Summary of Corporate Risks   | Impact  | Controls  |
|--|---|---|
| Unpredicted demographic changes present significant issues for the Council                             | Increased pressures on school places, housing services and social care services   | Strategic review of school places as a gold project.<br>Investment in social care services  |
| The impact of the Comprehensive Spending Review on the Council   | Continued reduced budgets and requirement to deliver services in a different way. In year risk to general reserves if overspends occur  | Development of the MTFS<br>Refresh of the corporate strategy to reflect different delivery mechanisms<br>Regular monitoring of in year budget position.<br>General reserves remain above the s151 officer advised level |
| Delivery of an ICT function that is robust and has the capacity to meet the needs of the organisation. | ICT systems not being available and impacting on service delivery of the Council.<br>The Council misses opportunities to deliver more efficient and lower cost services and to transform the organisation | ICT provided by outside provider with appropriate longer term capital investment plans.   |
| Adult Safeguarding   | Significant impact on individual and community and undermines organisational credibility  | Safeguarding Adults Board and associated business plan. Oversight of delivery via new executive Group enhanced care governance group  |

|  |   |  |
|--|---|--|
| Impact of Welfare Reforms  | Increased costs to the Council through additional claimants & pressures on other Council services. Increase of other Councils placing welfare claimants in Slough                                     | Monitoring of claimant numbers and impact on discretionary funds<br>Scrutiny reports                         |
| Delivery of projects through the Slough regeneration Partnership | Reputational risk through lack of delivery of identified projects.<br>Financial risk through missed opportunity to generate capital receipts, profits and Council Tax base growth and New Homes Bonus | SBC representation on the SRP Board<br>Approval through Cabinet of the Business Plan and associated schemes. |
| Business Continuity Management                                   | Council and its contractors being unable to deliver core services in the event of an unexpected incident, potentially placing service users at risk   | Up to date Business continuity plans developed by services and by core service delivery partners             |
| Children Safeguarding  | Significant impact on individual and community and undermines organisational credibility  | Improvement Board and associated plan. Local Safeguarding Board and children's Young Person Partnership      |

The Council also needs to be prepared for other scenarios that have yet to emerge at present, or are just emerging, and it needs to consider the impact that these will have upon the Council via different scenarios.

**Table 3.3: Scenarios and their financial impact**

| Scenario                                      | Positive impact / £m | Negative impact / £m |
|---|----------------------|----------------------|
| Thirty one Looked After Children <sup>1</sup> | 1.1                  | -1.1                 |
| Collection rates change by 1%                 | 0.7                  | -0.7                 |
| Business Rates appeals                        |                      | -2                   |
| Over / under delivery of savings              | 0.5                  | -3                   |
| Further Government funding reductions         |                      | -0.5                 |
| Performance on Council investments            | 0.5                  | -0.5                 |
| <b>Total</b>                                  | <b>2.8</b>           | <b>-7.8</b>          |

It is highly likely that all of the above scenarios will occur *to an extent*. For example, Looked after Children numbers are unlikely to be as forecasted or with the current average cost mix. Similarly, it is unlikely the Council will collect the exact amount of Council Tax and Business Rates as per its tax-setting forms. There are some positive as well as negative risks. The Council has seen significant in year pressures from Children's Social care in the current, 2013-14, financial year. However, as highlighted above and as will be detailed in the revenue budget papers, significant sums are being proposed to go to this service to help deal with the financial pressures.

The two largest risks come from reduced business rates and savings delivery. In the current financial year, Business Rates increased initially, but the collectable amount has fallen by over £1m in four months at the time of writing. Business Rates numbers are volatile as businesses demolish, convert and redevelop sites in the borough. From a savings delivery viewpoint, the risk is real; in 2013-14, there are over £1m of savings currently at risk of not being delivered in year. Where appropriate these will be adjusted for in the 2014-15 financial year. However, 2014-15 will have a very high savings target of over £12m. By its very size (almost 10% of the Council's budget), this savings plan will be an inherent risk.

There are processes in place to manage some of these risks, and these are highlighted below. Many of these overlap with the Corporate Risk Register or service risk registers where further details can be found.

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<sup>1</sup> The current tolerance above and below the average level of Looked After Children anticipated per the 2014-15 budget.

**Table 3.4: Managing risks**

| Risk   | Management Control   |
|--|--|
| Thirty one additional / less Looked After Children | Monthly monitoring of LAC numbers against budget by CMT. More regular monitoring by the service.   |
| Collection rates change by 1%                      | Monthly collection rates monitored to CMT<br>Regularly meetings with the transactional services provider                                   |
| Business Rates appeals                             | Notifications from the Valuation Office<br>Pro-active visits to be undertaken by the transactional services provider                       |
| Over / under delivery of savings                   | Monthly monitoring of savings against a RAG framework, quickly highlighting to CMT where savings might not be achieved and to take action. |
| Further Government funding reductions              | Regular monitoring of DCLG announcements.<br>Informal networks with other Councils   |
| Performance on Council investments                 | Monthly meetings of the Treasury Management Group to monitor investments and change strategy if required.                                  |

**SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Cabinet **DATE:** 10<sup>th</sup> February 2014  
**CONTACT OFFICER:** Joseph Holmes, Assistant Director Finance & Audit  
**(For all enquiries)** (01753) 87 5358  
**WARD(S):** All  
**PORTFOLIO:** Cllr. Rob Anderson; Lead Commissioner for Finance & Strategy

**PART I**  
**KEY DECISION**

**TREASURY MANAGEMENT STRATEGY 2014-15**

**1 Purpose of Report**

The Treasury management strategy (TNMS) 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**

Members are asked to Recommend approval of the Treasury Management Strategy for 2014/15 to Council.

**3 Slough Joint Wellbeing Strategy**

**3.1 SJWS 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 is achieved through the improvement of corporate governance and democracy by ensuring effective management practice is in place.

**3.2 Corporate Plan 2014/15**

The report helps achieve the Corporate Plan objectives by detailing how the Council has performed against its priority outcomes, as evidenced in the Treasury Management activity report.

**4 Other Implications**

**4.1 Financial**

The Financial implications are contained within this report.

## 4.2 Risk Management

| <b>Risk</b>   | <b>Mitigating action</b> | <b>Opportunities</b> |
|---|--------------------------|----------------------|
| 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            | None                 |
| Timetable for delivery; A number of capital projects have been reprofiled into the 2013-14 financial year | None                     | None                 |
| Project Capacity  | None                     | None                 |
| Other   | None                     | None                 |

### 4.2.1 Human Rights Act and Other Legal Implications

None identified

### 4.2.2 Equalities Impact Assessment)

No identified need for the completion of an EIA.

## **Executive Report**

### **5 Introduction and Background**

5.1 The Treasury Management Strategy for 2014/15 is required to manage £285m of treasury 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 Current Economic Climate**

7.1.1 Appendix A to the attached strategy includes a detailed view on interest rates. Interest rates are expected to remain low until the recovery is convincing and sustainable. The Bank Rate, currently 0.5%, is expected to remain at this level until late 2016.

### **7.2 Current Position**

7.2.1 The Council currently has £182.4m of borrowing and £103.0m of investments. The underlying need to borrow is measured by the Capital Financing Requirement (CFR) while usable reserves are the underlying resources available for investment. The current strategy is to maintain borrowing and investments below their underlying levels subject to holding the minimum investment balance of £50m.

7.2.2 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 Council expects to comply with this recommendation during 2014/15.

### **7.3 Borrowing Strategy**

7.3.1 The Council currently holds £182.4m of loans. This is a decrease on previous years as a result of the strategy for funding previous year's capital programmes. Further borrowing is planned in 2014/15 to fund capital projects included within the current capital programme.

7.3.2 The Council's chief objective when borrowing money is to strike an appropriately low risk between securing low interest costs and achieving cost certainty. The aim is for affordability without compromising the longer term stability of the debt portfolio.

7.3.3 The benefits of internal borrowing will continue to 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.

7.3.4 The Council does hold £13m of LOBO (Lender's Option Borrowers Option) loans where the lender has the option to propose an increase in the interest rate

at 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 2014/15 and the Council will take the option to repay at no cost if it has the opportunity to do so.

## **7.4 Investment Strategy**

7.4.1 The Council will invest its funds prudently and have regard to the security and liquidity of its investments before seeking the highest rate of return.

7.4.2 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.

7.4.3 Investments will make reference to the core balance, cash flow requirements and the outlook for short and medium term interest rates.

7.4.4 The Council will invest its surplus funds with any of the counterparties shown in table 3 of the TMS, subject to the cash and time limits shown.

7.4.5 The council will consider, but not solely rely on, the rating opinion of all three major rating agencies (where available) nor will it be bound by the agency with the lowest rating.

## **7.5 Treasury Indicators within the Prudential Code and the Treasury management code**

7.5.1 The indicators cover 2014/15 – 2016/17. The CIPFA Prudential Code and the TM Code require authorities to set treasury indicators and these are set out in sections 11 and 13 of the Treasury Management Strategy. There are likely to be no breaches in the indicators 2014/15.

## **7.6 Minimum Revenue Provision (the MRP)**

7.6.1 The proposed MRP policy statement 2014/15 is set out in section 12 of the TMS

## **7.7 Future Options**

7.7.1 CLG guidance and the CIPFA code do not prescribe any particular treasury management strategy for local authorities to adopt. The recommended TMS, including the Treasury Prudential Indicators will provide sufficient flexibility for the Director of Finance to manage the Council's loan debt effectively in 2014/15. There are some alternative strategies that have been included within the strategy that may help to contribute to a more effective operation of treasury activities and help towards the financial standing of the council. They are shown in section 13 of the TMS.

## **7.8 Policy on the use of external service providers**

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

**8**      **Appendices Attached (if any)**

'A'            - Treasury Management Strategy 2014/15

**9**      **Background Papers**

CIPFA – Treasury management in the public services – code of practice and guide for chief financial officers

CIPFA Prudential code for local authority capital finance

Arlingclose Ltd. UK economic forecasts

Local Government Act 2003

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**SLOUGH BOROUGH COUNCIL****TREASURY MANAGEMENT STRATEGY 2014/15****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 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.

**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 Authority 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 Authority'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 Current Economic Climate**

The Bank of England's Monetary Policy Committee (MPC) through its recent forward guidance is committed to keeping policy rates low for an extended period using the Labour Force Survey unemployment rate of 7% as a threshold for when it would consider whether or not to raise interest rates, subject to certain knock-outs. Unemployment was 7.7% in August 2013, but Arlingclose do not expect it to fall below the threshold until 2016, due to the UK's flexible workforce.

The flow of credit to households and businesses is slowly improving but is still below pre-crisis levels. The fall in consumer price inflation from the high of 5.2% in September 2011 to 2.7% in September 2013 will allow real wage increases (i.e. after inflation) to slowly turn positive and aid consumer spending.

Stronger growth data in 2013 (0.4% in Q1, 0.7% in Q2 and an initial estimate of 0.8% in Q3) alongside a pick-up in property prices mainly stoked by government initiatives to boost mortgage lending have led markets to price in an earlier rise in rates than warranted under Forward Guidance and the broader economic backdrop. However, with jobs growth picking up slowly, many employees working shorter hours than they would like and benefit cuts set to gather pace, growth is likely to only be gradual. Arlingclose forecasts the MPC will maintain its resolve to keep interest rates low until the recovery is convincing and sustainable.

In the US expectations for the slowing in the pace of asset purchases ('tapering') by the Federal Reserve and the end of further asset purchases will remain predominant drivers of the financial markets. The Fed did not taper in September and has talked down potential tapering in the near term. It now looks more likely to occur in early 2014 which will be supportive of bond and equity markets in the interim.

**Credit outlook:** The credit risk of banking failures has diminished, but not dissipated altogether. Regulatory changes are afoot in the UK, US and Europe to move away from the bank bail-outs of previous years to bank resolution regimes in which shareholders, bond holders and unsecured creditors are 'bailed in' to participate in any recovery process. This is already manifest in relation to holders of subordinated debt issued by the Co-op which will likely suffer a haircut on its conversion bail-in to alternative securities and/or equity. There are also proposals for EU regulatory reforms to Money Market Funds which will, in all probability, result in these funds moving to a VNAV (variable net asset value) basis and losing their 'triple-A' credit rating wrapper. Diversification of investments between creditworthy counterparties

to mitigate bail-in risk will become even more important in the light of these developments.

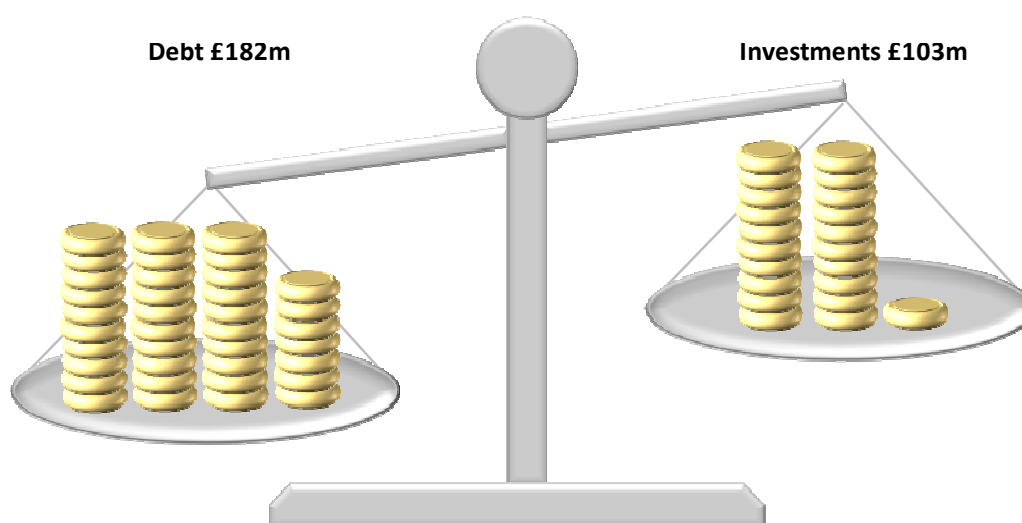
**Interest rate forecast:** Arlingclose forecast is for the Bank Rate to remain flat until late 2016, the risk to the upside (i.e. rates being higher) are weighted more heavily towards the end of the forecast horizon, as the table below shows. Gilt yields are expected to rise over the forecast period with medium- and long-dated gilts expected to rise by between 0.7% and 1.1%.

A more detailed economic and interest rate forecast provided by the Authority's treasury management advisor 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 0.85%.

#### 4 **Current Position**

The Authority currently has £182.4m of borrowing and £103.0m of investments. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.



**Table 1: Balance Sheet Forecast**

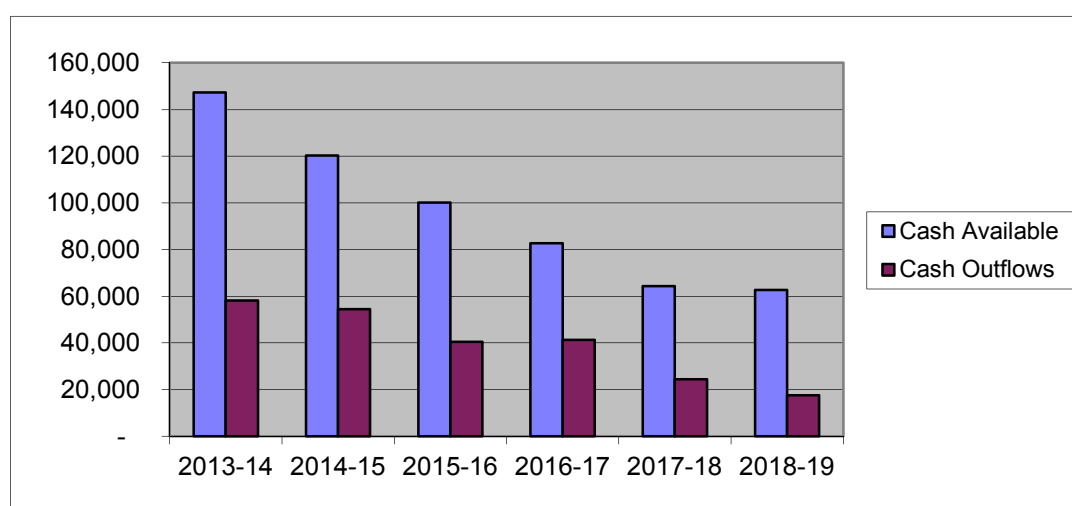
| <b>Slough Borough Council</b>                             |                |                |                |                |                |
|---|----------------|----------------|----------------|----------------|----------------|
| <b>Balance Sheet Summary and Projections in £millions</b> |                |                |                |                |                |
| <b>31<sup>st</sup> March</b>                              | <b>2013</b>    | <b>2014</b>    | <b>2015</b>    | <b>2016</b>    | <b>2017</b>    |
| General Fund Capital Financing Requirement                | 123.7          | 111.9          | 125.5          | 124.8          | 127.3          |
| HRA Capital Financing Requirement                         | 159.0          | 156.9          | 159.2          | 161.6          | 163.9          |
| <b>Total Capital Financing Requirement</b>                | <b>282.70</b>  | <b>268.8</b>   | <b>284.8</b>   | <b>286.4</b>   | <b>291.1</b>   |
| Less: Other long-term liabilities *                       | (51.26)        | (48.50)        | (45.60)        | (42.64)        | (40.92)        |
| <b>Loans Capital Financing Requirement</b>                | <b>231.44</b>  | <b>220.30</b>  | <b>239.20</b>  | <b>243.76</b>  | <b>250.18</b>  |
| Less: External borrowing **                               | (193.40)       | (182.38)       | (206.38)       | (206.37)       | (206.38)       |
| <b>Internal (over) borrowing</b>                          | <b>38.04</b>   | <b>37.92</b>   | <b>32.82</b>   | <b>37.39</b>   | <b>43.80</b>   |
| Less: Usable reserves                                     | (112.4)        | (110.2)        | (103.0)        | (102.2)        | (99.8)         |
| <b>Net Borrowing Requirement/(Investments)</b>            | <b>(74.36)</b> | <b>(72.28)</b> | <b>(70.18)</b> | <b>(64.81)</b> | <b>(56.00)</b> |

\* finance leases and PFI liabilities that form part of the Authority's debt

\*\* shows only loans to which the Authority is committed and excludes optional refinancing

**Table 1a: Cash Flow Forecast**

|                | <b>Cash Available</b> | <b>Cash Outflows</b> |
|----------------|-----------------------|----------------------|
| <b>2013/14</b> | 147,300               | 58,102               |
| <b>2014/15</b> | 120,235               | 54,512               |
| <b>2015/16</b> | 100,194               | 40,494               |
| <b>2016/17</b> | 82,637                | 41,266               |
| <b>2017/18</b> | 64,308                | 24,459               |
| <b>2018/19</b> | 62,786                | 17,536               |



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 2014/15.

## **5 Borrowing Strategy**

The Authority currently holds £182.4 million of loans, a decrease of £11 million on the previous year, as part of its strategy for funding previous years' capital programmes. The decrease is predominantly due to the maturity of a £10m market loan in April 2013. The balance sheet forecast in table 1 shows that the Authority expects to have unfunded capital commitments in 2014/15 to fund big capital projects such as the construction of The Curve.

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

Given the significant cuts to public expenditure and in particular to local government funding, the Authority'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 Authority is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. Whilst such a strategy is most likely to be beneficial over the next 2-3 years as official interest rates remain low, it is unlikely to be sustained in the medium-term. 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. Arlingclose will assist the Authority with this 'cost of carry' and breakeven analysis. Its output may determine whether the Authority borrows additional sums at long-term fixed rates in 2014/15 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

The Council holds over £30m of its investments in instant access accounts so has no need to borrow short-term loans to cover unexpected cash flow shortages.

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

- Public Works Loan Board
- UK local authorities
- any institution approved for investments (see below)
- any other bank or building society authorised by the Prudential Regulation Authority to operate in the UK
- UK public and private sector pension funds
- capital market bond investors
- LGA Bonds

The Authority has previously raised the majority of its long-term borrowing from the Public Works Loan Board, 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.

The Authority holds £13m 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 Authority 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 2014/15, £5m during 2015/16 and £4m in 2026 and although the Authority understands that lenders are unlikely to exercise their options in the current low interest rate environment, there remains an element of refinancing risk. The Authority 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 leave the Authority 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. Some bank lenders may also be prepared to negotiate premature redemption terms. The Authority 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 saving or reduction in risk.

**Table 2: Current Borrowing Position**

| PWLB or Market | Type     | Loan   | Start Date | Maturity   | Principal          | Type               |
|----------------|----------|--------|------------|------------|--------------------|--------------------|
| PWLB           | Fixed    | 497751 | 27/08/2010 | 25/08/2015 | 5,000,000          | Pooled             |
| PWLB           | Fixed    | 497998 | 30/09/2010 | 30/03/2017 | 4,000,000          | Pooled             |
| PWLB           | Fixed    | 497752 | 27/08/2010 | 24/08/2017 | 3,000,000          | Pooled             |
| PWLB           | Fixed    | 497999 | 30/09/2010 | 29/09/2021 | 4,000,000          | Pooled             |
| 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    | 487800 | 28/05/2003 | 25/03/2028 | 1,000,000          | Pooled             |
| PWLB           | Fixed    | 500578 | 28/03/2012 | 28/03/2028 | 20,000,000         | HRA Self Financing |
| PWLB           | Fixed    | 488859 | 08/07/2004 | 25/09/2029 | 500,000            | Pooled             |
| PWLB           | Fixed    | 481989 | 14/01/1999 | 25/03/2030 | 22,278             | Pooled             |
| PWLB           | Fixed    | 489227 | 28/10/2004 | 15/10/2031 | 5,000,000          | Pooled             |
| PWLB           | Fixed    | 500582 | 28/03/2012 | 28/03/2032 | 20,000,000         | HRA Self Financing |
| 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    | 500579 | 28/03/2012 | 28/03/2037 | 20,000,000         | HRA Self Financing |
| PWLB           | Fixed    | 494837 | 01/10/2008 | 01/08/2038 | 5,000,000          | Pooled             |
| PWLB           | Fixed    | 500584 | 28/03/2012 | 28/03/2039 | 20,000,000         | HRA Self Financing |
| PWLB           | Fixed    | 500581 | 28/03/2012 | 28/03/2041 | 15,841,000         | HRA Self Financing |
| PWLB           | Fixed    | 500580 | 28/03/2012 | 28/03/2042 | 20,000,000         | HRA Self Financing |
| PWLB           | Variable | 500583 | 31/03/2012 | 28/03/2022 | 10,000,000         | HRA Self Financing |
| Market         | LOBO     | 64     | 12/07/2004 | 12/07/1954 | 4,000,000          | Pooled             |
| Market         | LOBO     | 65     | 07/04/2006 | 07/04/2066 | 5,000,000          | Pooled             |
| Market         | LOBO     | 66     | 28/04/2006 | 28/04/2066 | 4,000,000          | Pooled             |
|                |          |        |            |            | <b>182,363,278</b> |                    |

## **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 £135.841m to the Government. £125.841m 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 Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. An example includes grants where funds are received and held until they are used at a later date. In the past 12 months, the Authority's investment balance has ranged between £82 million and £104 million, and similar levels are expected to be maintained in the forthcoming year

Both the CIPFA Code and the CLG Guidance require the Authority 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 Authority'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.

Under the current economic environment it would be in the council's interest to place forward dealing as an option to gain beneficial investments. The forward dealing should be utilised with the counterparties listed and only if the rates are beneficial to the council.

The Council is a partner in a Local Asset Backed Vehicle (LABV). The Council will issue loan notes to the LABV in return for the assets contributed by the Council. The value of the loan notes is linked to the success of the LABV and the schemes involved. As a consequence the issuance of loan notes presents a risk to the Council. Importantly, this risk is taken in respect of service purposes as opposed to the prudent management of the Council's financial affairs but it is highlighted within the Council's Treasury Management Strategy Statement. This risk is broader than

simply the credit risk associated with other investments made by the Council in the normal course of the prudent management of its financial affairs since the LABV does not have a credit rating or many of the other indicators of credit risk.

The Council will also consider what, if any, investment in a housing subsidiary would mean for Treasury Management returns over the medium term during the next financial year.

The Authority may invest its surplus funds with any of the counterparties in table 3 below, subject to the cash and time limits shown.

**Table 3: Approved Investment Counterparties**

| Counterparty  |     | Cash limit | Time limit<br>† |
|---|-----|------------|-----------------|
| Banks and other organisations and securities whose lowest published long-term credit rating from Fitch, Moody's and Standard & Poor's is:   | AAA | £15m each  | 10 years*       |
|   | AA+ |            | 5 years*        |
|   | AA  |            | 4 years*        |
|   | AA- |            | 3 years*        |
|   | A+  |            | 2 years         |
|   | A   |            | 1 year          |
|   | A-  |            |                 |
| The Co-operative Bank   |     | £0.5m      | Next Day        |
| Royal Bank of Scotland Call Account   |     | £15m       | Next day        |
| Bank of Scotland (Lloyds banking Group)   |     | £15m       | 6 Months        |
| UK Central Government (irrespective of credit rating)   |     | unlimited  | 50 years**      |
| UK Local Authorities (irrespective of credit rating)  |     | £20m each  | 50 years**      |
| UK Registered Providers of Social Housing whose lowest published long-term credit rating is A- or higher                                    |     | £10m each  | 10 years**      |
| UK Registered Providers of Social Housing whose lowest published long-term credit rating is BBB- or higher and those without credit ratings |     | £5m each   | 5 years         |
| UK Building Societies without credit ratings  |     | £3m each   | 1 year          |
| Money market funds and other pooled funds   |     | £7m each   | n/a             |
| Any other organisation, subject to an external credit assessment and specific advice from the Authority's treasury management adviser       |     | £5m each   | 3 months        |
|   |     | £1m each   | 1 year          |
|   |     | £100k each | 5 years         |

† The time limit is doubled for investments that are secured on the borrower's assets

\* But no longer than 2 years in fixed-term deposits and other illiquid instruments

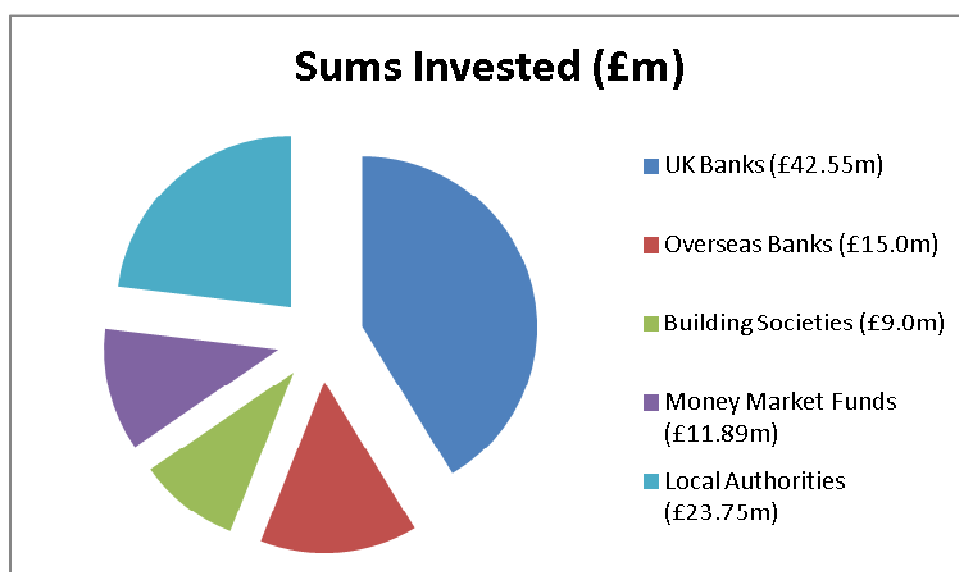
\*\* But no longer than 5 years in fixed-term deposits and other illiquid instruments

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

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

**Table 4: Current Investments**



Over £44m of the above is in instant access accounts (i.e. Call Accounts and Money Market Funds)

## 8 Investment Opportunities

**Current Account Bank:** – The Authority banks with The Co-Operative Bank. At the current time, it does not meet the Authority's minimum credit criteria but will continue to be used for short term liquidity requirements (overnight and weekend investments) and business continuity arrangements. The council aims to limit its overnight exposure with its bankers to under £100,000 and as near to nil as practical.

**Registered Providers:** Formerly known as Housing Associations, Registered Providers of Social Housing are tightly regulated by the Homes and Communities Agency and retain a high likelihood of receiving government support if needed. The Authority will consider investing with unrated Registered Providers with adequate credit safeguards, subject to receiving independent advice.

**Building Societies:** The Authority takes additional comfort from the building societies' regulatory framework and insolvency regime where, in the unlikely event of a building society liquidation, the Authority's deposits would be paid out in preference

to retail depositors. The Authority will therefore consider investing with unrated building societies where independent credit analysis shows them to be suitably creditworthy. The Government has announced plans to amend the building society insolvency regime alongside its plans for wide ranging banking reform, and investments in lower rated and unrated building societies will therefore be kept under continuous review.

**Money Market Funds:** These funds are pooled investment vehicles consisting of money market deposits and similar instruments. They have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager. Fees of between 0.10% and 0.20% per annum are deducted from the interest paid to the Authority. Funds that offer same-day liquidity and aim for a constant net asset value will be used as an alternative to instant access bank accounts, while funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.

**Other Pooled Funds:** Table 3 above indicates that the Authority will have substantial cash balances available for investment over the medium term. It will therefore consider using pooled bond, equity and property funds that offer enhanced returns over the longer term, but are potentially more volatile in the shorter term. These allow the Authority 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 Authority's investment objectives will be monitored regularly.

**Other Organisations:** The Authority may also invest cash with other organisations, for example by making loans to small businesses. Because of the higher perceived risk of unrated businesses, such investments may provide considerably higher rates of return. They will however only be made following a favourable external credit assessment and on the specific advice of the Authority's treasury management adviser.

**Approved Instruments:** The Authority may lend or invest money using any of the following instruments:

- interest-bearing bank accounts,
- fixed term deposits and loans,
- callable deposits where the Authority may demand repayment at any time (with or without notice),
- callable loans where the borrower may demand repayment at any time, but subject to a maximum of £10 million in total,
- certificates of deposit,
- bonds, notes, bills, commercial paper and other marketable instruments, and
- Shares in money market funds and other pooled funds.

Investments may be made at either a fixed rate of interest, or at a variable rate linked to a market interest rate, such as LIBOR, subject to the limits on interest rate exposures below.

**Risk Assessment and Credit Ratings:** The Authority uses long-term credit ratings from the three main rating agencies Fitch Ratings, Moody's Investors Service and Standard & Poor's Financial Services to assess the risk of investment default. The lowest available counterparty credit rating will be used to determine credit quality, unless an investment-specific rating is available. Credit ratings are obtained and monitored by the Authority'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 an A- 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.p

**Other Information on the Security of Investments:** The Authority 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 Authority 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 Authority's cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office 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 authority, parish council or community council, or

- A body or investment scheme of “high credit quality”.

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 Authority defines “high credit quality” organisations 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. The Authority 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 4 below.

**Table 5: Non-Specified Investment Limits**

|  | <b>Cash limit</b> |
|--|-------------------|
| Total long-term investments                            | £30m              |
| Total investments without credit ratings               | £20m              |
| Total investments in foreign countries rated below AA+ | £10m              |
| Total non-specified investments                        | <b>£60m</b>       |

## 10 Investment Limits

The Authority’s revenue reserves available to cover investment losses are forecast to be £83 million on 31st March 2014. In order that no more than 25% 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 £20 million. A group of banks under the same ownership or a group of funds under the same management will be treated as a single organisation for limit purposes. Limits will also be placed on investments in brokers’ nominee accounts (e.g. King and Shaxson), foreign countries and industry sectors as below:

The council’s Investment Limits are shown in table 6 below:

**Table 6: Investment Limits**

|   | <b>Cash limit</b> |
|---|-------------------|
| Any single organisation, except the UK Central Government | £15m each         |
| UK Central Government                                     | unlimited         |
| Any group of organisations under the same ownership       | £20m per group    |
| Any group of pooled funds under the same management       | £20m per manger   |
| Negotiable instruments held in a broker’s nominee account | £20m per broker   |
| Foreign countries   | £20m per country  |



|                      |               |
|----------------------|---------------|
| Registered Providers | £20m in total |
| Building Societies   | £20m in total |
| Money Market Funds   | £50m in total |

## 11 Prudential Indicators

The Local Government Act 2003 required the Council to have regard to the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.

A key indicator of prudence is to ensure that over the medium term net borrowing will only be for a capital purpose and that net external borrowing does not except in the short term, exceed the total capital financing requirement in the preceding year plus the estimates of any additional capital financing requirements for the current and the next two financial years.

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

**Table 7: Capital Programme**

| <b>Capital Expenditure and Financing</b> | <b>2013/14 Revised<br/>£m</b> | <b>2014/15 Estimate<br/>£m</b> | <b>2015/16 Estimate<br/>£m</b> | <b>2016/17 Estimate<br/>£m</b> |
|--|-------------------------------|--------------------------------|--------------------------------|--------------------------------|
| General Fund                             | 31,223                        | 36,469                         | 27,981                         | 15,994                         |
| HRA                                      | 21,381                        | 10,008                         | 11,544                         | 11,490                         |
| <b>Total Expenditure</b>                 | <b>52,604</b>                 | <b>46,477</b>                  | <b>39,525</b>                  | <b>27,484</b>                  |
| Capital Receipts                         | -2,500                        | -600                           | -3,395                         | -4,991                         |
| Grants & Contributions                   | -19,284                       | -13,726                        | -15,121                        | -14,674                        |
| Revenue                                  | -12,720                       | -4,868                         | -9,794                         | -4,290                         |
| Reserves                                 | -6,500                        | -6,500                         | -6,500                         | -6,500                         |
| Borrowing (incl. internal)               | -11,600                       | -20,783                        | -4,715                         | 2,971                          |
| <b>Total Financing</b>                   | <b>-52,604</b>                | <b>-46,477</b>                 | <b>-39,525</b>                 | <b>-27,484</b>                 |

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

| <b>Capital Financing Requirement</b> | <b>31.03.14 Revised<br/>£m</b> | <b>31.03.15 Estimate<br/>£m</b> | <b>31.03.16 Estimate<br/>£m</b> | <b>31.03.17 Estimate<br/>£m</b> |
|--------------------------------------|--------------------------------|---------------------------------|---------------------------------|---------------------------------|
| General Fund                         | 111,922                        | 125,544                         | 124,792                         | 127,252                         |
| HRA                                  | 156,897                        | 159,229                         | 161,561                         | 163,893                         |

|                  |                |                |                |                |
|------------------|----------------|----------------|----------------|----------------|
| <b>Total CFR</b> | <b>268,819</b> | <b>284,773</b> | <b>286,353</b> | <b>291,145</b> |
|------------------|----------------|----------------|----------------|----------------|

The CFR is forecast to rise by £23m over the next three years as capital expenditure financed by debt outweighs resources put aside for debt repayment.

**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 Authority 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.

| <b>Debt</b>       | <b>31.03.14<br/>Revised<br/>£m</b> | <b>31.03.15<br/>Estimate<br/>£m</b> | <b>31.03.16<br/>Estimate<br/>£m</b> | <b>31.03.17<br/>Estimate<br/>£m</b> |
|-------------------|------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Borrowing         | 182,373                            | 206,373                             | 206,373                             | 206,373                             |
| Finance leases    | 10,041                             | 8,048                               | 6,096                               | 5,109                               |
| PFI liabilities   | 38,464                             | 37,540                              | 36,545                              | 35,815                              |
| <b>Total Debt</b> | <b>230,878</b>                     | <b>251,961</b>                      | <b>249,014</b>                      | <b>247,297</b>                      |

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 Authority'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 Authority's debt.

| <b>Operational Boundary</b> | <b>2013/14<br/>Revised<br/>£m</b> | <b>2014/15<br/>Estimate<br/>£m</b> | <b>2015/16<br/>Estimate<br/>£m</b> | <b>2016/17<br/>Estimate<br/>£m</b> |
|-----------------------------|-----------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Borrowing                   | 256,498                           | 259,412                            | 262,359                            | 264,076                            |
| Other long-term liabilities | 48,502                            | 45,588                             | 42,641                             | 40,924                             |
| <b>Total Debt</b>           | <b>305,000</b>                    | <b>305,000</b>                     | <b>305,000</b>                     | <b>305,000</b>                     |

**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 Authority can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements.

| <b>Authorised Limit</b> | <b>2013/14<br/>Revised<br/>£m</b> | <b>2014/15<br/>Estimate<br/>£m</b> | <b>2015/16<br/>Estimate<br/>£m</b> | <b>2016/17<br/>Estimate<br/>£m</b> |
|-------------------------|-----------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Borrowing               | 266,498                           | 269,412                            | 272,359                            | 274,076                            |

|                             |                |                |                |                |
|-----------------------------|----------------|----------------|----------------|----------------|
| Other long-term liabilities | 48,502         | 45,588         | 42,641         | 40,924         |
| <b>Total Debt</b>           | <b>315,000</b> | <b>315,000</b> | <b>315,000</b> | <b>315,000</b> |

**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.

| <b>Ratio of Financing Costs to Net Revenue Stream</b> | <b>2013/14 Revised %</b> | <b>2014/15 Estimate %</b> | <b>2015/16 Estimate %</b> | <b>2016/17 Estimate %</b> |
|---|--------------------------|---------------------------|---------------------------|---------------------------|
| General Fund  | 5.49%                    | 6.18%                     | 6.95%                     | 5.67%                     |
| HRA   | 13.96%                   | 13.82%                    | 13.68%                    | 13.55%                    |

**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

| <b>Incremental Impact of Capital Investment Decisions</b> | <b>2014/15 Estimate £</b> | <b>2015/16 Estimate £</b> | <b>2016/17 Estimate £</b> |
|---|---------------------------|---------------------------|---------------------------|
| General Fund - increase in annual band D Council Tax      | 20.62                     | 12.19                     | 12.39                     |
| HRA - increase in average weekly rents                    | 0                         | 0                         | 0                         |

## 12 MRP Statement 2013/14

CLG's Guidance on Minimum Revenue Provision (issued in 2010) places a duty on local authorities to make a prudent provision for debt redemption. Guidance on Minimum Revenue Provision has been issued by the Secretary of State and local authorities are required to "have regard" to such Guidance under section 21(1A) of the Local Government Act 2003.

The four MRP options available are:

- Option 1: Regulatory Method
- Option 2: CFR Method
- Option 3: Asset Life Method
- Option 4: Depreciation Method

MRP in 2013/14: Options 1 and 2 may be used only for supported (i.e. financing costs deemed to be supported through Revenue Support Grant from Central Government) Non-HRA capital expenditure funded from borrowing. Methods of making prudent provision for unsupported Non-HRA capital expenditure include Options 3 and 4 (which may also be used for supported Non-HRA capital expenditure if the Authority chooses). There is no requirement to charge MRP in respect of HRA capital expenditure funded from borrowing.

The MRP Statement will be submitted to Council before the start of the 2014/15 financial year. If it is ever proposed to vary the terms of the original MRP Statement during the year, a revised statement should be put to Authority at that time.

The Authority will apply Option 1/Option 2 in respect of supported capital expenditure funded from borrowing and Option 3/Option 4 in respect of unsupported capital expenditure funded from borrowing.

MRP in respect of leases and Private Finance Initiative schemes brought on Balance Sheet under the International Financial Reporting Standards (IFRS) based Accounting Code of Practice will match the annual principal repayment for the associated deferred liability.

### 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:

| <b>LIMITS ON INTEREST RATE EXPOSURE</b>        |                |                |                |
|--|----------------|----------------|----------------|
|  | <b>2014/15</b> | <b>2015/16</b> | <b>2016/17</b> |
| Limit on Principal invested beyond year end    | £20m           | £15m           | £10m           |
| 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:

| <b>MATURITY STRUCTURE OF BORROWING</b> |                       |              |              |
|--|-----------------------|--------------|--------------|
|  | <b>Existing Level</b> | <b>Lower</b> | <b>Upper</b> |
| Under 12 months                        | 4.0                   | 0%           | 50%          |
| 12 months and within 24 months         | 9.0                   | 0%           | 50%          |

|                              |      |     |     |
|------------------------------|------|-----|-----|
| 24 months and within 5 years | 7.0  | 0%  | 50% |
| 5 years and within 10 years  | 8.0  | 0%  | 75% |
| 10 years and within 15 years | 30.5 | 25% | 95% |
| 15 years and within 20 years | 25.0 | 25% | 95% |
| 20 years and within 25 years | 53.0 | 25% | 95% |
| Over 25 years                | 35.8 | 25% | 95% |

#### 14 **Other Items**

There are a number of additional items that the Authority 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 Authority 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 Authority 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 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 Authority 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 Authority's average interest rate on investments, adjusted for credit risk.

**Investment Training:** The needs of the Authority's treasury management staff for training in investment management are assessed every three months as part of the staff appraisal process, and additionally when the responsibilities of individual members of staff change.

Staffs regularly attend training courses, seminars and conferences provided by Arlingclose and CIPFA. Relevant staffs are also encouraged to study professional qualifications from CIPFA and other appropriate organisations.

**Investment Advisers:** The Authority 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 Authority 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 Authority 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 Authority's overall management of its treasury risks.

## 15 Future Options

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.

| <b>Alternative</b>  | <b>Impact on income and expenditure</b>   | <b>Impact on risk management</b>   |
|---|---|--|
| Invest in a narrower range of counterparties and/or for shorter times         | Interest income will be lower   | Reduced risk of losses from credit related defaults  |
| 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  |
| Reduce level of borrowing   | Saving on debt interest is likely to exceed lost investment income. Impact of premiums.   | Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs will be less certain. |
| Invest with Local Authorities for periods in excess of 12 months              | Higher rates achieved initially.  | Risk that interest rates will rise (interest rate risk)  |
| Invest in Building Societies not currently on the Council's Counterparty Risk | Potential higher returns  | Risk of Credit Related Defaults as most Building Societies are unrated.  |
| Invest in Government Treasury Bills   | Very Low returns  | No risk of credit default.   |
| Invest in Registered Providers/Housing Associations.                          | 5 year loan floating at 200bps over 6-month LIBOR (currently 0.59%) with a credit rated RP (A2 with Moody's)<br>—5 year fixed rate loan at c3.35% with an unrated RP (Unrated RPs will pledge a pool of housing | Strong regulatory framework and oversight; Conservative financial management; High likelihood of government support                    |

|   |  |  |
|---|--|--|
|   | assets as security for loans borrow). Downside 6 weeks set up time.  |  |
| Invest in pooled Property Funds                               | Potentially higher returns though will require more monitoring and returns could fluctuate greatly.  | <p>Risks of investing in a property fund – very similar to the risks of direct purchases</p> <p>—Void periods will result in lower returns</p> <p>—Falling property values can result in capital losses</p> <p>—Entry and exit costs – either as subscription/redemption fees or a bid-offer spread</p> <p>—Low liquidity compared to other types of pooled funds – 6 months’ notice is common</p> <p>Our TMA therefore recommend a minimum investment horizon of at least 5 years</p> |
| Pooled Funds-Liquidity Plus                                   | Next step up from Money Market Funds. Almost as liquid as MMFs but with potentially higher returns.  | As secure as MMFs we currently use but with greater fluctuations in yield.   |
| Other Pooled Funds- e.g. Corporate Bonds, Equities.           | Pooled funds provide opportunities for income as well as capital appreciation. Accounting rules typically mean that capital gains and losses are not taken to revenue until units are sold | Due to the potential volatility, the Council should be prepared for the possibility of capital value to fall before it rises   |
| Upfront Payment of Employer Contributions to the Pension Fund | The council will save over 3% in employer contributions if it makes an upfront payment of approx £10m to the Pension Fund.   | No risk other than the estimate must be robust and cannot under estimate the amount of contributions payable in the year.  |
| Loan Notes issued through SRP.                                |  |  |

## 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

## Appendix A - Arlingclose Economic & Interest Rate Forecast December 2013

### Underlying assumptions:

- Growth continues to strengthen with the second estimate for Q3 growth coming in at an unrevised 0.8%. The service sector remains the main driver of growth, boosted by a contribution from construction.
- The unemployment rate has fallen to 7.6%. The pace of decline in this measure will be dependent on a slower expansion of the workforce than the acceleration in the economy, alongside the extent of productivity.
- The CPI for November has fallen to 2.1%, a much more comfortable position for the MPC. Utility price increases are expected to keep CPI above the 2% target in 2014, before falling back again.
- The principal measure in the MPC's Forward Guidance on interest rates is the Labour Force Survey (LFS) unemployment rate. The MPC intends not to raise the Bank Rate from its current level of 0.5% at least until this rate has fallen to a threshold of 7%.
- The reduction in uncertainty and easing of credit conditions have begun to unlock demand, much of which has fed through to the housing market. In response to concerns over a house price bubble, the Bank of England announced a curtailment of the Funding for Lending Scheme, which will henceforth concentrate on business lending only.
- The MPC will not hesitate to use macro prudential and regulatory tools to deal with emerging risks (such as curtailing the FLS). Absent risks to either price stability or financial stability, the MPC will only tighten policy when it is convinced about the sustained durability of economic growth.
- Federal Reserve monetary policy expectations - the slowing in the pace of asset purchases ('tapering') and the end of further asset purchases - will remain predominant drivers of the financial markets. Tapering of asset purchases will begin in Q1 2014. The US political deadlock over the debt ceiling will need resolving in Q1 2014.
- The European backstop mechanisms have lowered the risks of catastrophic meltdown. The slightly more stable economic environment at the aggregate Eurozone level could be undone by political risks and uncertainty in Italy, Spain and Portugal (doubts over longevity of their coalitions). The ECB has discussed a third LTRO, as credit conditions remain challenging for European banks.
- China data has seen an improvement, easing markets fears. Chinese leaders have signalled possible monetary policy tightening.
- On-going regulatory reform and a focus on bail-in debt restructuring of is likely to prolong banking sector deleveraging and maintain the corporate credit bottleneck.



## Forecast:

- Our projected path for short term interest rates remains flat. Markets are still pricing in an earlier rise in rates than warranted under Forward Guidance and the broader economic backdrop. The MPC will not raise rates until there is a sustained period of strong growth. However, upside risks weight more heavily at the end of our forecast horizon.
- We continue to project gilt yields on an upward path through the medium term. The recent climb in yields was overdone given the soft fundamental global outlook and risks surrounding the Eurozone, China and US.

|                           | Mar-14 | Jun-14 | Sep-14 | Dec-14 | Mar-15 | Jun-15 | Sep-15 | Dec-15 | Mar-16 | Jun-16 | Sep-16 | Dec-16 | Mar-17 |
|---------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>Official Bank Rate</b> |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Upside risk               |        | 0.25   | 0.25   | 0.25   | 0.25   | 0.25   | 0.50   | 0.50   | 0.50   | 0.75   | 0.75   | 0.75   | 1.00   |
| Arlingclose Central Case  | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   |
| Downside risk             |        |        |        |        |        |        |        |        |        |        |        |        |        |
| <b>3-month LIBID rate</b> |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Upside risk               | 0.20   | 0.25   | 0.30   | 0.35   | 0.40   | 0.50   | 0.55   | 0.60   | 0.65   | 0.70   | 0.75   | 0.90   | 0.95   |
| Arlingclose Central Case  | 0.45   | 0.45   | 0.50   | 0.55   | 0.65   | 0.75   | 0.75   | 0.75   | 0.75   | 0.75   | 0.80   | 0.80   | 0.80   |
| Downside risk             |        |        | 0.05   | 0.10   | 0.20   | 0.30   | 0.30   | 0.30   | 0.30   | 0.30   | -0.35  | -0.35  | -0.35  |
| <b>1-yr LIBID rate</b>    |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Upside risk               | 0.35   | 0.30   | 0.35   | 0.40   | 0.45   | 0.50   | 0.60   | 0.70   | 0.75   | 0.75   | 0.75   | 0.80   | 0.80   |
| Arlingclose Central Case  | 0.90   | 0.95   | 0.95   | 0.95   | 1.00   | 1.05   | 1.10   | 1.15   | 1.20   | 1.25   | 1.30   | 1.40   | 1.40   |
| Downside risk             | -0.25  | -0.25  | -0.25  | -0.30  | -0.35  | -0.40  | -0.45  | -0.50  | -0.50  | -0.50  | -0.50  | -0.50  | -0.50  |
| <b>5-yr gilt yield</b>    |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Upside risk               | 0.50   | 0.75   | 0.75   | 0.75   | 0.85   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   |
| Arlingclose Central Case  | 1.45   | 1.50   | 1.55   | 1.60   | 1.65   | 1.70   | 1.75   | 1.85   | 1.95   | 2.10   | 2.30   | 2.50   | 2.50   |
| Downside risk             | -0.50  | -0.50  | -0.50  | -0.50  | -0.55  | -0.60  | -0.60  | -0.60  | -0.65  | -0.75  | -0.80  | -0.80  | -0.80  |
| <b>10-yr gilt yield</b>   |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Upside risk               | 0.50   | 0.50   | 0.50   | 0.65   | 0.75   | 0.85   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   |
| Arlingclose Central Case  | 2.55   | 2.60   | 2.65   | 2.70   | 2.75   | 2.80   | 2.85   | 2.90   | 3.00   | 3.10   | 3.30   | 3.50   | 3.50   |
| Downside risk             | -0.50  | -0.50  | -0.50  | -0.50  | -0.55  | -0.60  | -0.60  | -0.60  | -0.65  | -0.75  | -0.80  | -0.80  | -0.80  |
| <b>20-yr gilt yield</b>   |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Upside risk               | 0.50   | 0.75   | 0.75   | 0.75   | 0.85   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   |
| Arlingclose Central Case  | 3.25   | 3.30   | 3.35   | 3.40   | 3.45   | 3.50   | 3.55   | 3.65   | 3.75   | 3.85   | 4.05   | 4.15   | 4.15   |
| Downside risk             | -0.50  | -0.50  | -0.50  | -0.50  | -0.55  | -0.60  | -0.60  | -0.60  | -0.65  | -0.70  | -0.75  | -0.80  | -0.80  |
| <b>50-yr gilt yield</b>   |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Upside risk               | 0.50   | 0.75   | 0.75   | 0.75   | 0.75   | 0.75   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   |
| Arlingclose Central Case  | 3.45   | 3.50   | 3.55   | 3.60   | 3.65   | 3.70   | 3.75   | 3.80   | 3.85   | 3.95   | 4.05   | 4.15   | 4.15   |
| Downside risk             | -0.50  | -0.50  | -0.50  | -0.50  | -0.55  | -0.60  | -0.60  | -0.60  | -0.65  | -0.70  | -0.75  | -0.80  | -0.80  |

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**SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Cabinet **DATE:** 10<sup>th</sup> February 2014

**CONTACT OFFICER:** Joseph Holmes; Assistant Director, Finance & Audit  
**(For all enquiries)** (01753) 875358

**WARD(S):** All

**PORTFOLIO:** Cllr. Rob Anderson; Lead Commissioner for Finance & Strategy

**PART I**  
**KEY DECISION**

**CAPITAL STRATEGY: 2014-19**

1 **Purpose of Report**

To request approval for capital strategy 2014-19 and approval for the capital programme for 2014-15 to be implemented subject to the approval sufficient business cases

To request approval to Council for the calculation of the Minimum Revenue Provision

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

The Cabinet is requested to resolve:

- (a) That the capital strategy of £147.7m is approved and Recommended to full Council.
- (b) That Cabinet notes the costs of the capital programme to the revenue budget will be an increase of £1.2m per annum commencing during the period of the capital strategy to fund borrowing of £21.5m.
- (c) That Cabinet approves the principles underpinning the capital programme in paragraph 5.1.2

3. **The Slough Joint Wellbeing Strategy, the JSNA and the Corporate Plan**

The Slough Joint Wellbeing Strategy (SJWS) is the document that details the priorities agreed for Slough with partner organisations. The SJWS has been developed using a comprehensive evidence base that includes the Joint Strategic Needs Assessment (JSNA). Both are clearly linked and must be used in conjunction when preparing your report. They have been combined in the Slough Wellbeing Board report template to enable you to provide supporting information highlighting the link between the SJWS and JSNA priorities.

3a. **Slough Joint Wellbeing Strategy Priorities**

This paper assists in the achievement of the all of the Sustainable Community Strategy's priorities.

- Economy and Skills

- Health and Wellbeing
- Regeneration and Environment
- Housing
- Safer Communities

### 3c **Corporate Plan 2013/14**

The Plan's objectives are:

1. Improve customer experience
2. Deliver high quality services to meet local needs
3. Develop new ways of working
4. Deliver local and national change
5. Develop a skilled and capable workforce
6. Achieve value for money

The Plan includes targets for each of the objectives. This report helps achieve all of the above objectives by providing an overall financial strategy to support the delivery of the Corporate Plan.

### 4 **Other Implications**

(a) Financial: As detailed within the report.

(b) Risk Management

| <b>Risk</b>            | <b>Mitigating action</b>   | <b>Opportunities</b> |
|------------------------|----------------------------|----------------------|
| 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 | April 2014 – March 2015    | None                 |
| 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 four key strategic financial documents that the Council utilises in order to deliver its corporate objectives. For 2014, the capital strategy has been increased in timescale from three to five years. The rationale for this is twofold; firstly, capital programmes by their very nature often span more than one financial year. Following the introduction of the Slough Regeneration Partnership in early 2013 and the self-financing regime for the HRA (Housing Revenue Account), the Council has a number of longer term financial commitments and it is important to consider these over a longer timeframe. Secondly, the funding, and affordability of the capital strategy in the current economic climate is key and this has a significant impact on the Council's Medium Term Financial Strategy.

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
- 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
- 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

### 5.2 **Current Medium Term Financial Position**

5.2.1 As detailed in the Council's Medium Term Financial Strategy (MTFS) the Council is facing a significant reduction in its anticipated financial resources. By 2017-18 the Council's anticipated net budget will be reduced by 16% from the 2013-14 equivalent size and during this period the Council will face a number of demand and policy led pressures. Further detail can be found within the MTFS document for separate approval.

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. As detailed within the Treasury Management Strategy, the Council will only borrow as a last resort once it has extinguished 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 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**

| Expenditure                | 2014-15         | 2015-16         | 2016-17         | 2017-18         | 2018-19         | Total           |
|----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>TOTAL HRA EXPEND</b>    | <b>10,008</b>   | <b>11,544</b>   | <b>11,490</b>   | <b>10,264</b>   | <b>10,364</b>   | <b>53,669</b>   |
| Funding                    | 2014-15         | 2015-16         | 2016-17         | 2017-18         | 2018-19         | Total           |
| Section 106                |                 |                 |                 |                 |                 | 0               |
| Capital Receipts           | (600)           | (900)           | (1,200)         | (1,500)         | (1,500)         | (5,700)         |
| Major Repairs Reserve      | (6,500)         | (6,500)         | (6,500)         | (6,500)         | (6,500)         | (32,500)        |
| RCCO                       | (2,908)         | (4,144)         | (3,790)         | (2,264)         | (2,364)         | (15,469)        |
| <b>TOTAL HRA FINANCING</b> | <b>(10,008)</b> | <b>(11,544)</b> | <b>(11,490)</b> | <b>(10,264)</b> | <b>(10,364)</b> | <b>(53,669)</b> |

| Expenditure               | 2014-15         | 2015-16         | 2016-17         | 2017-18        | 2018-19        | Total           |
|---------------------------|-----------------|-----------------|-----------------|----------------|----------------|-----------------|
| SRP related               | 10,868          | 5,170           | 0               | 0              | 0              | 16,038          |
| General Fund              | 25,601          | 22,811          | 15,994          | 6,534          | 3,184          | 74,124          |
| <b>Total General Fund</b> | <b>36,469</b>   | <b>27,981</b>   | <b>15,994</b>   | <b>6,534</b>   | <b>3,184</b>   | <b>90,162</b>   |
| Funding                   | 2014-15         | 2015-16         | 2016-17         | 2017-18        | 2018-19        | Total           |
| Section 106               | (136)           | (32)            | 0               | 0              | 0              | (168)           |
| Grants                    | (13,590)        | (15,089)        | (14,674)        | (5,314)        | (2,064)        | (50,731)        |
| Capital Receipts          | 0               | (2,495)         | (3,791)         | (2,637)        | 0              | (8,923)         |
| Interest on Loan Notes    | 0               | 0               | 0               | 0              | 0              | 0               |
| Revenue Contributions     | (1,960)         | (5,650)         | (500)           | (400)          | (300)          | (8,810)         |
| Borrowing requirement     | (20,783)        | (4,715)         | 2,971           | 1,817          | (820)          | (21,530)        |
| <b>Total Funding</b>      | <b>(36,469)</b> | <b>(27,981)</b> | <b>(15,994)</b> | <b>(6,534)</b> | <b>(3,184)</b> | <b>(90,162)</b> |

5.2.4 The total revenue financing required over the life of the capital strategy to fund a borrowing requirement of **£21.5m** is **£1.2m**, with the largest peak in the 2014-15 financial 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, so will not be required to borrow in the short term to fund capital expenditure. However, 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.

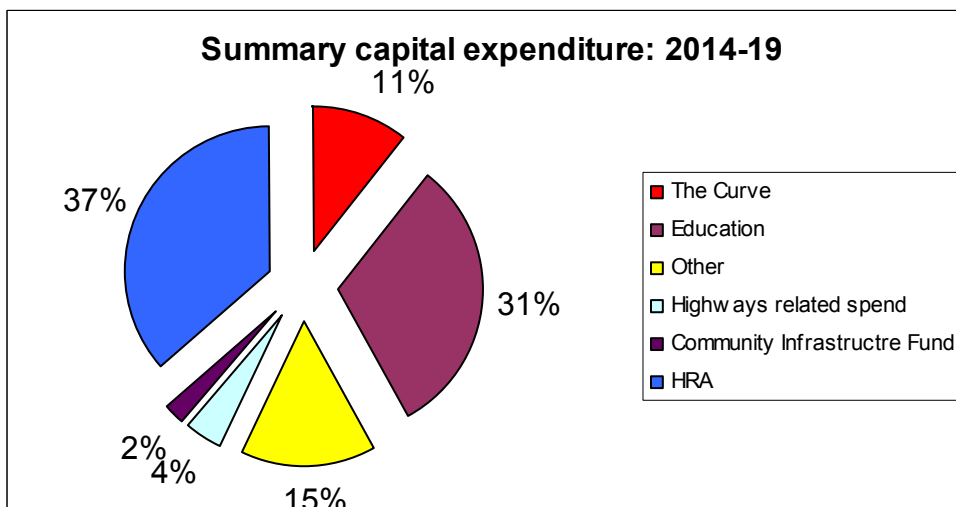
5.2.5 The minimum required to be set aside for **£21.5m** of capital borrowing per annum (given the main assets being build this would be over an assumed 32.5 year lifecycle) would equate to an increase in revenue cost of borrowing of **£1.2m<sup>1</sup>** from 2015-16.

<sup>1</sup> Assuming borrowing from the Public Works Loans Board at the rate as at December 2013

### 5.3 Key elements

5.3.1 As can be seen from the above, of the capital programme funded via general sources, a third relates to expenditure through the Slough Regeneration Partnership and two thirds on other general fund activity. The key elements of the Slough Regeneration Partnership expenditure relate to the building of the Curve .The Council is also proposing to spend a significant proportion of its overall capital programme on the HRA. The Council will continue to review the options available for the provision of leisure facilities. No capital costs have been assumed within this capital strategy; an individual report will be brought to Cabinet at a future meeting concerning leisure facilities and the cost of this will be highlighted accordingly and incorporated into a future capital strategy.

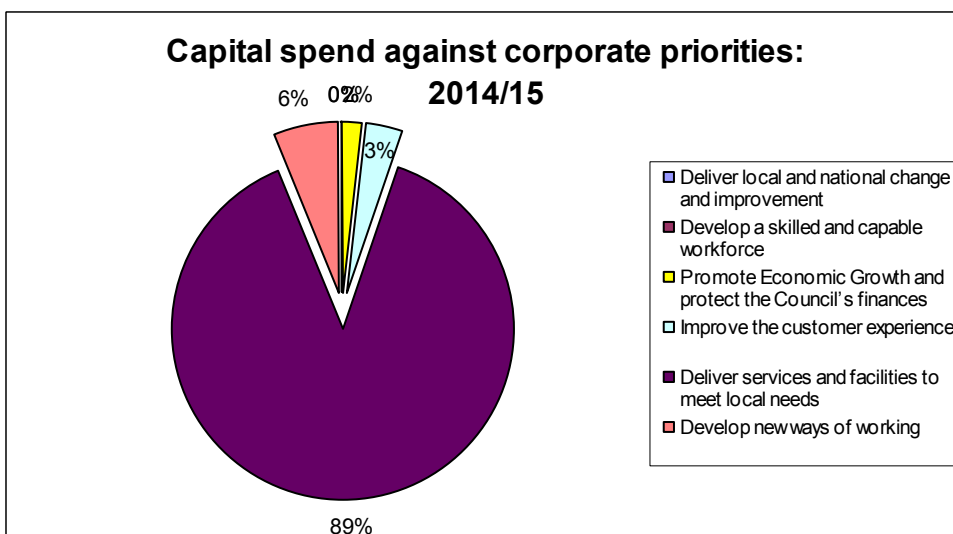
**Chart 2.1: Key items included in the Capital Strategy**



### 5.4 Delivery the Council's priorities

5.4.1 Below is a chart detailing how much the Council is planning to spend on its corporate priorities for the year ahead:

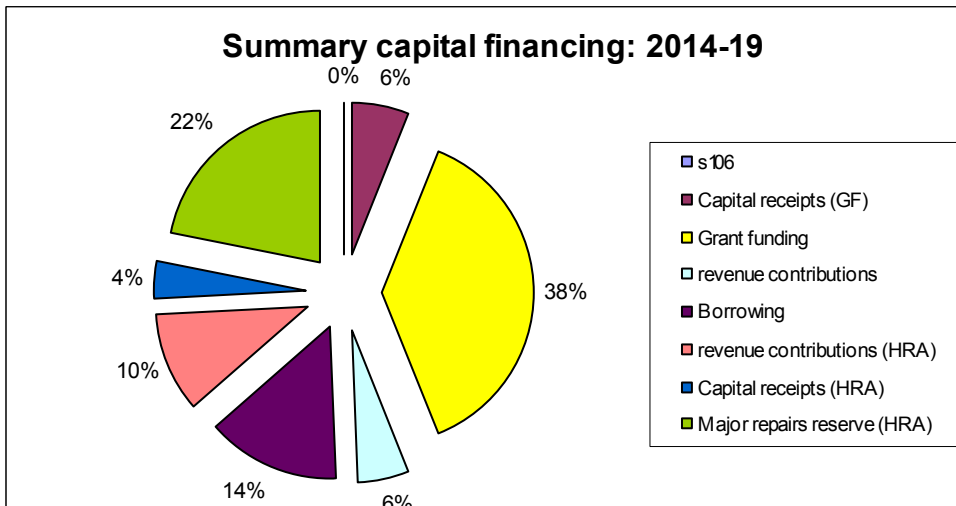
**Chart 2.2: Capital spend against corporate priorities**



The above chart shows where the Council is due to spend capital sums over the life of the strategy in accordance with the latest draft Council Plan for future years

## 5.5 Financing the capital programme & prudential code

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



5.5.2 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.

5.5.3 The main sources of income are:

- Capital Receipts (general fund)

The prime areas of capital receipts comes from monies received via the Council involvement within the Slough Regeneration Partnership (SRP). 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.

- 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.



- S106 receipts

The Council receives some funding of its capital programme from s106 receipts; with the advent of the Community Infrastructure Levy (CIL), the s106 funding will diminish. In the absence of a formal CIL charging mechanism no assumptions have been made with regards future CIL receipts.

- Revenue Contributions

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.

- Borrowing

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.

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.

- 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.
- Capital Receipts (HRA). The majority of HRA capital receipts arise from the sale of council homes under the RTB regime. Under the changes last year 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.

- 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.

## **5.6 Minimum Revenue Provision Statement**

- 5.6.1 The Council must set aside revenue monies to repay future debt via the Minimum Revenue Provision (MRP). The MRP is vital to ensure that the Council has a sustainable and financed capital programme going forward. If the Council does not set aside suitable revenue monies to finance capital expenditure then when the time comes to borrow funds, the Council will experience a sudden budgetary pressure. the MRP therefore ensure that future debt is financed.
- 5.6.2 CLG's Guidance on Minimum Revenue Provision (issued in 2010) places a duty on local authorities to make a prudent provision for debt redemption. Guidance on Minimum Revenue Provision has been issued by the Secretary of State and local authorities are required to "have regard" to such Guidance under section 21(1A) of the Local Government Act 2003. The four MRP options available are:
- Option 1: Regulatory Method
  - Option 2: CFR Method
  - Option 3: Asset Life Method
  - Option 4: Depreciation Method
- 5.6.3 MRP in 2013/14: Options 1 and 2 may be used only for supported (i.e. financing costs deemed to be supported through Revenue Support Grant from Central Government) Non-HRA capital expenditure funded from borrowing. Methods of making prudent provision for unsupported Non-HRA capital expenditure include Options 3 and 4 (which may also be used for supported Non-HRA capital expenditure if the Authority chooses). There is no requirement to charge MRP in respect of HRA capital expenditure funded from borrowing.
- 5.6.4. The MRP Statement will be submitted to Council before the start of the 2014/15 financial year. If it is ever proposed to vary the terms of the original MRP Statement during the year, a revised statement should be put to Authority at that time.
- 5.6.5. The Authority will apply Option 1/Option 2 in respect of supported capital expenditure funded from borrowing and Option 3/Option 4 in respect of unsupported capital expenditure funded from borrowing.
- 5.6.6. The prudential framework allows for two types of borrowing – supported and unsupported. When the government determines its revenue grant allocation, it makes assumptions about the anticipated level of capital expenditure and includes the funding in its allocation. This is known as supported borrowing. Unsupported borrowing is that which can be undertaken in addition to the supported element under the prudential framework.
- 5.6.7. In the October 2010 spending review the government announced that from 2011/12 it would no longer be providing for new supported borrowing through the settlement. It indicated this funding would come via capital grant in order to make the process more transparent. Therefore any borrowing assumptions in the 2014-2019 Capital programme will be on the basis of unsupported borrowing.

5.6.8. MRP in respect of leases and Private Finance Initiative schemes brought on Balance Sheet under the International Financial Reporting Standards (IFRS) based Accounting Code of Practice will match the annual principal repayment for the associated deferred liability

## 5.7 Community Investment Fund

5.7.1 The Community Investment fund programme for 2014/15 can be summarised as follows

| <b>Community Investment Fund (Capital Only)</b>                     | <b>2014/15<br/>Budget<br/>£'000</b> |
|---|-------------------------------------|
| <b>Description</b>  |                                     |
| MUGA's - floodlit to all community hubs / priority associated areas | 328                                 |
| Replace street bins and increase numbers in high litter areas       | 25                                  |
| Replacement street signs - 2 year programme                         | 0                                   |
| Replacement permanent information signs for Slough parks            | 0                                   |
| CCTV - purchase of moveable cameras                                 | 50                                  |
| Alley gating works  | 30                                  |
| Neighbourhood Enhancements/Walkabouts                               | 400                                 |
| Pavement Parking Policy   | 250                                 |
| Member bids   | 65                                  |
| <b>TOTAL</b>  | <b>1,148</b>                        |

## 6 Comments of Other Committees

This report will be considered by the Overview & Scrutiny Committee on 6<sup>th</sup> February 2014 and any comments will be reported at the Cabinet meeting.

## 7 Conclusion

The Cabinet are requested to approve the capital strategy and recommended it to Council on 18<sup>th</sup> February 2014.

## 8 Appendices Attached

'A' - Summary of current proposals

## 9 Background Papers

'1' - Local Government Finance consultations – Summer 2013

'2' - Local Government Finance settlement 2013

## Appendix A

| Cost Centre | Project  | 2014-15         | 2015-16        | 2016-17        | 2017-18        | 2018-19     | Total           |
|-------------|--|-----------------|----------------|----------------|----------------|-------------|-----------------|
|             |  | £'000           | £'000          | £'000          | £'000          | £'000       | £'000           |
|             | <b>LABV</b>  |                 |                |                |                |             |                 |
| P066        | The Curve  | 10,868          | 5,170          |                |                |             | 16,038          |
| P099        | Arbour Vale STFC                                     |                 |                |                |                |             |                 |
|             | Leisure strategy options                             |                 |                |                |                |             |                 |
|             | Ledgers Road (Site 15)                               |                 |                |                |                |             |                 |
|             | Wexham Nursery Site (Site 37)                        |                 |                |                |                |             |                 |
|             | Haymill (Site 8)                                     |                 |                |                |                |             |                 |
|             | Montem Leisure Site (Site 20)                        |                 |                |                |                |             |                 |
|             | Montem Schools Expansion Weekes Drive Site (Site 21) |                 |                |                |                |             |                 |
|             | Castleview (Site 2)                                  |                 |                |                |                |             |                 |
|             | <b>Total LABV</b>                                    | <b>10,868</b>   | <b>5,170</b>   | <b>0</b>       | <b>0</b>       | <b>0</b>    | <b>16,038</b>   |
|             | <b>Funding</b>                                       |                 |                |                |                |             |                 |
|             | Section 106  |                 |                |                |                |             | 0               |
|             | Grants   |                 |                |                |                |             | 0               |
|             | Capital Receipts                                     |                 | (2,495)        | (3,791)        | (2,637)        | (71)        | (8,994)         |
|             | Interest on Loan Notes                               |                 |                |                |                |             | 0               |
|             | LABV profit Distribution                             |                 |                |                |                |             | 0               |
|             | Revenue Contributions                                |                 |                |                |                |             | 0               |
|             | Borrowing requirement                                | (10,868)        | (2,675)        |                |                |             | (13,543)        |
|             | <b>Total Funding</b>                                 | <b>(10,868)</b> | <b>(5,170)</b> | <b>(3,791)</b> | <b>(2,637)</b> | <b>(71)</b> | <b>(22,537)</b> |
|             | <b>Revenue Impact</b>                                |                 |                |                |                |             |                 |
|             | <b>Extra Minimum Revenue Provision</b>               |                 |                |                |                |             |                 |
|             | Building   | 124             | 435            | 511            | 511            | 966         | 2,547           |
|             | <b>Total MRP</b>                                     | <b>124</b>      | <b>435</b>     | <b>511</b>     | <b>511</b>     | <b>966</b>  | <b>2,547</b>    |

| Appendix A2 –<br>General Fund<br>spend | Project   | 2014-15      | 2015-16       | 2016-17       | 2017-18      | 2018-19    | Total         |
|--|---|--------------|---------------|---------------|--------------|------------|---------------|
|  |   | £'000        | £'000         | £'000         | £'000        | £'000      | £'000         |
|  | <b>Education Services</b>                             |              |               |               |              |            |               |
| P051                                   | Primary Expansions (Phase 2 for 2011)                 | 5,584        | 5,995         | 3,560         | 3,000        | 0          | 18,139        |
| P076                                   | Town Hall Conversion                                  | 261          | 1,500         | 50            |              |            | 1,811         |
| P090                                   | Expand Littledown School                              | 2            |               |               |              |            | 2             |
| P093                                   | Schools Modernisation Programme                       | 3,072        | 685           | 500           | 250          |            | 4,507         |
| P101                                   | SEN Resources Expansion                               | 125          | 650           | 250           | 250          | 250        | 1,525         |
| P749                                   | Children's Centres Refurbishments                     | 40           | 40            | 40            | 40           | 40         | 200           |
| P783                                   | Schools Devolved Capital                              | 137          |               |               |              |            | 137           |
| P856                                   | Haymill/Haybrook College Project                      | 75           |               |               |              |            | 75            |
|  | DDA/SENDA access Works                                | 50           | 50            | 50            | 50           | 50         | 250           |
|  | Youth/Community Centres Upgrade                       | 75           | 25            | 25            | 25           | 25         | 175           |
|  | 2 Year Old Expansion Programme                        | 355          | 345           | 500           |              |            | 1,200         |
|  | Penn Rd & Chalvey Grove Children's Centre             | 10           |               |               |              |            | 10            |
|  | Monksfield Way Children's Centre                      | 10           |               |               |              |            | 10            |
|  | Lea Nursery Heat Pump                                 | 12           |               |               |              |            | 12            |
|  | Wexham School Expansion                               |              | 2,000         | 5,000         |              |            | 7,000         |
|  | Special School Expansion-Primary, Secondary & Post 16 | 100          | 1,900         | 3,000         |              |            | 5,000         |
|  | <b>Total Education Services</b>                       | <b>9,908</b> | <b>13,190</b> | <b>12,975</b> | <b>3,615</b> | <b>365</b> | <b>40,053</b> |
|  |   |              |               |               |              |            |               |
|  | <b>Chief Executive</b>                                |              |               |               |              |            |               |
| P109                                   | Local Broadband Plan                                  | 76           |               |               |              |            | 76            |
|  | <b>Total Chief Executive</b>                          | <b>76</b>    |               |               |              |            | <b>76</b>     |
|  |   |              |               |               |              |            |               |
|  | <b>Customer &amp; Community Services</b>              |              |               |               |              |            |               |
| P083                                   | Cemetery Extension                                    | 766          | 537           |               |              |            | 1,303         |
| P084                                   | IT Infrastructure Refresh                             | 350          | 350           | 350           | 350          | 350        | 1,750         |
| P088                                   | Baylis Park Restoration                               | 500          |               |               |              |            | 500           |
| P098                                   | Traffic Light & Junction Improvements                 | 500          |               |               |              |            | 500           |

|      |   |              |              |            |            |            |               |
|------|---|--------------|--------------|------------|------------|------------|---------------|
| P102 | Local Sustainable Transport Fund                          | 455          |              |            |            |            | 455           |
| P107 | Repairs to Montem & Ice                                   | 80           | 80           |            |            |            | 160           |
| P322 | Parking Strategy  | 16           |              |            |            |            | 16            |
| P661 | Local Safety Scheme Programme                             | 60           |              |            |            |            | 60            |
| P784 | Accommodation Strategy                                    | 200          |              |            |            |            | 200           |
| P871 | Community Investment Fund                                 | 1,148        | 650          | 500        | 400        | 300        | 2,998         |
| P873 | Crematorium Project                                       | 1,036        | 414          |            |            |            | 1,450         |
|      | Car Parking lighting efficiency scheme'                   | 185          |              |            |            |            | 185           |
|      | Invest to Save Vinci Park Contract                        | 200          |              |            |            |            | 200           |
|      | Air Quality Grant   | 67           |              |            |            |            | 67            |
|      | Financial System Upgrades                                 | 2,000        |              |            |            |            | 2,000         |
|      | Leisure Capital Improvements-Langley, Ten Pin, The Centre | 90           | 163          |            |            |            | 253           |
|      | Document Image Processing Project                         | 250          |              |            |            |            | 250           |
|      | Replacement of Art Feature                                | 20           |              |            |            |            | 20            |
|      | Cippenham Green   | 200          |              |            |            |            | 200           |
|      | Hub Development   | 200          |              |            |            |            | 200           |
|      | Registrars  | 706          | 26           |            |            |            | 732           |
|      | <b>Total Customer &amp; Community Services</b>            | <b>9,029</b> | <b>2,220</b> | <b>850</b> | <b>750</b> | <b>650</b> | <b>13,499</b> |
|      | <b>Community and Wellbeing</b>                            |              |              |            |            |            |               |
|      | Supported Living  | 100          |              |            |            |            | 100           |
|      | Extra Care Housing  | 100          |              |            |            |            | 100           |
|      | <b>Total Community and Wellbeing</b>                      | <b>200</b>   |              |            |            |            | <b>200</b>    |
|      |   |              |              |            |            |            |               |
|      | <b>Resources, Housing and Regeneration</b>                |              |              |            |            |            |               |
| P006 | Disabled Facilities Grant                                 | 364          | 364          | 364        | 364        | 364        | 1,820         |
| P068 | Street Lighting Improvement Phase 2                       | 200          | 200          |            |            |            | 400           |
| P069 | Highway & Land Drainage Improvements                      | 70           | 70           | 70         | 70         | 70         | 350           |
| P085 | Air Conditioning and Controls                             | 1623         |              |            |            |            | 1,623         |
|      | Corporate Property Asset Management                       | 250          | 250          | 250        | 250        | 250        | 1,250         |
| P111 | Major Highways Programmes                                 | 765          | 765          | 765        | 765        | 765        | 3,825         |
| P113 | Lascelles Lodge   | 10           |              |            |            |            | 10            |

|      |  |                 |                 |                 |                |                |                 |
|------|--|-----------------|-----------------|-----------------|----------------|----------------|-----------------|
| P728 | Highway Reconfigure & Resurface              | 500             | 500             | 500             | 500            | 500            | 2,500           |
|      | Garage Sites Stage 7                         | 96              | 32              |                 |                |                | 128             |
|      | Demolitions                                  | 100             | 100             | 100             | 100            | 100            | 500             |
|      | Stoke Poges Footbridge                       | 1000            |                 |                 |                |                | 1,000           |
|      | Windsor Road Widening Scheme                 | 460             | 5,000           |                 |                |                | 5,460           |
|      | Flood Defence Measures SBC/EA Partnership    | 100             |                 |                 |                |                | 100             |
|      | Plymouth Road (dilapidation works)           | 120             | 120             | 120             | 120            | 120            | 600             |
|      | Relocation of Age Concern                    | 30              |                 |                 |                |                | 30              |
|      | Land acquisition (Chalvey)                   | 500             |                 |                 |                |                | 500             |
|      | <b>Total RHR (excluding Heart of Slough)</b> | <b>6,188</b>    | <b>7,401</b>    | <b>2,169</b>    | <b>2,169</b>   | <b>2,169</b>   | <b>20,096</b>   |
|      |  |                 |                 |                 |                |                |                 |
|      | <b>Heart of Slough</b>                       |                 |                 |                 |                |                |                 |
| P064 | Infrastructure                               | 200             |                 |                 |                |                | 200             |
|      | <b>Total Heart of Slough</b>                 | <b>200</b>      |                 |                 |                |                | <b>200</b>      |
|      |  |                 |                 |                 |                |                |                 |
|      | <b>TOTAL GENERAL FUND</b>                    | <b>25,601</b>   | <b>22,811</b>   | <b>15,994</b>   | <b>6,534</b>   | <b>3,184</b>   | <b>74,124</b>   |
|      | <b>Funding</b>                               |                 |                 |                 |                |                | <b>0</b>        |
|      | Section 106                                  | (136)           | (32)            | 0               |                |                | (168)           |
|      | Grants                                       | (13,590)        | (15,089)        | (14,674)        | (5,314)        | (2,064)        | (50,731)        |
|      | Capital Receipts                             |                 |                 |                 |                |                | 0               |
|      | Revenue Contributions                        | (1,960)         | (5,650)         | (500)           | (400)          | (300)          | (8,810)         |
|      | Borrowing requirement                        | (9,915)         | (2,040)         | (820)           | (820)          | (820)          | (14,415)        |
|      |  | <b>(25,601)</b> | <b>(22,811)</b> | <b>(15,994)</b> | <b>(6,534)</b> | <b>(3,184)</b> | <b>(74,124)</b> |
|      | <b>Revenue Impact</b>                        |                 |                 |                 |                |                | <b>0</b>        |
|      | <b>Extra Minimum Revenue Provision</b>       |                 |                 |                 |                |                |                 |
|      | PVE  | 174             | 178             | 178             | 941            | 941            | 2,412           |
|      | Buildings                                    | 103             | 232             | 256             | 306            | 320            | 1,217           |
|      | <b>Total MRP</b>                             | <b>277</b>      | <b>410</b>      | <b>434</b>      | <b>1,247</b>   | <b>1,261</b>   | <b>3,629</b>    |

| Appendix<br>A3-HRA | Project  | 2014-15      | 2015-16      | 2016-17      | 2017-18      | 2018-19      | Total         |
|--------------------|--|--------------|--------------|--------------|--------------|--------------|---------------|
|                    |  | £'000        | £'000        | £'000        | £'000        | £'000        | £'000         |
|                    |  |              |              |              |              |              |               |
|                    | <b>Housing Revenue Account</b>                 |              |              |              |              |              |               |
| P544               | Affordable Warmth/Central Heating              |              |              |              |              |              |               |
| P544A              | Boiler Replacement                             | 667          | 1,001        | 1,001        | 500          | 500          | 3,669         |
| P544B              | Heating / Hot Water Systems                    | 320          | 320          | 320          | 317          | 317          | 1,593         |
| P544C              | Insulation programmes                          | 630          | 788          | 788          | 0            |              | 2,206         |
| P552               | Window Replacement                             |              |              |              | 112          | 112          | 223           |
| P552A              | Front / Rear Door replacement                  | 448          | 359          | 269          | 125          | 125          | 1,326         |
| P558               | Internal Decent Homes Work                     |              |              |              |              |              |               |
| P558A              | Kitchen Replacement                            | 1,402        | 1,402        | 1,121        | 410          | 410          | 4,746         |
| P558B              | Bathroom replacement                           | 692          | 692          | 554          | 256          | 256          | 2,450         |
| P558C              | Electrical Systems                             | 263          | 263          | 263          | 136          | 136          | 1,062         |
| P559               | External Decent Homes Work                     |              |              |              | 0            | 0            |               |
| P559A              | Roof Replacement                               | 187          | 187          | 187          | 628          | 628          | 1,818         |
| P559B              | Structural                                     | 598          | 598          | 478          | 802          | 802          | 3,278         |
|                    | DISH   |              |              |              |              |              |               |
|                    | <b>Decent Homes</b>                            | <b>5,207</b> | <b>5,610</b> | <b>4,981</b> | <b>3,287</b> | <b>3,287</b> | <b>22,372</b> |
|                    |  |              |              |              |              |              | 0             |
| P516               | Winvale Refurbishment                          |              |              |              | 0            | 0            | 0             |
| P541               | Garage Improvements                            | 200          | 200          | 200          | 150          | 150          | 900           |
| P548               | Mechanical Systems /Lifts                      | 174          | 274          | 224          | 100          | 200          | 972           |
|                    | Lifts  |              |              |              |              |              |               |
| P545               | Capitalised Repairs                            |              |              |              | 46           | 46           | 92            |
|                    | Security & Controlled Entry Modernisation      | 44           | 44           | 44           | 0            |              | 132           |
|                    | Parlaunt Shops-Flat Roof Replacement           |              |              |              | 0            |              |               |
| P564               | Darvills Lane - External Refurbs               |              |              |              | 200          | 200          | 400           |
| P565               | Estate Improvements/Environmental Works        | 200          | 200          | 200          | 221          | 221          | 1,041         |
| P569               | Replace Fascias, Soffits, Gutters & Down Pipes | 835          | 668          | 501          | 250          | 250          | 2,504         |



|           |  |                 |                 |                 |                 |                 |                 |
|-----------|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| P573      | Upgrade Lighting/Communal Areas              | 250             | 250             | 250             | 71              | 71              | 891             |
| P573A     | Communal doors                               | 47              | 47              | 28              | 78              | 78              | 277             |
| P573B     | Balcony / Stairs / Walkways areas            | 81              | 81              | 49              | 171             | 171             | 553             |
| P573C     | Paths  | 327             | 327             | 327             | 91              | 91              | 1,163           |
| P573D     | Store areas                                  | 143             | 143             | 86              | 250             | 250             | 872             |
|           | Sheltered / supported upgrades               | 0               | 250             | 250             |                 |                 | 500             |
|           | <b>Planned Maintenance - Capital</b>         | <b>2,301</b>    | <b>2,484</b>    | <b>2,159</b>    | <b>1,627</b>    | <b>1,727</b>    | <b>10,298</b>   |
|           |  |                 |                 |                 |                 |                 |                 |
| P546      | Environmental Improvements (Allocated Forum) | 100             | 100             | 100             | 100             | 100             | 500             |
|           |  |                 |                 |                 |                 |                 |                 |
| P547      | Major Aids & Adaptations                     | 400             | 350             | 250             | 250             | 250             | 1,500           |
|           |  |                 |                 |                 |                 |                 |                 |
| P779/P575 | Affordable Homes                             | 2,000           | 3,000           | 4,000           | 5,000           | 5,000           | 19,000          |
|           |  |                 |                 |                 |                 |                 |                 |
|           | <b>Housing Revenue Account</b>               | <b>10,008</b>   | <b>11,544</b>   | <b>11,490</b>   | <b>10,264</b>   | <b>10,364</b>   | <b>53,669</b>   |
|           |  |                 |                 |                 |                 |                 |                 |
|           | <b>Funding</b>                               |                 |                 |                 |                 |                 |                 |
|           | Section 106                                  |                 |                 |                 |                 |                 |                 |
|           | Capital Receipts                             | (600)           | (900)           | (1,200)         | (1,500)         | (1,500)         | (5,700)         |
|           | Major Repairs Reserve                        | (6,500)         | (6,500)         | (6,500)         | (6,500)         | (6,500)         | (32,500)        |
|           | RCCO   | (2,908)         | (4,144)         | (3,790)         | (2,264)         | (2,364)         | (15,469)        |
|           | <b>TOTAL</b>                                 | <b>(10,008)</b> | <b>(11,544)</b> | <b>(11,490)</b> | <b>(10,264)</b> | <b>(10,364)</b> | <b>(53,669)</b> |

|  | £'000        | £'000        | £'000        | £'000        | £'000        | £'000         |
|--|--------------|--------------|--------------|--------------|--------------|---------------|
| <b>Housing Revenue Account</b>                 |              |              |              |              |              |               |
| Affordable Warmth/Central Heating              |              |              |              |              |              |               |
| Boiler Replacement                             | 667          | 1,001        | 1,001        | 500          | 500          | 3,669         |
| Heating / Hot Water Systems                    | 320          | 320          | 320          | 317          | 317          | 1,593         |
| Insulation programmes                          | 630          | 788          | 788          | 0            |              | 2,206         |
| Window Replacement                             |              |              |              | 112          | 112          | 223           |
| Front / Rear Door replacement                  | 448          | 359          | 269          | 125          | 125          | 1,326         |
| Internal Decent Homes Work                     |              |              |              |              |              |               |
| Kitchen Replacement                            | 1,402        | 1,402        | 1,121        | 410          | 410          | 4,746         |
| Bathroom replacement                           | 692          | 692          | 554          | 256          | 256          | 2,450         |
| Electrical Systems                             | 263          | 263          | 263          | 136          | 136          | 1,062         |
| External Decent Homes Work                     |              |              |              | 0            | 0            |               |
| Roof Replacement                               | 187          | 187          | 187          | 628          | 628          | 1,818         |
| Structural                                     | 598          | 598          | 478          | 802          | 802          | 3,278         |
| DISH   |              |              |              |              |              |               |
| <b>Decent Homes</b>                            | <b>5,207</b> | <b>5,610</b> | <b>4,981</b> | <b>3,287</b> | <b>3,287</b> | <b>22,372</b> |
|  |              |              |              |              |              | 0             |
| Winvale Refurbishment                          |              |              |              | 0            | 0            | 0             |
| Garage Improvements                            | 200          | 200          | 200          | 150          | 150          | 900           |
| Mechanical Systems /Lifts                      | 174          | 274          | 224          | 100          | 200          | 972           |
| Lifts  |              |              |              |              |              |               |
| Capitalised Repairs                            |              |              |              | 46           | 46           | 92            |
| Security & Controlled Entry Modernisation      | 44           | 44           | 44           | 0            |              | 132           |
| Parlaunt Shops-Flat Roof Replacement           |              |              |              | 0            |              |               |
| Darvills Lane - External Refurbs               |              |              |              | 200          | 200          | 400           |
| Estate Improvements/Environmental Works        | 200          | 200          | 200          | 221          | 221          | 1,041         |
| Replace Fascias, Soffits, Gutters & Down Pipes | 835          | 668          | 501          | 250          | 250          | 2,504         |
| Upgrade Lighting/Communal Areas                | 250          | 250          | 250          | 71           | 71           | 891           |
| Communal doors                                 | 47           | 47           | 28           | 78           | 78           | 277           |
| Balcony / Stairs / Walkways areas              | 81           | 81           | 49           | 171          | 171          | 553           |
| Paths  | 327          | 327          | 327          | 91           | 91           | 1,163         |
| Store areas                                    | 143          | 143          | 86           | 250          | 250          | 872           |

|  |                 |                 |                 |                 |                 |                 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Sheltered / supported upgrades               | 0               | 250             | 250             |                 |                 | 500             |
| <b>Planned Maintenance - Capital</b>         | <b>2,301</b>    | <b>2,484</b>    | <b>2,159</b>    | <b>1,627</b>    | <b>1,727</b>    | <b>10,298</b>   |
|  |                 |                 |                 |                 |                 |                 |
| Environmental Improvements (Allocated Forum) | 100             | 100             | 100             | 100             | 100             | 500             |
|  |                 |                 |                 |                 |                 |                 |
| Major Aids & Adaptations                     | 400             | 350             | 250             | 250             | 250             | 1,500           |
|  |                 |                 |                 |                 |                 |                 |
| Affordable Homes                             | 2,000           | 3,000           | 4,000           | 5,000           | 5,000           | 19,000          |
|  |                 |                 |                 |                 |                 |                 |
| <b>Housing Revenue Account</b>               | <b>10,008</b>   | <b>11,544</b>   | <b>11,490</b>   | <b>10,264</b>   | <b>10,364</b>   | <b>53,669</b>   |
|  |                 |                 |                 |                 |                 |                 |
| <b>Funding</b>                               |                 |                 |                 |                 |                 |                 |
| Section 106                                  |                 |                 |                 |                 |                 |                 |
| Capital Receipts                             | (600)           | (900)           | (1,200)         | (1,500)         | (1,500)         | (5,700)         |
| Major Repairs Reserve                        | (6,500)         | (6,500)         | (6,500)         | (6,500)         | (6,500)         | (32,500)        |
| RCCO   | (2,908)         | (4,144)         | (3,790)         | (2,264)         | (2,364)         | (15,469)        |
| <b>TOTAL</b>                                 | <b>(10,008)</b> | <b>(11,544)</b> | <b>(11,490)</b> | <b>(10,264)</b> | <b>(10,364)</b> | <b>(53,669)</b> |

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**SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Cabinet **DATE:** 10<sup>th</sup> February 2014

**CONTACT OFFICER:** Joseph Holmes; Assistant Director Finance & Audit, section 151 officer  
**(For all enquiries)** (01753) 875358

**WARD(S):** All

**PORTFOLIO:** Cllr. Rob Anderson; Commissioners for Finance & Strategy

**PART I**  
**KEY DECISION**

**REVENUE BUDGET 2014-15**

1 **Purpose of Report**

To detail the overall Revenue Budget for 2014-15, 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, the Government grant assumptions and estimations required for the next financial year's budget.

To approve a Council Tax freeze 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 approve the Discretionary and Hardship Relief Policy for 2014/15 (as detailed in appendix J) and to note the policy will be amended for 2015/16 to reflect that no charity or non profit making bodies receives more than 80% charity relief.

To approve the proposed increase in Housing Revenue Account rents and service charges for inclusion in the Budget Report for Council as detailed in Appendix K.

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

The Cabinet is requested to Recommend this budget to Council.

3. **The Slough Joint Wellbeing Strategy, the JSNA and the Corporate Plan**

The Slough Joint Wellbeing Strategy (SJWS) is the document that details the priorities agreed for Slough with partner organisations. The SJWS has been developed using a comprehensive evidence base that includes the Joint Strategic Needs Assessment (JSNA). Both are clearly linked and must be used in conjunction when preparing your report. They have been combined in the Slough Wellbeing Board report template to enable you to provide supporting information highlighting the link between the SJWS and JSNA priorities.

3a. **Slough Joint Wellbeing Strategy Priorities –**

This paper assists in the achievement of the all of the Strategy's priorities.

- Economy and Skills
- Health and Wellbeing
- Regeneration and Environment
- Housing
- Safer Communities

3b **Corporate Plan 2013/14**

The Plan's objectives are:

1. Improve customer experience
2. Deliver high quality services to meet local needs
3. Develop new ways of working
4. Deliver local and national change
5. Develop a skilled and capable workforce
6. Achieve value for money

The Plan includes targets for each of the objectives. This report helps achieve all of the above objectives by providing an overall financial strategy to support the delivery of the Corporate Plan.

4 **Other Implications**

(a) Financial: As detailed within the report.

(b) Risk Management

| <b>Risk</b>            | <b>Mitigating action</b>   | <b>Opportunities</b>                                 |
|------------------------|--|--|
| Legal                  | None   | none   |
| Property               | None   | None   |
| Human Rights           | None   | None   |
| Health and Safety      | None   | None   |
| Employment Issues      | A modest number of posts will be affected by changes proposed. These will be managed through the council's restructure, redundancy and redeployment policy and procedure | None   |
| Equalities Issues      | To be assessed per each proposed saving  | None   |
| Community Support      | None   | None   |
| Communications         | None   | None   |
| Community Safety       | None   | None   |
| Financial              | Detailed within the report   | None   |
| Timetable for delivery | April 2014   | 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 Council's responsibilities to provide minimum levels of provision in key areas. The set of savings proposals for 2014 – 2015 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.

### (d) Equalities Impact Assessment

Equalities Impact Assessments will require completion prior to final agreement of savings proposals. Proposals which are 'disinvestment' or a genuine reduction in service will require careful examination to ensure no group is disproportionately affected.

Members may have to consider making provision to fund any mitigation arising from detailed analysis of Equalities Impact Assessments.

### (e) Workforce

The proposed savings have a relatively low impact on staffing, with fewer than 20 staff affected. The Council has a number of measures to mitigate against compulsory redundancies including;

Developing staff skills to redeploy to alternative roles.

Obtaining staff savings from deletion of vacant posts.

Opportunities for Voluntary Redundancies.

## 5 Supporting Information

### 5.1 **Summary**

5.1.1 2014-15 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. This has been achieved whilst delivering a freeze for Council tax for the third time in the past four years.

5.1.2 There remain many difficult years ahead for the Council due to the financial pressures that it faces, but the budget for the 2014-15 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 2014-15 and the associated plans and assumptions contained within it. The Medium Term Financial Strategy, which accompanies this paper for approval, details the longer term financial challenges that the Council faces into the future years, whilst the capital strategy sets out the wider financial implications of decisions made in investing in the borough's infrastructure. The Treasury Management Strategy details how the Council will

undertake transactions concerning investments and borrowings and this is contingent on the capital strategy as well as having an impact on the revenue budget savings proposals for 2014-15.

### 5.1.3

| 2013-14 | Funding                              | 2014-15       |
|---------|--------------------------------------|---------------|
| 42.29   | Council Tax                          | 43.85         |
| 26.23   | Retained Business Rates              | 27.13         |
| 39.76   | Revenue Support Grant                | 32.47         |
| 2.11    | Education Services Grant             | 1.96          |
| 1.84    | NHS monies to support Social Care    | 2.36          |
| 1.76    | New Homes Bonus                      | 2.01          |
| 0.26    | Other non-ringfenced grants          | 1.03          |
|         | Collection Fund                      | 1.30          |
| 114.25  | <b>Total Budgeted income</b>         | <b>112.11</b> |
|         | Prior year baseline                  | 114.25        |
|         | Base budget                          | 3.54          |
|         | Directorate Pressures                | 8.20          |
|         | Revenue impact of Capital investment |               |
|         | Other adjustments                    | -1.34         |
|         | Savings identified                   | -12.53        |
|         | Savings to be identified             | 0.00          |
| 0       | <b>Net Expenditure</b>               | <b>112.11</b> |

## 5.2 Income

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

5.2.2 The amount of retained Business Rates is determined by the Council setting its estimation of Business Rates for the year ahead 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 2014-15 the tariff has been set at **£18.1m**. 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 Business Rates growth compared to the estimate, the Council retains 30% of this growth. If Business Rates drop, the Council is liable for 50% of the drop.

5.2.3 The Council also receives Revenue Support Grant (RSG). 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. For 2014-15, the amount of RSG announced in the provisional Local Government Finance Settlement is **£32.5m**. The finalised settlement is unlikely to be announced until just before the Cabinet meeting in early February

5.2.4 The final main sources of Council income is Council Tax. This is based on the Council Taxbase (i.e. the number of properties in the borough) as per the report to Cabinet in December 2013 multiplied by the average band D Council Tax amount. For 2014-15 the Council Tax levels across the borough will be frozen for the Slough Borough Council element at £1,173.27 for a band D equivalent. This leads to an assumed Council Tax income of **£43.9m** for the Council in 2014-15.

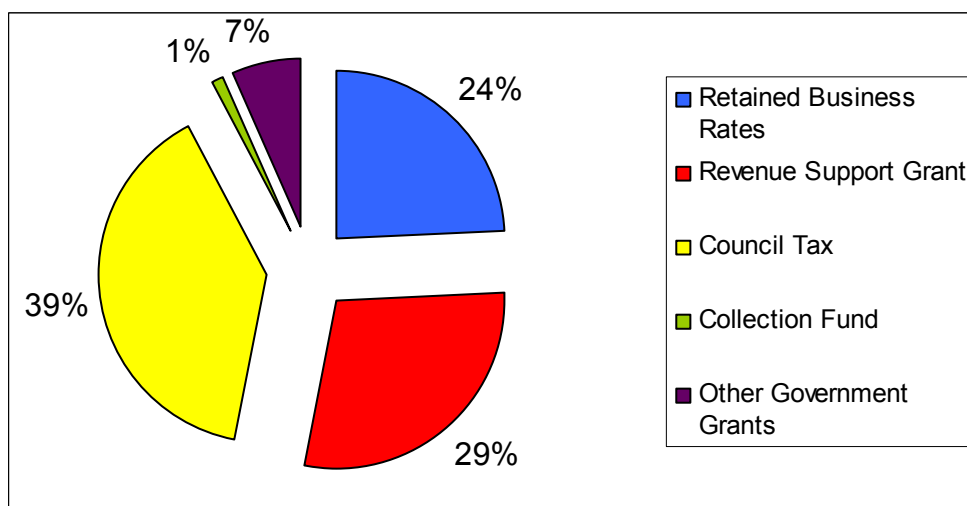


5.2.5 The other sources of Government grant income are clarified as per the Local Government Finance Settlement. Any variation from these in the finalised settlement will be reported to the Cabinet and Council. The total amount of non-ring-fenced Government Grants anticipated for 2014-15 is **£7.4m**. The main items included are the New Homes Bonus (£2.1m), NHS Monies to support Social Care (£1.9m), and Education Services Grant (estimated at £1.6m).

5.2.6 The final source of income 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 2013 for the 2013-14 budget. At present this is anticipated to produce a surplus of **£1.3m**.

5.2.7 The total income available to the Council for the 2014-15 for its net budget is therefore **£112.1m**.

**Chart 1.1: Council income sources**



5.2.8 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.

5.2.9 By far the largest specific grant the Council receives is the Dedicated Schools Grant (DSG). The majority of this is pass-ported through to Slough Schools via a formula mechanism developed through the Schools Forum. The expected level of DSG for Slough is **£136.6m**.

### 5.3 Expenditure

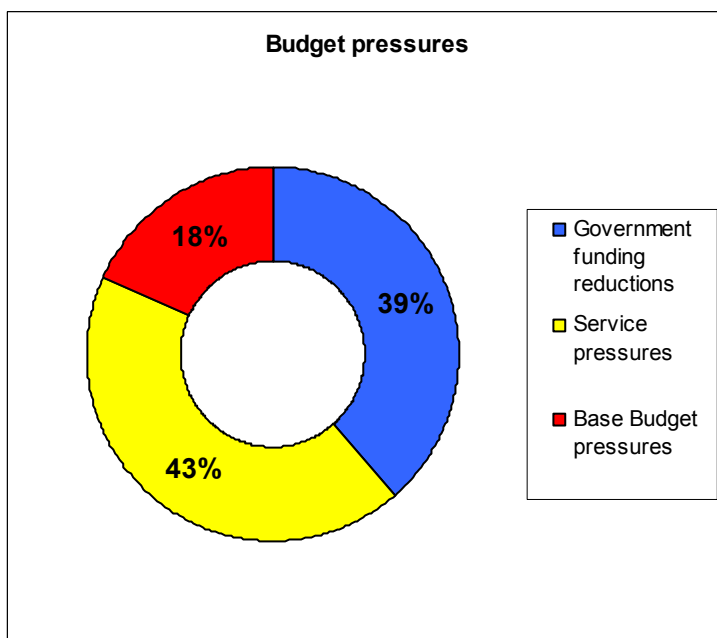
5.3.1 The Council's base budget for 2013-14 stood at £114.25m and it is against this figure that all adjustments are completed. The adjustments included:

- (1) Base budget **£3.5m** – these are movement due to inflationary pressures, pay award (assumed at 1% for 2014-15), incremental rises and other adjustments related to previous years and virements. Appendix B has further details.

- (2) Directorate Pressures **£8.2m** – these are the totals of increased pressures on the council for 2014-15. Appendix C provides details of these. The two main items of pressure relate to the Children’s Social Care increased staffing and growth in the number of Looked After Children, and the adjustment for rebalanced the phase one transactional services budget.
- (3) Savings of **£12.5m**. 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

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-ringfenced grants and the Collection Fund. The main pressures are highlighted below, and are detailed further in appendices B and C:

**Chart 1.2: Council wide pressures**



5.3.3 As can be seen from the above, the two main cost pressures come from reduction RSG from Government and from service pressures within the Council. The Council has little influence over the former as this is driven by the Government priorities. The latter costs are more controllable from the Council but are often due to demand led pressures. The one largest pressure being from Children’s Social Care of £3.3m in total (with a further potential £2.4m of one-off monies required during the year; these would be funded, to begin with, from an earmarked reserve, see appendix D). There are also some budget corrections that are required, as previously highlighted in the summer, in respect of the phase 1 transactional services budget, plus some pressures from reviewing the business rate classification on which the Council pays, demand in Adult Social Care and through the introduction of auto-enrolment.

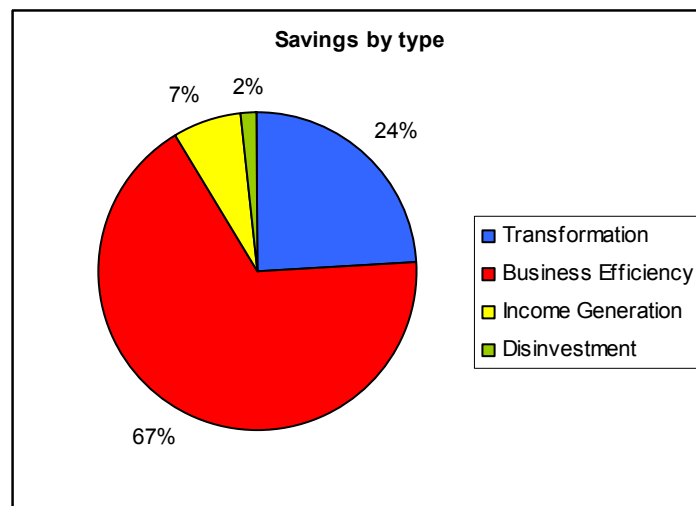
## 5.4 Strategy

5.4.1 The council has been regularly monitoring the levels of savings required for the year ahead, and reports have been presented to Cabinet in July and November detailing

the levels of savings required and providing an early sight of the savings proposals themselves. In November, the Cabinet approved for £9m of savings to be included in the 2014-15 Revenue Budget, and these are contained within appendix A to this report.

5.4.2 The Council has approached the budget round for 2014-15 utilising four main areas of challenge to deliver a balanced budget. Firstly, to ensure that any pressures are included within the budget setting process, but that these are supported by a strong evidence base. The second approach has been to ensure that business efficiency has been paramount throughout the savings approach; though this element of savings proposals will dwindle over the scale of the Medium Term Financial strategy, it is vital that the council continues to ensure that efficiencies are driven out of the organisation at every opportunity. The third element is delivering transformation programmes and changing how the Council operates and delivers services to its populations. Finally, and though these have been mitigated wherever possible, is a reduction in the service availability either internally to the Council or to our residents.

**Chart 1.3: Council Savings by type - 2014-15**



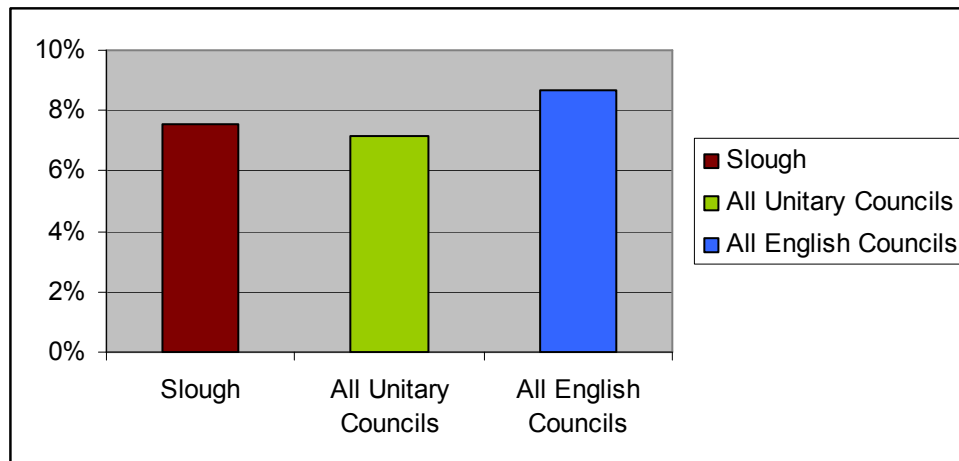
## 5.5 Reserves

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 plus 10% of the net Children's services budget. This is because it is in children's services that the greatest level of risk is coming from at present. This would mean a minimum level of **£7.5m** at the proposed budget figures. The current level of general reserves as at 31.3.2013 is £8.1m.

5.5.3 Below is chart showing the current position (i.e. as at 31.3.2013) of General Reserves compared to the Government's definition of net budget. This shows Slough's general reserves slightly above the average for all unitaries and beneath that for the average English Council. This indicates that the level of general reserve is not an outlier for being either too excessive or being too being low and unable to protect the Council's position to deal with any in-year shocks.

**Chart 1.4: Slough Council's general reserves vs. other unitary Councils and all English Councils**



5.5.4 It is also important to note that as part of the Children's Social Care pressures, there are up to £2.4m of additional one-off costs from the staffing pressure that need to be provided for. This would be on the basis that as at the start of the financial year, the service recruiting into the newly established additional social worker and related posts with agency staff (which are more expensive than permanent members of staff), and the existing posts are also fully recruited to. The £2.4m would be funded from a combination of the 'contingency-demography' earmarked reserve along with any general fund reserve above the minimum level required.

## 5.6 Risk Management

5.6.1 Given the level of savings for 2014-15, 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 2014-15 financial year, as has been the case in 2013-14, 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 its 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 directorate budgets

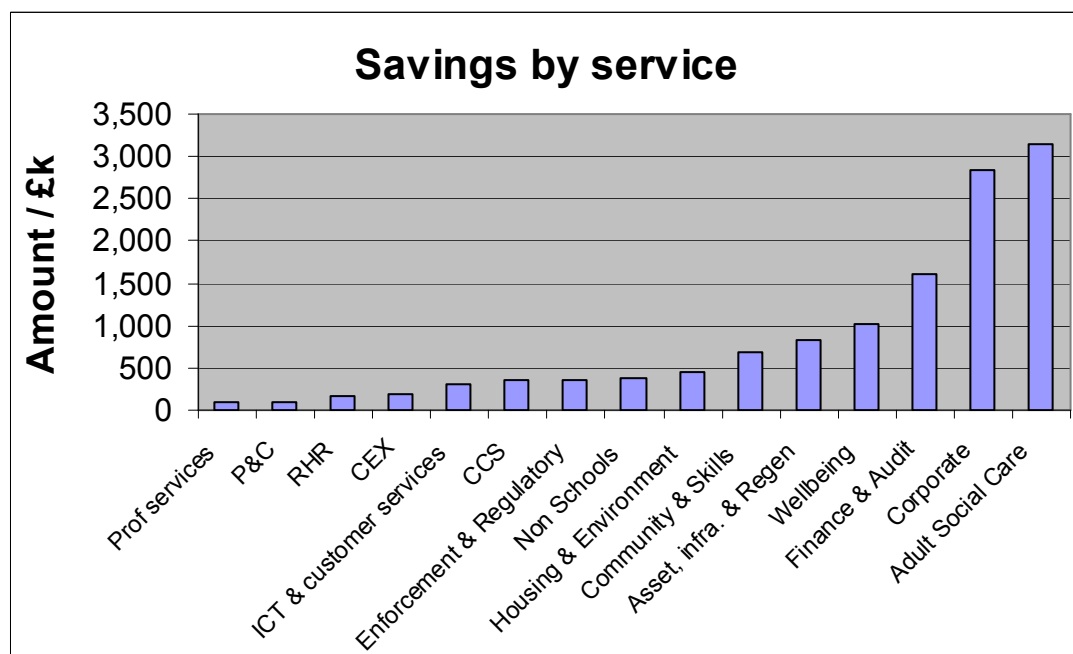
5.7.1 The table below highlights the changes to directorate budgets as a result of all of changes detailed in the budget and associated papers.

**Table 2.1: Impact on directorate budgets** (n.b. not all savings have been allocated through)

|                        | 2013-14 / £ | 2014-15 / £ | Variance    | % variance |
|------------------------|-------------|-------------|-------------|------------|
| <b>Wellbeing</b>       | 61,784,700  | 64,328,504  | 2,543,804   | 4.1        |
| <b>CCS</b>             | 19,058,710  | 21,255,671  | 2,196,961   | 11.5       |
| <b>RHR</b>             | 23,647,930  | 23,191,393  | (456,537)   | (1.9)      |
| <b>Chief Executive</b> | 4,462,930   | 4,297,450   | (165,480)   | (3.7)      |
| <b>Corporate</b>       | 5,632,083   | (579,787)   | (6,211,870) | (110.3)    |

n.b. 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.

**Chart 1.5: Total savings proposed by service area**



## 6 Comments of Other Committees

This report is due to the Overview & Scrutiny Committee on the 6<sup>th</sup> February 2014

## 7 Conclusion

- 7.1. This report underlines a 0% Council Tax rise for the local taxpayer for 2014-15, and the delivery of this 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.
- 7.2. This report also contains a subsequent number of Council Tax resolutions for approval to enable the Council to bill residents in appropriate time.

8 **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' - Revised Discretionary and Hardship Relief policy
- 'K' - HRA Rents and Service Charges

9 **Background Papers**

- '1' - Local Government Finance Settlement 2014-15
- '2' - Council Taxbase report (December 2013 Cabinet)
- '3' - Medium Term Finance Strategy update paper to Cabinet – November 2013 and January 2014.

## Appendix A – Savings proposals 2014-15

| No | Directorate | Service           | Service Lead | Item  | Amount / £k | Delivery   | Type              | Staffing impact | EIA2 required               |
|----|-------------|-------------------|--------------|---|-------------|--|-------------------|-----------------|-----------------------------|
| 1  | Wellbeing   | Adult Social Care | ASi          | Transformational Strategy                         | 750         | LD Change Programme  | Transformation    | None            | Already Agreed/ Implemented |
| 2  | Wellbeing   | Adult Social Care | ASi          | Supporting People                                 | 25          | Contracting Efficiency   | Efficiency        | None            | Already Agreed/ Implemented |
| 3  | Wellbeing   | Wellbeing         | JW           | Commissioning efficiencies in Childrens service   | 250         | Improved procurement & Commissioning, Greater adoption and foster carers, Lower rental costs & support staff savings | Efficiency        | None            | Yes                         |
| 4  | Wellbeing   | Wellbeing         | JW           | Directorate Savings                               | 100         | Reduction of support costs following merger of Wellbeing & ECS   | Efficiency        | None            | No                          |
| 5  | Wellbeing   | Adult Social Care | ASi          | Redesign of speedwell employment services         | 100         | Removal of transition budget following completion of service reviews   | Efficiency        | None            | No                          |
| 6  | Wellbeing   | Adult Social Care | ASi          | Increase of Fees & Charges in line with inflation | 180         | Increase fees and charges in line with rest of the Budget paper  | Income Generation | None            | No                          |
| 7  | Wellbeing   | Non Schools       | RC           | Raising Participation Partnership                 | 25          | Service to cease, SBC surplus contribution   | Efficiency        | None            | No                          |
| 8  | Wellbeing   | Wellbeing         | ASn          | Prevention & Protection                           | 614         | Better integration of Public Health and Wellbeing services   | Efficiency        | None            | No                          |
| 9  | Wellbeing   | Non Schools       | RC           | Services to Schools Review                        | 202         | Savings due to new Contract  | Transformation    | None            | No                          |
| 10 | Wellbeing   | Non Schools       | RC           | Services to Schools Review                        | 140         | Removal of Budget not included in Contract   | Efficiency        | None            | No                          |

## Appendix A – Savings proposals 2014-15

| No | Directorate | Service           | Service Lead | Item  | Amount / £k | Delivery   | Type           | Staffing impact | EIA2 required               |
|----|-------------|-------------------|--------------|---|-------------|--|----------------|-----------------|-----------------------------|
| 11 | Wellbeing   | Adult Social Care | ASi          | Staffing - reviewing officers, PM and reablement and vacant posts from restructure in 14/15 | 170         | Staffing - reviewing officers, PM and reablement and vacant posts from restructure in 14/15                | Efficiency     | 1-2             | No                          |
| 12 | Wellbeing   | Adult Social Care | ASi          | Inflation contingency   | 200         | Further efficiencies resulting from review and recommissioning   | Efficiency     | None            | No                          |
| 13 | Wellbeing   | Adult Social Care | ASi          | Reablement - reduction in care packages   | 170         | Greater and better outcomes from the reablement service leading to reductions in home care packages        | Transformation | None            | No                          |
| 14 | Wellbeing   | Adult Social Care | ASi          | Review of the Resource Allocation System  | 200         | Review and recalibration of the RAS leading to reduced costs   | Efficiency     | None            | No                          |
| 15 | Wellbeing   | Adult Social Care | ASi          | Extra Care Housing Internal Service   | 50          | Review and renegotiation of the existing Extra Care Schemes  | Transformation | None            | No                          |
| 16 | Wellbeing   | Adult Social Care | ASi          | Internal Day services   | 100         | Review of Internal Day Services  | Transformation | None            | Yes                         |
| 17 | Wellbeing   | Wellbeing         | Asn          | Public Health cost recovery   | 50          | New Public Health Service making an appropriate contribution for departmental and central support services | Efficiency     | None            | Already Agreed/ Implemented |
| 18 | Wellbeing   | Wellbeing         | ASi          | Community & Voluntary sector commissioning  | 150         | Lower costs from re-commissioning activity with third sector groups  | Transformation | None            | Yes                         |
| 19 | Wellbeing   | Wellbeing         | ASi          | Telecare & equipment  | 25          | Savings resulting from greater investment in telecare services   | Transformation | None            | No                          |
| 20 | Wellbeing   | Adult Social Care | Asi          | Supporting People Efficiencies  | 437         | Recommissioning  | Efficiency     | None            | No                          |



## Appendix A – Savings proposals 2014-15

| No | Directorate | Service                  | Service Lead | Item  | Amount / £k | Delivery  | Type           | Staffing impact     | EIA2 required       |
|----|-------------|--------------------------|--------------|---|-------------|---|----------------|---------------------|---------------------|
| 21 | Wellbeing   | Adult Social Care        | Asi          | Meals Service                                       | 63          | Service Review  | Efficiency     | None                | No                  |
| 22 | Wellbeing   | Adult Social Care        | ASi          | Management of Contract Price Inflation              | 440         | Award inflation at a lower level than assumed in MTFS   | Efficiency     | None                | No                  |
| 23 | Wellbeing   | Adult Social Care        | ASi          | Extra Care Housing Internal Service                 | 78          | Efficiencies resulting from better use and arrangement of existing Extra Care provision                             | Efficiency     | None                | No                  |
| 24 | Wellbeing   | Adult Social Care        | ASi          | Central efficiencies                                | 28          | Efficiencies from non-staffing budgets within Central Management  | Efficiency     | None                | No                  |
| 25 | CCS         | Corporate                | RP           | Phase 2 Accommodation Strategy                      | 240         | Recharge to Housing for occupancy of space left by the transfer over to Arvato (phase 2) of Customer Service staff. | Efficiency     | Already implemented | Already implemented |
| 26 | CCS         | Enforcement & Regulatory | RP/AS        | Transport review                                    | 100         | Corporate review led by AS. Report issued. To be implemented during 2014-15 onwards.                                | Transformation | None                | No                  |
| 27 | CCS         | CCS                      | RP           | Efficiency target                                   | 149         | In year reviews by services.  | Efficiency     | None                | No                  |
| 28 | CCS         | Enforcement & Regulatory | RP           | Deletion of the Head of Enforcement Services post   | 20          | The service area is due to be merged into Housing and Neighbourhoods Division in late 2013.                         | Transformation | 1-2                 | No                  |
| 29 | CCS         | Enforcement & Regulatory | RP           | Reduce expenditure on land charges software license | 37          | Cost of license from software supplier has reduced.   | Efficiency     | None                | No                  |
| 30 | CCS         | Enforcement & Regulatory | RP           | Remove expenditure on SEERA                         | 3           | SBC is no longer a member of this regional policy group   | Disinvestment  | None                | No                  |
| 31 | CCS         | Enforcement & Regulatory | RP           | Remove expenditure on ACTVAR                        | 4.5         | SBC is no longer a member of this sub regional policy group   | Disinvestment  | None                | No                  |

## Appendix A – Savings proposals 2014-15

| No | Directorate | Service                  | Service Lead | Item  | Amount / £k | Delivery   | Type              | Staffing impact | EIA2 required |
|----|-------------|--------------------------|--------------|---|-------------|--|-------------------|-----------------|---------------|
| 32 | CCS         | Enforcement & Regulatory | RP           | Increase income budget on pre-application meetings  | 3           | Some changes to income fee budgets needed to reflect actual income and increase is achievable.                                     | Income Generation | None            | No            |
| 33 | CCS         | Enforcement & Regulatory | RP           | Reduce expenditure in outsourced Transport Policy commissions                                       | 15          | Reduce contract commissioning for Transport Policy work and provide it in-house  | Transformation    | None            | No            |
| 34 | CCS         | Enforcement & Regulatory | RP           | Reduce expenditure in staffing code by saving on staffing costs and increasing recharge to capital. | 40          | Reduce expenditure on staff support costs, travel budgets and increase recharge to capital   | Efficiency        | None            | No            |
| 35 | CCS         | Enforcement & Regulatory | RP           | Reduce revenue funded traffic management scheme expenditure   | 22          | Reduce the number of small traffic management schemes carried out through the revenue budget                                       | Disinvestment     | None            | No            |
| 36 | CCS         | Enforcement & Regulatory | RP           | Reduce expenditure in Transport Planning activity and replace with capital funds                    | 30          | The Transport Planning service will refocus on bidding for capital funds through government departments to replace funds           | Disinvestment     | None            | No            |
| 37 | CCS         | Enforcement & Regulatory | RP           | Recharge Network Management technician post - 1 FTE - to Capital                                    | 30          | Recharge this post from the organisational structure to Capital budget. It will be costed against approved capital scheme budgets. | Transformation    | 1-2             | No            |
| 38 | CCS         | Enforcement & Regulatory | RP           | Reduce expenditure in the Business support team   | 6.5         | The role of the Business Support team is changing and some operational budgets are no longer needed.                               | Efficiency        | None            | No            |

## Appendix A – Savings proposals 2014-15

| No | Directorate | Service                  | Service Lead | Item   | Amount / £k | Delivery  | Type              | Staffing impact | EIA2 required |
|----|-------------|--------------------------|--------------|--|-------------|---|-------------------|-----------------|---------------|
| 39 | CCS         | Enforcement & Regulatory | RP           | Increase Primary Authority income                              | 5           | Refocus staff on PA activity to generate more income  | Transformation    | None            | No            |
| 40 | CCS         | Enforcement & Regulatory | RP           | Reduce expenditure in Trading Standards operational budgets    | 20          | The methods of Trading Standards has evolved and does not require the same level of funding for the same output | Efficiency        | None            | No            |
| 41 | CCS         | Community & Skills       | AS           | Youth efficiency   | 100         | NB - not a new saving. Year 2 planned savings from youth service review.  | Efficiency        | None            | No            |
| 42 | CCS         | Community & Skills       | AS           | Reduced cost of Thames Valley Athletics Centre contract to SBC | 10          | Reduced cost of TVAC contribution through contract efficiencies   | Efficiency        | None            | No            |
| 43 | CCS         | Community & Skills       | AS           | Libraries efficiencies   | 50          | Efficiencies in facilities management, stock management, self service   | Efficiency        | None            | No            |
| 44 | CCS         | Community & Skills       | AS           | Arts and sport projects  | 20          | Stop arts and sports support - no projects or help for clubs or community arts organisations.                   | Disinvestment     | None            | No            |
| 45 | CCS         | Community & Skills       | AS           | Registrars, cemetery & crematorium income                      | 200         | Increased income  | Income Generation | None            | No            |
| 46 | CCS         | Community & Skills       | AS           | Community centres income                                       | 25          | Increased income from promotion of community centres  | Income Generation | None            | No            |
| 47 | CCS         | ICT & customer services  | RP           | ICT software cost savings                                      | 300         | Successful renegotiation of ICT software contracts leading to reduced annual costs.                             | Efficiency        | None            | no            |
| 48 | CCS         | Community & Skills       | AS           | CLASS staffing   | 20          | 1st part year impact (total £50K). Reduction of 1 FTE management post following end of Migration Excel contract | Disinvestment     | 1-2             | Yes           |

## Appendix A – Savings proposals 2014-15

| No | Directorate | Service                  | Service Lead | Item   | Amount / £k | Delivery  | Type              | Staffing impact | EIA2 required |
|----|-------------|--------------------------|--------------|--|-------------|---|-------------------|-----------------|---------------|
| 49 | CCS         | Community & Skills       | AS           | Community Services staff                         | 10          | Delete vacant PT post   | Disinvestment     | 1-2             | No            |
| 50 | CCS         | Community & Skills       | AS           | Pitch bookings                                   | 13          | Saving from managing pitch bookings in SBC as part of community bookings team (bringing it in from SCL)                         | Efficiency        | 1-2             | No            |
| 51 | CCS         | Community & Skills       | AS           | Additional income from registration services     | 50          | New income generating services and cessation of hospital registration service as identified through service review              | Income Generation | 0               | No            |
| 52 | CCS         | Community & Skills       | AS           | Parks buildings income                           | 20          | Income from new lettings  | Income Generation | 0               | No            |
| 53 | CCS         | Community & Skills       | AS           | Young People's Service                           | 50          | Year 3 planned savings from youth service review. Already in the MTFs for 2015/16 - not to be double counted                    | Efficiency        | 1-2             | No            |
| 54 | CCS         | Community & Skills       | AS           | Libraries inflation uplift                       | 109         | Withhold 2014/15 CPI inflation uplift for libraries   | Efficiency        | 0               | No            |
| 55 | CCS         | CCS                      | RP           | Deleted of Assistant Director Posts              | 250         | Removal of Budget following senior management review  | Efficiency        | 1               | No            |
| 56 | CCS         | Enforcement & Regulatory | GdH          | Increase in cost recovery from Primary Authority | 5           | Further refocus staff on primary Authority activity to generate more cost recovery income. Reducing spend on agency specialists | Income Generation | None            | No            |
| 57 | CCS         | Enforcement & Regulatory | SD           | Reduce expenditure ordinance survey fees D206    | 10          | Reduced cost expected   | Efficiency        | none            | no            |
| 58 | RHR         | RHR                      | SR           | Efficiency target                                | 171         | Delivered through restructuring of directorate  | Efficiency        | 1-2             | no            |

## Appendix A – Savings proposals 2014-15

| No | Directorate | Service               | Service Lead | Item  | Amount / £k | Delivery  | Type       | Staffing impact | EIA2 required |
|----|-------------|-----------------------|--------------|---|-------------|---|------------|-----------------|---------------|
| 59 | RHR         | Finance & Audit       | JH           | Reduction in External/Audit fees  | 16          | Reduction of External Audit fee budget through more effective closedown procedures                                  | Efficiency | None            | No            |
| 60 | RHR         | Finance & Audit       | JH           | Contribution to directorate efficiency savings; reduce supplies & services spend              | 10          | Reduce spend through more effective use of supplies & services spend  | Efficiency | None            | No            |
| 61 | RHR         | Finance & Audit       | JH           | Reduce training budget in line with lower staffing levels                                     | 10          | Reduced training spend as fewer staff within the service & more efficient training options                          | Efficiency | None            | No            |
| 62 | RHR         | Finance & Audit       | JH           | Recharge treasury management support provided by Treasury Management advisors for HRA support | 15          | More reliance on the Council's own Treasury Management knowledge rather than utilising advisors                     | Efficiency | None            | No            |
| 63 | RHR         | Finance & Audit       | JH           | Removal of Principal Accountant post supporting the Wellbeing directorate                     | 52          | Remove post (currently filled by agency) due to Government education reforms and Services to Schools project        | Efficiency | 1-2             | No            |
| 64 | RHR         | Asset, infra. & Regen | JC           | Street Nameplate Maintenance  | 10          | Following significant capital investment in 12-13 & 13-14 reduced maintenance expenditure required for future years | Efficiency | None            | No            |
| 65 | RHR         | Asset, infra. & Regen | JC           | Public Rights of Way consultancy budget   | 4           | Improved knowledge of the Council's RoW Officer has led to reduced demand for specialised RoW consultancy support   | Efficiency | None            | No            |

## Appendix A – Savings proposals 2014-15

| No | Directorate | Service               | Service Lead | Item   | Amount / £k | Delivery   | Type              | Staffing impact | EIA2 required      |
|----|-------------|-----------------------|--------------|--|-------------|--|-------------------|-----------------|--------------------|
| 66 | RHR         | Asset, infra. & Regen | JC           | Flood Control  | 53          | Improved efficiencies in Asset Management and Flood Management cyclic maintenance regimes with our term contractors                        | Efficiency        | None            | No                 |
| 67 | RHR         | Asset, infra. & Regen | JC           | Disabled Crossing / tactile paving budget  | 50          | Following significant investment/improvement & compliance over the last 10 years there is a reduced demand on this budget                  | Efficiency        | None            | No                 |
| 68 | RHR         | Asset, infra. & Regen | JC           | Highway Fencing  | 27          | Following significant investment/improvement of the highway fencing asset over the last 10 years there is a reducing demand on this budget | Efficiency        | None            | No                 |
| 69 | RHR         | Asset, infra. & Regen | JC           | Illuminated Sign and Bollard Maintenance   | 30          | Undertake reduced level of illuminated sign and bollard maintenance  | Disinvestment     | None            | No                 |
| 70 | RHR         | Asset, infra. & Regen | JC           | Reactive Highway Maintenance works- road and pavement patching and pothole repairs | 80          | 10% reduction in level of reactive works carried out to footways and carriageway throughout borough  | Disinvestment     | None            | No                 |
| 71 | RHR         | Housing & Environment | NA           | Restructure  | 50          | Delivered through restructuring of services.   | Transformation    | 6-10            | Already undertaken |
| 72 | RHR         | Housing & Environment | SR           | Negotiate waste services contract with Bucks SS                                    | 100         | Negotiate waste services contract with Bucks SS  | Efficiency        | None            | No                 |
| 73 | RHR         | Housing & Environment | HK           | Reclaiming funding for vulnerable households                                       | 60          | Reclaim funding for vulnerable households  | Income Generation | None            | No                 |

## Appendix A – Savings proposals 2014-15

| No | Directorate | Service               | Service Lead | Item   | Amount / £k | Delivery   | Type       | Staffing impact | EIA2 required |
|----|-------------|-----------------------|--------------|--|-------------|--|------------|-----------------|---------------|
| 74 | RHR         | Housing & Environment | HK           | Homeless Costs                                 | 25          | Renegotiate Hostels contract   | Efficiency | None            | No            |
| 75 | RHR         | Finance & Audit       | JH           | Internal Audit Plan                            | 25          | Reduce Internal Audit Annual plan coverage   | Efficiency | None            | No            |
| 76 | RHR         | Finance & Audit       | JH           | Insurance contract management                  | 170         | Reduced costs through contract management savings  | Efficiency | None            | No            |
| 77 | RHR         | Asset, infra. & Regen | JC           | Footway Works - highways capitalisation        | 220         | Capitalisation of currently revenue costs  | Efficiency | None            | No            |
| 78 | RHR         | Finance & Audit       | JH           | Insurance re-tendering savings                 | 15          | Additional savings based on retendering  | Efficiency | None            | No            |
| 79 | RHR         | Asset, infra. & Regen | JC           | Restructure Highways and transport services    | 200         | Restructure savings from internal restructure  | Efficiency |                 |               |
| 80 | RHR         | Housing & Environment | NA           | enforcement efficiencies                       | 15          | Efficiency savings across the service  | Efficiency | None            | No            |
| 81 | RHR         | Housing & Environment | JC           | Asset maintenance capitalisation               | 250         | Capitalisation of asset maintenance  | Efficiency | None            | No            |
| 82 | RHR         | Housing & Environment | NA           | Waste strategy savings                         | 100         | Smarter working  | Efficiency | None            | No            |
| 83 | Chief Exec. | CEX                   | RB           | Efficiency target                              | 50          | Reduction in Printing Costs  | Efficiency | None            | No            |
| 84 | Chief Exec. | P&C                   | TL           | Deletion of Equalities project work budget     | 12.5        | Deletion of Equalities project work budget   | Efficiency | None            | Yes           |
| 85 | Chief Exec. | P&C                   | TL           | Reduction of Community Cohesion project budget | 20          | Reduction of Community Cohesion project budget   | Efficiency | None            | Yes           |
| 86 | Chief Exec. | P&C                   | TL           | Citizen  | 38          | Change from paper to digital based newspaper provision whilst retaining some targeted paper provision. | Efficiency | None            | Yes           |

## Appendix A – Savings proposals 2014-15

| No    | Directorate | Service                   | Service Lead | Item                             | Amount / £k | Delivery  | Type              | Staffing impact | EIA2 required |
|-------|-------------|---------------------------|--------------|----------------------------------|-------------|---|-------------------|-----------------|---------------|
| 87    | Chief Exec. | Prof services             | KG           | Reduction in HR support required | 95          | Reduction in posts in HR team as overall staff numbers in organisation reduces  | Efficiency        | 1-2             | Yes           |
| 88    | Chief Exec. | Policy and Communications | TL           | Additional income                | 25          | Review of income generation opportunities for events.   | Income Generation | None            | No            |
| 88a ? | Chief Exec. | Policy and Communications | TL           | Efficiency Target                | 77          | Review of income generation opportunities   | Income generation | None            | No            |
| 89    | Chief Exec. | Professional Services     | KG           | Efficiency Target                | 45          | Efficiencies across Professional Services   | Efficiency        | None            | No            |
| 90    | Corporate   | Corporate                 | CMT          | Fees and charges review          | 250         | Review of fees and charges across all directorates  | Income Generation | None            | No            |
| 91    | Corporate   | Corporate                 | RP           | Review Major Contracts           | 500         | Review of all major contracts   | Efficiency        | None            | No            |
| 92    | Corporate   | Finance & Audit           | JH           | Increased Investment Returns     | 1300        | Variety of TM options including longer term investments, diversifying the investment strategy and paying up front LGPS costs. | Transformation    | None            | No            |
| 93    | Corporate   | Corporate                 | JH           | Removal of contingency budget    | 1850        | Removal of corporate contingency budget   | Efficiency        | None            | No            |



## Appendix B - Base Budget Adjustments

As part 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 that the Council faces and identifies how these are applied across the Council's different directorates (all £'000s):

| Directorate  | Wellbeing    | CCS        | RHR        | CEX       | Non-Service  | Totals       |
|--|--------------|------------|------------|-----------|--------------|--------------|
| Pay inflation  | 354          | 84         | 59         | 33        | 0            | <b>530</b>   |
| Incremental rises  | 168          | 234        | 63         | 0         | 0            | <b>465</b>   |
| Contractual inflation  | 892          | 375        | 516        | 0         | 0            | <b>1,783</b> |
| Reversal of one-off items from 2013/14                                   | 669          | (493)      | (9)        | 0         | 424          | <b>591</b>   |
| Cost of increase in LGPS Contributions                                   | 0            | 0          | 0          | 0         | 75           | <b>75</b>    |
| Adjustment for additional income following Single Person Discount review | 0            | 0          | 0          | 0         | (500)        | <b>(500)</b> |
| One-off utilisation of provision no longer required                      | 0            | 0          | 0          | 0         | (500)        | <b>(500)</b> |
| One-off utilisation of earmarked reserve no longer required              | 0            | 0          | 0          | 0         | (60)         | <b>(60)</b>  |
| One-off saving from RHR  | 0            | 0          | (192)      | 0         | 0            | <b>(192)</b> |
| <b>Total</b>   | <b>2,083</b> | <b>200</b> | <b>437</b> | <b>33</b> | <b>(561)</b> | <b>2,192</b> |

Included with the above is an assumption of an increase to the employers contribution to Local Government Pension scheme of 0.5%.

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## Appendix C – Council service pressures

Detailed below is the listing of the Council's service pressures for the year ahead. These represent genuine budgetary pressures, as opposed to new service growth initiatives, that the Council requires in order to continue providing its current services.

| No | Directorate | Service                 | Service Lead | Growth bid  | Amount / £k | Service Benefits  | Impact of not Approving  | Additional Staffing Impact |
|----|-------------|-------------------------|--------------|---|-------------|---|--|----------------------------|
| 1  | Wellbeing   | Children & Families     | KF           | LAC Placements  | 2,490       | To meet the costs of LAC placements – summarised in January Cabinet papers.   | Significant Budget Pressure  | None                       |
| 2  | Wellbeing   | Children & Families     | KF           | Staff Costs in Children, Young People & Families        | 843         | To increase the numbers of social workers and reduce the number of cases per social workers. To decrease the Council's reliance upon agency staff and to 'grow' the Council's own staff.  | Higher levels of cases per social workers; increased agency costs  | 11+                        |
| 3  | Wellbeing   | Adult Social care       | AS           | Increased support to adults with learning disabilities  | 291         | To meet the cost of demographic pressure/transitions for adults social care clients   | Significant budget pressure as most of these clients are already known to the council and receiving care as children                             | None                       |
| 4  | Wellbeing   | Education (Non Schools) | JW           | Increased support to adults with learning disabilities  | 100         | To provide for costs of the retained organisation following the outsourcing of the SSR contract with CE – savings included within appendix A  | budget pressure as the new structure has been agreed.  | 3                          |
| 5  | Wellbeing   | ASC                     | AS           | Better Care Fund  | 429         | Additional funding announced by Central Government for the lead up to the implementation of the Better Care Fund. Additional funding to be agreed with the Clinical Commissioning Group as this is a funding transfer from the CCG and is funding CCG services. | Monies are left unspent and the Council / NHS fail to prepare effectively for a significant shift in utilising joint social care / NHS resources | None                       |
| 6  | CCS         | Customer & ICT          | RP           | Contract Management for transactional services Phase II | 100         | To ensure the effective delivery of the second phase of transactional services and that contract management arrangements are in place.  | Increased cost due to the contractor not being monitored effectively   | 1-2                        |

## Appendix C – Council service pressures

| No | Directorate | Service                  | Service Lead | Growth bid   | Amount / £k | Service Benefits  | Impact of not Approving  | Additional Staffing impact |
|----|-------------|--------------------------|--------------|--|-------------|---|--|----------------------------|
| 7  | CCS         | Procurement              | RP           | Procurement specialist due to transactional services phase II transfer | 40          | Existing post transferred over to arvato as part of the phase 2 contract; this is re-establishing the post within SBC.  | Lack of effective procurement resource   | 1-2                        |
| 8  | CCS         | Enforcement & Regulatory | RP           | CCTV/Careline revenue support  | 134         | The revenue support for the previous CCTV/Careline control room was deleted from the budget during 2011/12. This is currently a pressure on the revenue budget.   | Ongoing pressure on the budget which does not have the ability to recover that cost  | None                       |
| 9  | CCS         | Enforcement & Regulatory | RP           | Community Safety Salary Budget   | 58          | The salary budgets from H235 were deleted from the 13/14 budget. This is currently a pressure on the budget   | Ongoing pressure on the budget which does not have the ability to recover that cost  | None                       |
| 10 | CCS         | Enforcement & Regulatory | SD           | Cover the shortfall in Organic Verification Income                     | 20          | Removal of ongoing financial pressure created by unachievable income target set in 2003   | Service will continue face annual £20K shortfall which can no longer be offset by slippage from other budgets in the service area. | None                       |
| 11 | CCS         | Community & Skills       | AS           | Rates liability libraries and leisure                                  | 376         | Cover cost of removal of full business rates exemption for Slough Community Leisure (the Centre £202Kpa) and Library Services Slough (£202K pa plus £29K additional for Britwell library element of the rates). The service saving from rates has previously been taken as a corporate saving | Substantial customer service reductions  | None                       |

## Appendix C – Council service pressures

| No | Directorate | Service                  | Service Lead | Growth bid   | Amount / £k | Service Benefits   | Impact of not Approving  | Additional Staffing impact |
|----|-------------|--------------------------|--------------|--|-------------|--|--|----------------------------|
| 12 | CCS         | Enforcement & Regulatory | RP           |  | 103         | An audit of SBC's GIS capability was conducted in July 2011 during which it was identified that the current GIS business support model at the Council is constrained by financial and staff resources. The provision of additional resources is fundamental in supporting the potential growth and development in the use, application and fulfilling the GIS requirements for services across the Council in the long-term.   | Currently there is no formal GIS resource, such as a Officer/Manager and/or team. Without the adequate provision of resources, in the form of technical and financial investment for a continually developing and expanding service application, there is an increased risk in the inability to achieve the strategic objectives of the service which could reduce the effectiveness of the public services offered at the Council.  | 1-2                        |
| 13 | CCS         | Enforcement & Regulatory | SD           | SIFE Inquiry (Slough Intermodel Freight Exchange) - <b>one off requirement</b> | 65          | All Planning Authorities are required to defend the reasons why they have refused a planning application at an appeal. Since the Secretary has decided that this appeal will be a public inquiry it is necessary to provide suitably qualified expert witnesses and be properly legally represented.<br><br>The Council doesn't have the necessary legal expertise and so we will have to hire a Barrister as well as rooms at The Centre for 3 weeks for the Inquiry and for the Inspector and barrister. | If the Council does not present the necessary evidence to the Inquiry the development will be approved contrary to the wishes of the Planning Committee who refused the application.<br><br>The Council could also be liable for significant costs to be awarded against it if it cannot substantiate any of the reasons for refusal. Failure to properly defend the case at the Inquiry would result in significant loss of reputation and undermine the confidence in the planning system. |                            |

## Appendix C – Council service pressures

| No | Directorate | Service          | Service Lead | Growth bid   | Amount / £k | Service Benefits  | Impact of not Approving  | Additional Staffing impact |
|----|-------------|------------------|--------------|--|-------------|---|--|----------------------------|
| 14 | CCS         | Customer Service | RP           | Blue Badge Provision   | 31          | There is currently a deficit in the Blue Badge budget creating a pressure of £31,000 - the cost for a Mobility Assessor (£29,000) and internal printing costs (£2,200). | Ongoing pressure on the budget   | None                       |
| 15 | RHR         | Environment      | NH           | Street Cleansing   | 75          | General Improved environment<br>- Increased Cleaning regime and new waste & recycling collection  | Shortfall of budget will remove resources from these areas hence street cleaning will have a direct impact locally.  | None                       |
| 16 | RHR         | Housing (GF)     | HK           | Homelessness funding to replace the specific grant subsumed into the RSG           | 140         | To provide a required service to those in need of temporary accommodation.  | Shortfall of budget will remove resources from this service, causing considerable pressure in delivery of this service leading to severe distress to families in need. | None                       |
| 17 | Chief Exec. | Policy & Comms.  | TL           | <b>Two year funding only</b> - Economic development and incentivisation work       | 50          | Increase Business rates / retained Business Rates to the Council  | Further risk of declining business rates and a reduced budgetary position for the Council overall  | 1-2                        |
| 18 | Corporate   | All              | JH           | Auto-enrolment   | 200         | Potential costs due to staff currently not within the pension scheme opting into the pension scheme.  | Budget pressure  | None                       |
| 19 | Corporate   | n/a              | RP           | Budget adjustment to ensure transactional services phase 1 is appropriately funded | 2,700       | n/a - adjusting the budget provision to ensure that the Council has a sufficient budget to meet the contract price agreed by the Council.                               | Budget pressure  | None                       |

## Appendix D – 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.

### 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 the Council's Chief Finance Officer believes should be set aside as a minimum. For 2014-15, the minimum level has been set at £7.5m

| General Fund   | Amount / £m |
|--|-------------|
| As at 31.3.2013  | 8.14        |
| Forecast Q3 (2013-14)<br>position (under / over (-)<br>spend | 0           |
| In year movements to /<br>from the General Fund              | 0           |
| Forecast 31.3.2014<br>position                               | 8.14        |

### Children's Social Care Risk fund

This reserve has been set aside as part of the Children's social care budget pressure. Included within the 'base budget' is £0.8m for 2014-15 and a further additional £0.8m in 2015-16 (i.e. a recurrent £1.6m by 2015-16) that enables an increase in staffing establishment.

In the interim, the service is unlikely to be able to recruit to this level of permanent staffing and so will have a financial pressure due to recruiting agency staff. For 2014-15, the worst case scenario for a call on this reserve is £2.4m.

At present, this reserve is due to be at least £1.1m for the 1<sup>st</sup> April 2014. A further review of reserves following the end of the 2013-14 financial year will assess if this reserve can be increased.

If the full £2.4m is required for 2014-15, then any balance will be removed from the general reserves or through delivering an in-year underspend to compensate for any additional costs.

## Medium Term Financial Volatility Reserve

The Government's programme of public sector financial reform has led to an increase in the volatility that the income that the Council receives; primarily because of:

- the introduction of the retained Business Rates (the Council receives up to 30% of any growth in business rates but is liable for 50% of any losses up to a safety net of over £2m)
- the introduction of the Council Tax support scheme; if more residents are included within this, the Council is liable for the cost (unlike the previous CTX Benefit regime)
- Reductions to Government non - ring fenced grants
- Reductions to Government ring fenced grants

Due to the above, the Council's planning for income levels is much more volatile. Also, because of the scale of the reductions to Council funding, some of the Council's savings plan have a higher level of risk within them.

To minimise the short-term volatility to the Council's budget, there is a Medium Financial Volatility Reserve (MTFVR). The purpose of this is to mitigate short term pressures by its use and so delay the impact of these pressures to enable more long term planning into the Council's budgets.

| MTFVR  | Amount / £m |
|--|-------------|
| As at 31.3.2013  | 2.1         |
| Forecast Q3 (2013-14)<br>position (under / over (-)<br>spend | 0           |
| Year end forecast<br>movements to / from the<br>Reserve      | -0.6        |
| Forecast 31.3.2014<br>position                               | 1.5         |

## Future Debt repayment reserve

The purpose of this reserve is to enable the Council to take the most opportune periods of debt repayment. This might be to delay a long term borrowing decision because future capital receipts maybe forthcoming, or to fund the premium on debt repayment to generate revenue savings. This reserve is linked to the Council's Minimum Revenue Provision (MRP) which is detailed further in the Treasury Management Strategy and the Capital Strategy.

The present value of this reserve is £1.9m



## **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.

## **Economic Risk fund**

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, then funding will be released.

The forecast year end value of this reserve is £0.4m

## **Organisational change / Transformational reserve**

The purpose of this reserve is to provide funding for future on-savings or to fund in year efficiency measures. A business case must be produced for funding to be allocated from this reserve.

The forecast year end value of this reserve is £0.2m taking account of £0.25m being allocated to the Strategy Director for Customer & Community Services to undertake a review of Children's Social Care to improve systems and processes to enable greater efficiency.

## **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.

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## Appendix E – 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 claimants 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 2013-14, it would need to show this in the 2014-15 budget paper.

The anticipated Collection Fund position as at January 2014 is as follows:

- Council Tax £1.1m Surplus
- Retained Business Rates £0.5m deficit

In addition there is £0.7m of Collection Fund surplus to be brought forward from 2012-13.

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.

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## **Appendix F - Fees and Charges**

- 9.1 Local councils are able to charge users for the provision of a wide variety of services. It is important to ascertain the legal position prior to introducing or varying charges as Councils are obliged to provide some services by law (known as mandatory services). For example, currently legislation prevents a local council from making a charge for its domestic refuse collection service and for borrowing a library book, but does allow a charge to be made for a special collection of bulk domestic refuse and for borrowing a DVD from a library.
- 9.2 Where there is no specific legislation relating to the service, the Local Government Act 2003 provides all councils with a power to charge for all discretionary services, where users have a choice whether to use the service or not. Also the 2003 Act states that income generated by individual services, or groups of similar services, must not exceed the cost of providing the service, taking one year with another. Finally, the 2003 Act enables councils to create charging structures to provide different levels of charge to different groups of users, including offering the service free to certain individuals or groups.
- 9.3 The usual definition of a discretionary service is one where the council has the power to provide the service, possibly under the powers of well being provided in the Local Government Act 2000, but where the service is not specifically required to be provided by law. It should be noted, however, that for the purposes of charging, the 2003 Act also enables charges to be made if a council provides a mandatory service above the level of quality required by legislation, as the additional service is defined as discretionary within the provisions of the Act. For example, legislation requires local planning authorities to consider planning applications (an example of a mandatory service where legislation requires a charge to be made), but does not require such authorities to provide pre-planning advice to householders and developers. Where a council does provide such advice, it may charge for the advice under the 2003 Act as it falls within the definition of a discretionary service.
- 9.4 The Council raises approximately £20m of its total income from general fees and charges. Therefore these charges are a crucial funding source for the provision of services and in maintaining the council tax at a reasonable level.
- 9.5 The Council is currently undertaking a detailed review of all fees and charges to ensure that as a Council we understand where full cost recovery is in place for the fees and charges for services we provide. Any significant proposed changes to the charging structure from this review will be reported and seek Cabinet approval.

- 9.6 Under Delegated powers for 2014/15 Strategic Directors can, in consultation with the S151 Officer and the appropriate Commissioner, set rent, fee charges and other income levels provided the change does not:
- Exceed inflation by more than 3% and/or
  - Involve a change in policy, or
  - Potentially have significant political implications.
- 9.7 Any exceptions to this general policy will require specific Cabinet approval.

## Appendix G - Statutory Determination of Council Tax (DRAFT)

### Council Tax Resolution

In relation to the Council Tax for 2014/15 Cabinet is requested to Recommend:

- (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 2015 be as specified below and that the Council Tax be levied accordingly.
- (b) That it be noted that at its meeting on 16 December 2013 Cabinet calculated the following Tax Base amounts for the financial year 2014/15 in accordance with Regulations made under sections 31B(3) and 34(4) of the Act:
- (i) 37,376.2 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 2014/15; and
- (ii) The sums below being the amounts of Council Tax Base for the Parishes within Slough for 2014/15:
- |                                   |         |
|-----------------------------------|---------|
| a) Parish of Britwell             | 1,411.7 |
| b) Parish of Colnbrook with Poyle | 1,755.2 |
| c) Parish of Wexham               | 1,244.4 |
- (c) That the following amounts be now calculated for the year 2014/15 in accordance with sections 31A to 36 of the Act:
- (i) £XXX,XXX,XXX 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) £ XXX,XXX,XXX 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) £xx,xxx,xxx 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) £x,xxx.xx 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 2014/15 the Council determines in accordance with section 34 (1) of the Act, Total Special Items of £ xxx,xxx representing the total of Parish Precepts for that year.
- (vi) £1,173.27 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<br>£ | Parish of Britwell<br>£ | Parish of Colnbrook With Poyle<br>£ | Parish of Wexham Court<br>£ |
|------|------------------|-------------------------|-------------------------------------|-----------------------------|
| A    | 782.18           |                         | 31.80                               | 24.48                       |
| B    | 912.54           |                         | 37.1                                | 28.56                       |
| C    | 1,042.91         |                         | 42.4                                | 32.64                       |
| D    | 1,173.27         |                         | 47.70                               | 36.72                       |
| E    | 1,434.00         |                         | 58.3                                | 44.89                       |
| F    | 1,694.72         |                         | 68.9                                | 53.05                       |
| G    | 1,955.45         |                         | 79.5                                | 61.21                       |
| H    | 2,346.54         |                         | 95.4                                | 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 2014/15 the Thames Valley Police Authority have provisionally stated 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:



**ESTIMATE- Update provided when confirmed.**

| <b>BAND</b> | <b>Office of the Police and<br/>Crime Commissioner<br/>(OPCC) for Thames<br/>Valley</b> |
|-------------|---|
|             | <b>£</b>  |
| A           | 107.01  |
| B           | 124.85  |
| C           | 142.68  |
| D           | 160.52  |
| E           | 196.19  |
| F           | 231.86  |
| G           | 267.53  |
| H           | 321.04  |

- (ix) That it be noted that for the year 2014/15 the Royal Berkshire Fire Authority has provisionally stated 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:

**ESTIMATE – Update provided when confirmed**

| <b>BAND</b> | <b>Royal Berkshire<br/>Fire Authority</b> |
|-------------|---|
|             | <b>£</b>                                  |
| A           | 40.44                                     |
| B           | 47.18                                     |
| C           | 53.92                                     |
| D           | 60.66                                     |
| E           | 74.14                                     |
| F           | 87.62                                     |
| G           | 101.1                                     |
| H           | 121.32                                    |

- (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:

| <b>Band</b> | <b>Slough</b> | <b>Office of the<br/>Police and Crime<br/>Commissioner<br/>(OPCC) for<br/>Thames Valley</b> | <b>Royal Berkshire<br/>Fire Authority</b> | <b>TOTAL</b> |
|-------------|---------------|---|---|--------------|
|             | <b>£</b>      | <b>£</b>  | <b>£</b>                                  | <b>£</b>     |
| <b>A</b>    | 782.18        | 107.01  | 40.44                                     | 929.63       |
| <b>B</b>    | 912.54        | 124.85  | 47.18                                     | 1,084.57     |
| <b>C</b>    | 1,042.91      | 142.68  | 53.92                                     | 1,239.51     |
| <b>D</b>    | 1,173.27      | 160.52  | 60.66                                     | 1,394.45     |
| <b>E</b>    | 1,434.00      | 196.19  | 74.14                                     | 1,704.33     |
| <b>F</b>    | 1,694.72      | 231.86  | 87.62                                     | 2,014.20     |
| <b>G</b>    | 1,955.45      | 267.53  | 101.1                                     | 2,324.08     |
| <b>H</b>    | 2,346.54      | 321.04  | 121.32                                    | 2,788.90     |

- (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.

## **Appendix H – 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 18<sup>th</sup> February 2014. 2013.

### **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 Regeneration Partnership ('the LABV'). Some of these mitigate the Council's 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.
- Demand pressures in Children's social care
- Increased adult social care pressures due to changes in demography
- Increased risk over the delivery of savings; the savings figures in the MTFS and since 2010 are far higher than in previous years and are over a sustained period
- 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-ringfenced revenue Government grants); plus 10% of the

Children's social care budget as this is the most high risk area to overspend. This total **£7.5m**.

## **Robustness of Estimates**

### The treatment of inflation and interest rates

The 2014/15 pay award for staff has been estimated at 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 over £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 set a far greater level of required savings than in past years and there are inherent risks to the delivery of a balanced budget at the end of the 2014/15 financial year.

### Budget and Financial management

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

- 2009/10 - £253k underspend – 0.2% of budget
- 2010/11 - £995k underspend – 0.9% of budget
- 2011/12 – £1,736k underspend – 1.7% of budget
- 2012/13 - £23k underspend – 0.0% of budget
- 2013/14 - £3k underspend 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 £0.29m for adult social care cost pressures and £3.33m for Children's social care.

### 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% and this is an achievable if demanding target. Each 1% uncollected amounts to approximately £0.43m 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.

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## Appendix I – Specific grants

The Government provides the Council with 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  | 5.49        |
| Community Right to Bid   | 0.01        |
| Community Right to Challenge   | 0.01        |
| Local Reform and Community Voice<br>(Dept. of Health)                      | 0.09        |
| Local Welfare provision  | 0.33        |
| Local Council Tax Support and<br>Housing Benefit administration<br>subsidy | 1.11        |

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# Business Rates Policy 2014-15

The Award of Discretionary Business Rate Relief to Charities  
and other Not-for-Profit Organisations

The Award Rate Relief for Properties that are Partially  
Unoccupied for a Temporary Period

The award of Hardship Relief for Business Rates and Council  
Tax

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## **Introduction**

### **1.0 Scope of this Policy**

1.0 This policy relates to the rate relief that the Council has a power to award under Section 44a, Section 47 and Section 49 of the Local Government Finance Act 1988

1.1 The policy relates to the discretionary award of rate relief and the process for the award of mandatory relief for Business Rates for 2014-15 only

1.2 This policy will be reviewed for 2015-16 to reflect the intention that no charity or non profit making bodies will receive more than 80% charity relief from April 2015.

### **2.0 The Reasons for this Policy**

2.1 This policy has been agreed by the Council to ensure all ratepayers making applications for this relief are treated in a fair, consistent and equal manner.

2.2 This policy;

- Sets guidelines for the factors that should be considered when making a decision to award or refuse relief
- Establishes a framework to ensure applications are dealt with in an efficient manner
- Sets out the delegated authority to award relief in appropriate circumstances
- Establishes an appeals procedure for organisations that are dissatisfied with the Council decision.
- Seeks to safeguard the interest of local taxpayers by ensuring that funds allocated for the award of discretionary rate relief are used in the most effective and economic way.

## **Part 1 – Relief for Charities and other Not-for-profit organisations**

### **3.0 Legal Background**

3.1 Section 47 of the Local Government Act 1998 gives billing authorities the discretion to award relief in two circumstances:

a) Where the ratepayer is a registered charity or certain other charitable organisation and the property is wholly or mainly used for charitable purposes

b) Where the ratepayer is an organisation which is not established or conducted for profit and whose main objects are as set out below at 3.4

3.2 Registered charities are entitled to a mandatory rate relief of 80% for properties which are occupied for charitable purposes.

3.3 The Council's has discretionary powers to award further rate relief of up to 20% (this is commonly referred to as 'top up' relief).

3.4 The Council has the discretion to award relief of up to 100% to organisations which are not established for profit and which meet the following criteria:

Either, the organisation's main objects are;

- charitable,
- philanthropic,
- religious

Or are concerned with

- education,
- social welfare,
- science,
- literature
- fine arts

Or, the organisation is a club, society or other organisation not established or conducted for profit and the rateable property is used mainly used for purposes of recreation.

3.5 The Council cannot award relief to itself or any other organisation which has the powers to raise, or precept on a Council Tax.

3.6 The amount of relief awarded is entirely at the discretion of the Council.

#### **4.0 Legal Requirements – State Aid**

4.1 There are European Union regulations which restrict the award of state aid and under certain circumstances the award of discretionary relief could be considered to be state aid.

4.2 These circumstances in which the EU regulations need to be considered will be where the organisation engages in commercial activities or competes with commercial bodies because of an activity it carries out. For example a not

for profit training organisation that also provides training services to businesses.

4.3 If the organisation undertakes any commercial activity it must be commercially insignificant and localised so that there is no potential impact on intra-community trade, otherwise the regulations governing state aid will apply.

4.4 Guidance on State Aid is available via the government web site at

<https://www.gov.uk/government/publications/enterprise-zones-state-aid-and-business-rate-discounts>

4.5 All businesses applying for any Business Rates relief will need to confirm any other state aid they are receiving.

## **5.0 Cost to the Council**

5.1 Relief is generally funded partly from the Council's collection fund, certain reliefs or exemptions are partly by central government.

5.2 The Localism Act 2011 has changed the financial cost of awarding charitable relief. This means that with effect from the 1st April 2013 for every pound collected in business rates 49p is retained by Slough Borough Council. Consequently the cost of awarding relief is 49% of the total amount awarded in relief, subject to possible tapers.

5.3 Charities using premises for charitable purposes are entitled to an initial mandatory charitable 80% relief from Business Rates. This is a mandatory relief and so Slough Borough Council cannot control the amount awarded.

## **6.0 The Application Process**

6.1 Information to be provided to support applications

6.2 Before an application can be considered the Council must be satisfied that it has all the information necessary to enable it to make a fair consideration. For the purposes of efficiency all applications must be made on the standard application form set out at Appendix A.

6.3 In addition to the standard application form ratepayers will be required to supply supporting information such as audited accounts and articles of association. In some circumstances the Council may decide that it is necessary for one or more officers to visit the rated premises to establish further facts.

6.4 In some instances the Council may require the applicant to visit the Council's offices to provide verbal information in support of the application.

Where a visit is required the Council will give a minimum of fourteen days notice of the date the visit is required.

6.5 The Council will not consider applications where the ratepayer has failed to provide information that has been requested, or where the ratepayer does not cooperate with the Council's request to visit a property.

6.6 It is recognised that some organisations may not currently keep records of sufficient detail to provide the information that is normally required to support an application. Where the Council is satisfied that the information is genuinely not available, and that the organisation has co-operated to provide all information that is available, the Council will consider the application based on the information provided. Only one application will be considered in this way, and future applications must provide all information that is required.

6.7 If the process of keeping record to the standard required will incur additional expense for the organisation it will be up to the organisation to decide whether the additional expense is worthwhile in order to apply for relief.

#### **6.8 Persons who can make application**

6.9 Applications must be made by the ratepayer.

6.10 Where the ratepayer is an organisation the application must be made by a person with the authority to act on behalf of the organisation. The Council may ask for evidence that the person making the application is entitled to act in that capacity.

#### **6.11 Reapplications**

6.12 Where an application has been refused either initially or following an appeal, further applications will not be considered within the same financial year except where:

- a) The use of the property changes, or
- b) The objectives of the organisation change, or
- c) There have been other changes that may affect the Council's decision (for example where an organisation has taken action to address an issue which had previously precluded an award of relief).

#### **7.0 Applications Not Meeting Legal Requirements**

7.1 Where an application does not meet the legal requirement (for example if an organisation is established for profit) the application cannot be considered.

7.2 On receipt of each application the Business Rates Manager (or a suitable experienced officer of similar seniority) will assess whether it meets the essential legal requirements. Where the application does not meet those requirements it cannot be considered. The applicant will be advised in writing

within four weeks of receipt of the application, giving the reason that the application does not meet the legal requirements.

7.3 Where the applicant disputes the decision of the Business Rates Manager they should make a written submission to the Head of Revenue and Benefits setting out their reasons for believing the legal requirements are met. The decision will be reviewed by the Head of Revenue and Benefits whose decision will be final.

7.4 This process does not affect an applicant's right to challenge a decision by way of Judicial Review.

## **8.0 The Decision Making Process**

8.1 All applications will be considered on an individual basis.

8.2 Normally discretionary relief will be awarded where it is clear that the activities of the applicant are of direct benefit to the local community and assist the Council in achieving its Sustainable Community Strategy.

8.3 Relief will not be awarded to organisations whose activities are contrary to the principles established by the Sustainable Community Strategy Priorities.

8.4 Consideration will be given to the financial impact on the Council and the local community in making awards. Relief may be refused or capped if it is considered that the financial cost to the Council or the local community outweighs the benefits generated through the award of relief.

8.5 In order to ensure there is a fair and consistent approach to the award of relief, all applications will be considered within the guidelines of this policy.

8.6 The criteria for the awarding of discretionary relief is set out in Appendix B

8.7 All applications will be considered on an individual basis by the Business Rates Manager who will provide an in depth report and recommendations which will include but not be limited to review sheet, with findings and financial implications and initial recommendations to the Council's Section 151 officer.

8.8 All applications for awards of Local Council Tax discount in cases of hardship will be determined by the Council's S151 Officer.

8.9 A written record will be kept of the decision and of the factors considered in the process. This record will be available to the applicant free of charge on request.

8.10 The decision will be notified to the applicant in writing and where less than the maximum amount of relief is granted an explanation of the reasons why full relief was not granted will be given.



8.11 Appeals against awards to be determined by a Member Appeals Panel.

8.12 Details of the recipients and the amount of awards will be reported to the Cabinet annually.

### **8.12 Interest of Officer and Members**

8.13 Officers and Members who have an interest in any aspect of an application for relief must not participate in the decision making process and must declare their interest.

8.14 Examples of interests include those in the following list. However, the list is not intended to be exhaustive.

- Membership of the organisation making an application
- A close relative who is a member of the organisation making an application
- An interest in the property for which the relief is being sought
- Membership of a similar organisation (e.g. a rival sporting club)

Where an officer is unsure whether they have an interest they should seek advice from the Section 151 Officer . Where a Councillor is unsure whether they have an interest they should seek advice from the Council's Monitoring Officer.

These three Heads of Service (i.e. Section 151 officer, Democratic Support & Legal) may in turn need to liaise with the Head of Revenue and Benefits on any case referred to them (e.g. where cases of conflict of interest will need to be monitored by Revenue Services on an on-going basis).

### **9.0 Calculation of relief**

9.1 Relief will be calculated as a percentage of the rates bill.

9.2 If the rate bill reduces, for any reason, the relief will be reduced proportionately.

9.3 If the rates bill increases during the course of a year, for example due to an increase in rateable value, the amount awarded will not automatically be increased. However in all such cases the Council will reconsider the ratepayer's application and may award additional relief.

### **10.0 Right of Appeal**

10.1 There is no statutory right of appeal against a decision regarding discretionary rate relief made by the Council. However, the Council

recognises that ratepayers should be entitled to have a decision reviewed objectively if they are dissatisfied with the outcome.

10.2 The Council agrees to abide by the following appeals process and aggrieved ratepayers should make an appeal in accordance with the process.

10.3 Ratepayers will be notified of the appeals process in writing at the time that they are notified of the outcome of their request for rates relief.

10.4 This appeals process does not affect a ratepayer's legal rights.

## **11.0 Appeals Process**

11.1 Appeals may only be made by the original applicant. An appellant may appoint an agent to act on their behalf and in such cases the Council will require written authorisation from the appellant before dealing with their agent.

11.2 Appeals against decisions will be considered by the Members Appeal Panel.

11.3 Decisions on appeals made by the Members Appeals Panel will be final.

11.4 Applicants must make an appeal within four weeks of the issue of the letter notifying them of the Council's decision.

11.5 Applicants will be notified of the date on which the appeal will be considered, which will be within twelve weeks of receipt of the appeal or as soon as reasonably practicable thereafter.

11.6 Applicants may appeal against the decision to award or not award relief, or against the level of relief awarded.

11.7 Appeals must be made in writing and must give the reasons why it is believed the decision should be amended. New or additional information may be included, but only if it is relevant to the decision making process.

11.8 The appellant does not have a right to appear in person but may make a request to present evidence in person. Such requests will be considered at the discretion of the Members Appeal Panel as appropriate.

11.9 The Members Appeal Panel can request a meeting with either the applicant and/or the appropriate Revenues and Benefits officer to hear evidence in person. The Members Appeal Panel may nominate a representative or representatives to attend such meetings on its behalf.

11.10 Each application will be considered individually on its merit.

11.11 The appeal decision may be adjourned if further information is required from either party.

11.12 The applicant will be informed of the final decision, and the reasons for the decision within four weeks of the hearing.

11.13 Submitting an appeal does not affect the appellant's legal rights to challenge a decision made by the Council through the Judicial Review process.

## **12.0 Discontinuation of Applications or Appeals**

12.1 If the Council has requested further evidence from the ratepayer and this has not been received within four weeks the application or appeal will be deemed to have been discontinued.

12.2 Ratepayers will be notified in writing in these circumstances.

## **13.0 Period of Rate Relief**

13.1 Rate relief awarded under this policy will be awarded for one financial year except where it is considered between 1st April and 30th September where consideration may be given to awarding relief for the previous financial year.

13.2 Ratepayers receiving relief will be contacted and invited to reapply for relief for the following year, this invitation may be by signed declaration or the council may request a full application to be completed. Only one signed declaration will be accepted between applications.

## **14.0 Backdating of claims**

14.1 The law allows claims received between 1st April and 30th September in any year to be backdated to 1st April of the previous year.

14.2 Requests for a backdated award of relief (i.e. for the previous year) will be dealt with in the same way as applications for the current year.

14.3 Relief cannot otherwise be backdated beyond 1st April of the year in which it is awarded.

## **15.0 Cancellation of relief**

15.1 Relief will be cancelled if:

1. The applicant ceases to be the ratepayer
2. The property becomes empty or becomes occupied
3. The use of the property changes
4. The aims or objectives of the ratepayer change
5. There is an increase in the amount of rates payable

15.2 Where relief is cancelled for any of the reasons from (2) to (4) above, a new application may be made straight away.

15.3 Where relief is cancelled for reason (5) above the decision will immediately be reconsidered and a new decision made, based on the new amount of rates payable.

15.4 Any existing relief may apply upon change of address within the borough, following confirmation that the nature of occupation is unchanged.

#### **16.0 Notification of awards**

16.1 The Council will consider applications within six weeks of the application and all supporting information being received or as soon as practicable thereafter.

16.2 Notification of the outcome of the decision will be made in writing within fourteen days of the decision being considered.

#### **17.0 Action to recover unpaid rates whilst a decision is pending**

17.1 Unless otherwise agreed, ratepayers are required to continue to pay, in accordance with the latest demand notice, pending the outcome of an application

#### **18.0 Promotion of the availability of relief**

18.1 The Council will proactively promote the availability of discretionary relief, and this policy, in the following ways.

- All rate demands will have accompanying information explaining the availability of relief.
- Employees who deal with enquiries from ratepayers will be trained in all aspects of this policy
- The Council will work in partnership with other organisations that may have a stake in this area.
- The policy will be published on the Council's web site and printed copies will be made available to ratepayers and other stakeholders on request.

#### **19.0 Budget for Rate Relief**

19.1 The Council will set an annual budget for awards of discretionary rate relief. The balance of funds within this budget will be considered when making decisions for the award of relief.

## **Part 2**

### **Rate Relief for Properties that are Partially Unoccupied for a Temporary Period**

#### **20.0 Legal Background**

20.1 Under section 44a of the Local Government Finance Act 1988 the Council has a discretionary power to allow rate relief where a property is partly occupied for a temporary period.

20.2 The granting of this relief is entirely under the discretion of Slough Borough Council and each case will be considered on its merits and be referenced to the interests of Slough Council Tax payers.

#### **21.0 Calculation of Rate Relief**

21.1 The amount of relief is calculated on a statutory basis based on the rateable value of the empty portion of the property. The appropriate rateable value is provided by the Valuation Office Agency.

#### **22.0 Cost to the Council**

22.1 Relief is generally funded partly from the Council's collection fund, certain reliefs or exemptions are partly by central government.

22.2 The Localism Act 2011 has changed the financial cost of awarding charitable relief. This means that with effect from the 1st April 2013 for every pound collected in business rates 49p is retained by Slough Borough Council. Consequently the cost of awarding relief is 49% of the total amount awarded in relief, subject to possible tapers.

22.3 The Council recognises that awarding this relief is beneficial to local businesses and can contribute to the Sustainable Community Strategy, priority of Economy and Skills. Partially occupied rate relief (also referred to as Section 44a Relief)

#### **23.0 Policy**

23.1 A ratepayer is liable for the full business rate whether a property is wholly occupied or only partly occupied. Where a property is partly occupied for a short time, the local authority has discretion to award relief on the unoccupied part

23.2 The Council recognises the important part this relief can play in the economic regeneration of the Borough and will give serious consideration to each complete application submitted

23.3 Relief can only be awarded where the partial occupation is of a temporary nature. Where the same area, or part of the same area, is, or is expected to be, unoccupied for a period in excess of one year the Council will not consider this to be of a temporary nature.

23.4 From 1 April 2008, as a consequence of the reforms to empty property relief, the empty part will receive a complete exemption from business rates for the first 3 months it is empty (or, if it is an industrial property, for the first 6 months). After the initial rate-free period expires, in most cases the apportionment will cease to have effect and the occupied business rate will apply to the whole property.

## **24.0 Applications**

24.1 To qualify for relief the ratepayer is required to make a written application and must supply a plan of the property with the unoccupied portions clearly identified.

## **25.0 Verification of Claim**

25.1 The Council will require access to the property during normal working hours within four weeks of receiving the application, to verify the claim.

25.2 Further access may be required on at least one occasion each month, during normal office hours, during the period for which relief is being awarded.

25.3 Relief will not be awarded under any circumstance where it is not possible to verify the claim. Where a backdated application is received the ratepayer will be required to produce evidence to prove that the area was unoccupied for the duration of the claim. Acceptance of the evidence is at the discretion of the Business Rates Manager.

## **26.0 Authority to Award Relief**

26.1 Authority to award relief is delegated as laid out in section 8 of this document.

## **27.0 Appeals**

27.1 The ratepayer may appeal against a decision to refuse relief within four weeks of being notified of the refusal.

27.2 Any appeal must be in writing and should set out the reasons for the appeal.

27.3 Appeals will be considered by the Members Appeal Panel whose decision will be final.

### **28.0 Duration of Relief**

28.1 Relief will end under the following circumstances:

- a) At the end of a financial year
- b) All or part of the unoccupied area becoming occupied
- c) A change of liable person
- d) Where all or part of the unoccupied area has remained unoccupied for one year\*

28.2 A new application may be submitted immediately if relief ends for any of the reasons numbered from (a) to (c) above.

## **Part 3**

### **Rate Relief on the Grounds of Hardship**

#### **29.0 Legal Background**

29.1 Under section 49 of the Local Government Finance Act 1988, the Council has a discretionary power to allow Council Tax relief / Rate relief to relieve hardship. The hardship does not necessarily need to be financial in nature.

29.2 In considering applications for rate relief the Council must have regard for the interest of the community as a whole. This includes the cost to the community and the benefits, or disadvantages of awarding hardship relief.

#### **30.0 Cost to the Council**

30.1 There is a cost to the Council of 49% of the total amount awarded which must be met from the Council's collection fund. The remaining cost is borne by central Government.

#### **31.0 Policy**

31.1 There is no definition in the legislation for 'hardship', and as the scheme is aimed at covering unforeseen events it is not possible to list precise criteria.

31.2 However, a 'crisis' would have to result in a serious loss of income, trade or have a major effect on the services that can be provided for Business Rates or a major effect on the household income and the household in general for Council Tax

31.3 'Exceptional circumstances' will usually be circumstances that are outside the control of the business or organisation and are beyond the normal risks faced by businesses. The effect of strikes within a business or organisation, increased running costs and increased competition would not be considered as 'exceptional circumstances' as they are normal business risks.

31.4 As a general rule, circumstances that would be covered by a commercial insurance policy or by compensation from public funding would not be considered

31.5 'Exceptional circumstances' for hardship under the Council Tax regulations will usually be circumstances that are outside the control of the household and beyond normal risks faced by a household. The household must demonstrate that it has done all it can to mitigate those risks and is taking action to minimise them.



31.6 The Council recognises that there may be occasional circumstances in which the use of this power is beneficial to either an individual tax / ratepayers or the community. However, in accordance with Government guidelines it accepts that this power should be used sparingly and only in the most exceptional circumstances.

31.7 All requests for hardship relief will be considered on an individual basis and decisions will be made in accordance with this policy and where the Council is satisfied that:

- a) The ratepayer will suffer hardship if the relief is not granted
- b) There is a direct benefit to the ratepayer, or the community, and there is no adverse impact to other ratepayers or the community as a result of awarding relief
- c) The cost to local taxpayers is proportional to the benefits to the community

## **32.0 Applications**

32.1 Applications must be made in writing by the ratepayer or their agent.

32.2 Applications must provide the following information as appropriate

For Business Rates

1. A set of the most recent accounts
2. A set of the last audited accounts
3. An up to date trading statement showing the current financial situation of the business
4. Details of the amount of relief requested
5. An explanation of the benefits to the community arising from and award of relief.

For Council Tax

1. Evidence of hardship or personal circumstances that justifies a reduction in Council Tax Liability.
2. Evidence that the Council Tax Payer has taken reasonable steps to resolve their situation prior to application.
3. The Council Tax Payer can demonstrate that they do not have access to other assets that could be realised and used to pay Council Tax

4. All other eligible discounts/reliefs have been awarded to the council tax payer
5. The liable person for a long term unoccupied domestic property has made their best efforts to sell or let the property and to levy a council tax charge would cause them exceptional financial hardship.
6. The Council's finances allow for a reduction to be made and it is reasonable to do so in light of the impact on other council tax payers

### **33.0 Additional Items**

33.1 The following items contained in the policy for the award of relief for charities and not-for-profit organisations will also apply in respect of applications for rate relief on the grounds of hardship.

### **34.0 State Aid Regulations**

34.1 There are European Union regulations which restrict the award of state aid and under certain circumstances the award of discretionary relief could be considered to be state aid.

34.2 These circumstances in which the EU regulations need to be considered will be where the organisation engages in commercial activities or competes with commercial bodies because of an activity it carries out. For example a not for profit training organisation that also provides training services to businesses.

34.3 If the organisation undertakes any commercial activity it must be commercially insignificant and localised so that there is no potential impact on intra-community trade, otherwise the regulations governing state aid will apply.

34.4 Guidance on State Aid is available via the government web site at

<https://www.gov.uk/government/publications/enterprise-zones-state-aid-and-business-rate-discounts>

34.5 All businesses applying for any Business Rates relief will need to confirm any other state aid they are receiving.

### **35.0 Information to Support Applications**

35.1 In addition to the standard application form ratepayers will be required to supply supporting information such as audited accounts and articles of association. In some circumstances the Council may decide that it is necessary for one or more officers to visit the rated premises to establish further facts.

35.2 In some instances the Council may require the applicant to visit the Council's offices to provide verbal information in support of the application. Where a visit is required the Council will give a minimum of fourteen days notice of the date the visit is required.

35.3 The Council will not consider applications where the ratepayer has failed to provide information that has been requested, or where the ratepayer does not cooperate with the Council's request to visit a property.

35.4 It is recognised that some organisations may not currently keep records of sufficient detail to provide the information that is normally required to support an application. Where the Council is satisfied that the information is genuinely not available, and that the organisation has co-operated to provide all information that is available, the Council will consider the application based on the information provided. Only one application will be considered in this way, and future applications must provide all information that is required.

### **36.0 Authority to award relief**

36.1 All applications will be considered on an individual basis by the Head Revenues and Benefits who will provide an in depth report and recommendations which will include but not be limited to review sheet, with findings and financial implications and initial recommendations to the Council's Section 151 officer.

36.2 All applications for awards of Local Council Tax discount in cases of hardship will be determined by the Council's S151 Officer.

36.3 All applications for awards of Hardship Relief will be subject to a maximum award of the equivalent of 6 months Council Tax Payable or Business Rates Rates.

36.4 A written record will be kept of the decision and of the factors considered in the process. This record will be available to the applicant free of charge on request.

36.6 The decision will be notified to the applicant in writing

36.7 Appeals against awards to be determined by a Member Appeals Panel.

36.8 Details of the recipients and the amount of awards will be reported to the Cabinet annually.

### **37.0 Interests of Officers and Members**

37.1 Officers and Members who have an interest in any aspect of an application for relief must not participate in the decision making process and must declare their interest.

37.2 Examples of interests include those in the following list. However, the list is not intended to be exhaustive.

- Membership of the organisation making an application
- A close relative who is a member of the organisation making an application
- An interest in the property for which the relief is being sought
- Membership of a similar organisation (e.g. a rival sporting club)

Where an officer is unsure whether they have an interest they should seek advice from the Section 151 Officer . Where a Councillor is unsure whether they have an interest they should seek advice from the Council's Monitoring Officer.

These three Heads of Service (i.e. Section 151 officer, Democratic Support & Legal) may in turn need to liaise with the Head of Revenue and Benefits on any case referred to them (e.g. where cases of conflict of interest will need to be monitored by Revenue Services on an on-going basis).

### **38.0 Appeals**

38.1 There is no statutory right of appeal against a decision regarding discretionary rate relief made by the Council. However, the Council recognises that ratepayers should be entitled to have a decision reviewed objectively if they are dissatisfied with the outcome.

38.2 The Council agrees to abide by the following appeals process and aggrieved ratepayers should make an appeal in accordance with the process.

38.3 Ratepayers will be notified of the appeals process in writing at the time that they are notified of the outcome of their request for rates relief.

38.4 This appeals process does not affect a ratepayer's legal rights.

### **39.0 Appeals Process**

39.1 Appeals may only be made by the original applicant. An appellant may appoint an agent to act on their behalf and in such cases the Council will require written authorisation from the appellant before dealing with their agent.

39.2 Appeals against decisions will be considered by the Members Appeal Panel Decisions on appeals made by the Members Appeal Panel will be final.

39.3 Applicants must make an appeal within four weeks of the issue of the letter notifying them of the Council's decision.

39.4 Applicants will be notified of the date on which the appeal will be considered, which will be within eight weeks of receipt of the appeal, or as soon as reasonably practicable thereafter.

39.5 Applicants may appeal against the decision to award or not award relief, or against the level of relief awarded.

39.6 Appeals must be made in writing and must give the reasons why it is believed the decision should be amended. New or additional information may be included, but only if it is relevant to the decision making process.

39.7 The appellant does not have a right to appear in person but may make a request to present evidence in person. Such requests will be considered at the discretion of the Members Appeal Panel as appropriate.

39.8 The Members Appeal Panel can request a meeting with either the applicant and/or the appropriate Revenues and Benefits officer to hear evidence in person. The Members Appeal Panel may nominate a representative or representatives to attend such meetings on its behalf.

39.9 Each application will be considered individually on its merit.

39.10 The appeal decision may be adjourned if further information is required from either party.

39.11 The applicant will be informed of the final decision, and the reasons for the decision within four weeks of the hearing.

39.12 Submitting an appeal does not affect the appellant's legal rights to challenge a decision made by the Council through the Judicial Review process.

#### **40.0 Discontinuation of Applications or Appeals**

40.1 If the Council has requested further evidence from the ratepayer and this has not been received within four weeks the application or appeal will be deemed to have been discontinued.

40.2 Ratepayers will be notified in writing in these circumstances

#### **41.0 Notifications of award**

41.1 The Council will consider applications within six weeks of the application and all supporting information being received or as soon as practicable thereafter.

41.2 Notification of the outcome of the decision will be made in writing within fourteen days of the decision being considered.

#### **42.0 Action to recover unpaid rates**

42.1 Once an application, or an appeal, is received for Hardship Relief no action will be taken to recover unpaid rates until fourteen days after the decision has been notified to the ratepayer.

42.2 In the event of an application or appeal being discontinued recovery action may be commenced seven days after the ratepayer has been notified of the discontinuation.

#### **43.0 Promotion of Rate Relief**

43.1 The Council will promote the availability of hardship relief, and this policy, in the following ways.

- All rate demands will have accompanying information explaining the availability of relief.
- Employees who deal with enquiries from ratepayers will be trained in all aspects of this policy
- The Council will work in partnership with other organisations that may have a stake in this area.
- The policy will be published on the Council's web site and printed copies will be made available to ratepayers and other stakeholders on request.

#### **44.0 Amount of Relief**

44.1 Relief may be awarded as a fixed sum or as a percentage of the rates bill.

#### **45.0 Duration of Relief**

45.1 Relief will normally only be awarded retrospectively. However, where the applicant can show that the circumstances will remain the same for a period up to the end of the current financial year relief may be award for the remainder of the year.

In all cases relief will end in the following circumstances:

1. At the end of a financial year
2. All or part of the unoccupied area becoming occupied
3. A change of liable person
4. The property becomes empty, or become occupied
5. The ratepayer enters any form of formal insolvency
6. The ratepayers financial circumstances change (the ratepayer must inform the Council if their circumstance change)

## **46.0 Examples of appropriate circumstances**

46.1 The following examples indicate circumstances where it may be appropriate to award relief. They are included in this policy in the form of broad general guidelines and are not intended to be prescriptive.

In the first instance the District Valuation Officer will be asked to review the assessment.

- a) The ratepayer is severely or terminally ill
- b) Without rate relief the business will close and deprive local residents of an essential service.
- c) The ratepayer's business has been detrimentally affected by circumstances beyond the ratepayers control and that do not constitute part of the normal risks in running a business (e.g. a natural disaster, an unusual or uncontrollable event in the neighbourhood of the business such as a fire making the immediate area of the business unsafe).

**Appendix A**

Application for Charitable Discretionary Rate Relief under Sections 43(6) and 47 of the Local Government Finance Act 1988.

Please read the guidance notes below before completing this form. If you need further help please contact the Business Rates Section on  
01753 772220

1. Details of Organisation:

**Name:**

**What are the main objects and purposes of the organisation?**

|  |
|--|
|  |
|  |
|  |

**Area covered by organisation:**

|  |
|--|
|  |
|  |

**Name of any Organisation affiliated to:**

|  |
|--|
|  |
|--|

3. Details of premises for which relief is sought:

**Description:**

**Address:**



|  |
|--|
|  |
|--|

**Business Rates Account Reference (if known)**

|  |
|--|
|  |
|--|

**For what purposes are the premises used?**

|  |
|--|
|  |
|  |

**If used for any other purpose other than those of the claimant please give details:**

|  |
|--|
|  |
|  |

**Are there any facilities in the property which are made available to people other than members, e.g. schools, casual public sessions?**

|               |
|---------------|
| <b>Yes/No</b> |
|---------------|

|                                       |
|---------------------------------------|
| <b>If YES please provide details:</b> |
|                                       |

**Is there a bar on the premises?**

|               |
|---------------|
| <b>Yes/No</b> |
|---------------|

**If Yes and the organisation is not a Social Club, please state the number of:**

|                            |  |
|----------------------------|--|
| <b>Playing Members</b>     |  |
| <b>Non-Playing Members</b> |  |

**Are your premises and activities accessible for all groups of disabled people, including wheelchair users, deaf people and blind people? Are your materials accessible to everybody? (For example: print size, graphic design, plain English, meetings structure, speaker's presentations etc.)**

|               |
|---------------|
| <b>Yes/No</b> |
|---------------|

|                                       |
|---------------------------------------|
| <b>If Yes please provide details:</b> |
|---------------------------------------|

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**4. Membership Details**

**Number of Members**

|  |
|--|
|  |
|--|

**Do members pay a Subscription?      Yes/No      If Yes, how much?**

|                |                 |
|----------------|-----------------|
| <b>Adults:</b> | <b>Juniors:</b> |
|----------------|-----------------|

**When were subscriptions last increased?**

|  |
|--|
|  |
|--|

**From what other sources are funds raised?**

|  |
|--|
|  |
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|  |

**To what extent have the facilities been provided by self help?**

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|  |

**Of the total membership, how many live outside the Borough Council's area?**

|  |
|--|
|  |
|--|

**Is membership open to all members of the community?**

|               |
|---------------|
| <b>Yes/No</b> |
|---------------|

**Are profits made available to people other than members?**

|               |
|---------------|
| <b>Yes/No</b> |
|---------------|

|                                       |
|---------------------------------------|
| <b>If Yes please provide details:</b> |
|                                       |
|                                       |

**Is membership encouraged from minority groups?**

|               |
|---------------|
| <b>Yes/No</b> |
|---------------|

|  |
|--|
| <b>If yes please detail what positive steps are taken to involve hard to reach groups such as black and ethnic minority people, young people, different religions, lesbians and gay men.</b> |
|  |
|  |
|  |
|  |

**Does the organisation provide training or education for its members and are there schemes for particular groups to develop their skills, e.g. young people, the disabled, retired people?**

**Yes/No**

**If Yes please provide details:**

|  |
|--|
|  |
|  |
|  |

**5. Charitable Status**

**Is the organisation a registered charity?**

**Yes/No**

**If yes, please state the charity registration number.**

|  |
|--|
|  |
|--|

**If not, has an application been made for registration under the provisions of the Charities Act 1960?**

**Yes/No**

**If exempt from registration please state why.**

|  |
|--|
|  |
|--|

**If you are not a registered charity or an exempt charity, is the organisation recognised as a charity for tax purposes?**

**Yes/No**

**If yes please provide a copy of a letter from the HM Revenue & Customs confirming this.**

**6. If you are applying for Discretionary Relief please supply:**

- (a) a copy of the Memorandum and Articles of Association, or Rules of the Association.**
- (b) Copies of your latest accounts and balance sheets for the last two years.**
- (c) A copy of the organisation's Equal Opportunities Policy, if available.**

**7. Contact details:**

**Please provide the name, address and contact telephone number of the secretary or correspondent.**

|  |
|--|
|  |
|  |
|  |

Please remember to notify us of any change to these contact details

**8. I certify that the information provided above is correct to the best of my knowledge and belief:**

|                                  |              |
|----------------------------------|--------------|
| <b>Signature:</b>                | <b>Date:</b> |
| <b>Capacity in which signed:</b> |              |

**When completed this form should be returned to:**

**Slough Borough Council  
 St Martins Place  
 51 Bath Road  
 Slough  
 SL1 3UF**

## **Business Rates Discretionary Relief Application Guidance**

### **What is Charitable Rate Relief?**

It is a relief scheme that allows rates bills to be reduced for charitable and non-profit making organisations.

### **What Organisations may Qualify?**

If your organisation is a registered charity, and the property concerned is used wholly or mainly for charitable purposes, then you may be entitled to 80% relief.

If your organisation is not a charity, but is another type of non-profit making organisation, the Council still has discretion to award relief. To be eligible for consideration you must be a non-profit making body and the property used for charitable, philanthropic or religious purposes, or concerned with education, social welfare, science, literature or the fine arts, or used wholly or mainly for recreation by a not-for-profit club or society.

### **How do I Apply?**

Complete the application form and return to the address shown on the form.

If there is insufficient space on the form and you would like to add additional information then you can attach additional sheets if you wish.

### **Factors Considered when Assessing your Application for Discretionary Relief**

#### **(a) Whether the application satisfies the legal requirements**

The Authority cannot award relief to any organisation that does not meet the legal requirements of Section 47 of the Local Government Finance Act 1988.

#### **(b) The benefit the ratepayer brings to the residents of the Borough**

The Authority needs to ensure that the award of Discretionary Rate Relief is to the benefit of the wider population of the Slough Borough Council. Any ratepayer whose membership comes from largely outside the Borough's boundaries is unlikely to qualify for relief unless they can prove a sound case for a specific and unequivocal benefit to residents of the Borough.

**(c) Whether the ratepayer is a local organisation, or a branch of a national organisation**

The Authority will need to consider the overall benefit to the community of the organisation and what effect the award of rate relief will have upon the organisation. If the benefit of the rate relief is kept locally, the relief is more likely to be awarded than if it goes to a national organisation which is based elsewhere.

**(d) Membership costs**

The cost of membership should not be used as a means to restrict membership.

**(e) Whether the organisation actively promotes representation from disadvantaged or under-represented groups in the community**

Organisations which do so are more worthy of rate relief and are requested to supply detailed information on action taken to ensure that the benefits of the organisation are in practice reaching or being brought to the attention of all those who might benefit.

**(f) Whether membership is determined by the votes of existing members**

Where an organisation determines membership based on the election by existing members this could be construed as a restriction. Such organisations will need to be carefully evaluated as to whether they should receive rate relief.

**(g) Whether the organisation provides training or education for its members**

An organisation which provides training packages or educational aspects for its members is more worthy of relief than one which does not.

**(h) Is the organisation or the facilities provided being funded largely self-help rather than relying on full external funding?**

Whilst many organisations do depend on grant-aid and awards from statutory bodies, those which undertake fundraising themselves by various methods are probably more worthy of rate relief than those who do not make additional efforts.

### **What if Circumstances Change?**

If the aims and objectives of the organisation, or the way in which the premises are used, change then the Council needs to be notified of this immediately.

### **Further Information**

If you require further information then contact the Business Rates Section on 01753 772220

### **Where to send your Application Form**

**Slough Borough Council**

**St Martins Place**

**51 Bath Road**

**Slough**

**SL1 3UF**



Appendix B

|    | Guidelines  | Mandatory Relief | Discretionary Relief (Up to a maximum) | Total Relief (Up to a maximum) |
|----|---|------------------|--|--------------------------------|
| 1  | Charitable bodies <sup>1,2</sup> whose main objectives are to work with vulnerable areas of the community (for example but not limited to – children, youth, elderly).  | 80%              | 20%                                    | 100%                           |
| 2  | Charitable bodies whose main objectives are to work with vulnerable areas of the community in respect, but not limited to, health, disability, well-being.  | 80%              | 20%                                    | 100%                           |
| 3  | Charitable bodies whose main objectives are concerned with the Arts. This includes for example, but not limited to, museums, theatres, artists workshops.   | 80%              | 20%                                    | 100%                           |
| 4  | Charitable bodies that run educational establishments including voluntary aided, Foundation Schools, and Academy schools.   | 80%              | Nil                                    | 80%                            |
| 5  | Charitable bodies that provide advice and information to the residents of Slough Borough Council either free of charge or at minimal cost. This includes, but not limited to, employment advice.  | 80%              | 20%                                    | 100%                           |
| 6  | Charitable bodies that are established for the purposes of running and maintaining meeting places, halls and community spaces   | 80%              | 20%                                    | 100%                           |
| 7  | Organisations which are registered with Inland Revenue as Community Amateur Sports Clubs (CASCs).   | 80%              | 20%                                    | 100%                           |
| 8  | Charitable bodies that are established for the purposes of encouraging sport or other elements of a healthy lifestyle to the residents of Slough Borough Council. Membership must be in excess of 50% of residents within Slough Borough Council.   | 80%              | 20%                                    | 100%                           |
| 9  | Properties that are occupied by Charitable bodies for the purposes of income generation, for example charity shops, who are eligible for mandatory rate relief.   | 80%              | 20%                                    | 100%                           |
| 10 | Properties that are occupied by Charitable bodies for the purposes of administering the organisation, for example Admin Offices for National Charities, Overseas Aid Organisations who are eligible for mandatory rate relief.  | 80%              | Nil                                    | 80%                            |
| 11 | Properties that are occupied by Charitable bodies who currently receive other funding from the Council  | 80%              | 20%                                    | 100%                           |
| 12 | Properties that are occupied by Charitable bodies for the purposes of Social Clubs  | 80%              | 20%                                    | 100%                           |
| 13 | Not for profit organisations whose main objectives are charitable or are otherwise philanthropic, or religious, or concerned with education, social welfare, science, literature or the fine arts and do not fit in the above categories.   | -                | 100%                                   | 100%                           |
| 14 | Properties that are occupied by non-profit organisations and are wholly or mainly used for purposes of recreation and sport or other elements of a healthy lifestyle to the residents of Slough Borough Council. Membership must be in excess of 50% of residents within Slough Borough Council | -                | 100%                                   | 100%                           |

|    | Guidelines   | Mandatory Relief | Discretionary Relief (Up to a maximum) | Total Relief (Up to a maximum) |
|----|--|------------------|--|--------------------------------|
| 15 | Where the property is used for purposes which are of benefit to the wider local community but does not fall in any of the above guidelines and it would be in the interests of the Council Tax payer to make an award. | -                | 100%                                   | 100%                           |
|    |  |                  |  |                                |

<sup>1</sup> Charitable bodies covers both registered charities and bodies established for charitable purposes (ie not for profit or Community Interest Companies ( which have been established. for charitable purposes)) and who qualify under the definition under s43 and s47 of LGFA. The property must be used wholly or mainly for charitable purposes.

**DISCRETIONARY RATE RELIEF CRITERIA  
CHARITABLE, VOLUNTARY & NOT-FOR-PROFIT ORGANISATIONS**

Table 1 – Qualifying Criteria

|    | <b>Criteria</b>   | <b>Evidence</b>   | <b>Points</b>                      |
|----|---|---|------------------------------------|
| 1  | Premises used wholly or mainly for the benefit of the community   | Written declaration   | Mandatory as per the regulations   |
| 2  | Proof and acceptance of written constitution                      | Copy of current document  | Mandatory as per the regulations   |
| 3  | Audited accounts  | Copy of latest certified accounts   | Mandatory as per policy            |
| 4  | Membership is open to all sections of the community               | Copy of current membership list / articles of association   | 10                                 |
| 5  | Membership / services are free or charged at an affordable level  | Copy of fee structure / articles of association<br><br>Affordable is defined at £20 per annum or less | 10                                 |
| 6  | No Alternative Service provision within the borough               | Written declaration   | 10                                 |
| 7  | Percentage of members / service users resident within the borough | Membership list / written confirmation  | <50 0<br>50-80 5<br>>80 10         |
| 8  | Provision of facilities by self-help                              | Fund raising activities   | 10                                 |
| 9  | Premises used by non-members                                      | Details of groups / frequency of meetings   | Available 5<br>Free 5<br>Regular 5 |
| 10 | Additional services including training                            | Service documentation   | 5 per additional service (max.10)  |

**Table 2 – Relief Awards**

| Points Total | % Discretionary Rate Relief |                       |
|--------------|-----------------------------|-----------------------|
|              | Non-Registered Charity      | Registered Charity    |
| 0 – 5        | 10                          | Mandatory Relief only |
| 5-10         | 20                          | Mandatory Relief only |
| 10-15        | 30                          | Mandatory Relief only |
| 15-20        | 40                          | Mandatory Relief only |
| 20-25        | 50                          | Mandatory Relief only |
| 25-30        | 60                          | Mandatory Relief only |
| 30-35        | 70                          | Mandatory Relief only |
| 35-40        | 75                          | Mandatory Relief only |
| 40-45        | 80                          | Mandatory Relief only |
| 45-50        | 85                          | 5                     |
| 50-55        | 90                          | 10                    |
| 55-60        | 95                          | 15                    |
| 60-70        | 100                         | 20                    |

**Exclusions**

- Organisations carrying out activities that are not deemed beneficial to the local community will be excluded from the Discretionary Rate Relief Scheme.
- Organisations operating restrictive membership schemes will be excluded from the Discretionary Rate Relief Scheme.
- Charity Shops will be restricted to Mandatory Rate Relief only (80%).
- Overseas Aid Organisations, Administrative Offices for National Charities, will be restricted to Mandatory Relief

## Appendix K – HRA Rents and Service Charges

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 2014/15 increase by an **average of £4.85 per week** (5.0% average increase) with effect from Monday 7<sup>th</sup> April 2014. This is in line with current government guidelines on rent increases, linked to September RPI+0.5%, and restructuring (the government is proposing to change its guidelines on rent increases from 2015/16 to an annual increase of CPI plus 1%, removing the restructuring policy);
- Garage rents, heating, utility and ancillary charges **increase by 3.2%** with effect from Monday 7<sup>th</sup> April 2014. This is based upon the September RPI figure used in rent setting.
- Service charges **increase by 3.7%** with effect from Monday 7<sup>th</sup> April 2014. This is based upon the RPI+0.5% uplift used for rent setting.
- 'Other committee' property rents increase by an average of 5.0% from Monday 7<sup>th</sup> April 2014 in line with the average increase of all housing properties.

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**SLOUGH BOROUGH COUNCIL**

**REPORT TO** Cabinet **DATE:** 10 February 2014

**CONTACT OFFICER:** Stephen Gibson, Interim Head of Asset Management  
(01753) 875852

**WARD(S):** All

**PORTFOLIO:** Finance and Strategy – Cllr Rob Anderson

**PART I**  
**KEY DECISION**

**REVIEW OF ASSET MANAGEMENT PLAN & APPROVAL OF CAPITAL DISPOSAL PROGRAMME**

**1 Purpose of Report**

The Council's most recent Asset Management Strategy was set out in the Asset Management Plan (AMP) approved in 2010. This included an action plan which has moved forward over the last 3-4 years. The AMP and associated action plan support the achievement of the Council's corporate priorities and sets out how the challenges and opportunities posed in managing land and assets will be addressed. The purpose of this report is to seek approval for the AMP 2014/17 and associated policies and Capital Disposals Programme.

**2 Recommendations**

The Cabinet is requested to resolve that:

- (a) The Asset Management Plan 2014-17, attached as Appendix A, be approved.
- (b) Note the potential use of CPO powers as described in Section 8 of the AMP, approve the proposed CPO policy, attached as Appendix C and agree to review the policy every three years.
- (c) Note the achievements summarised in section 6.2 of this report and the potential future regeneration projects outlined in section 10 of the AMP.
- (d) The summary of Key Actions described in Section 14 of the AMP be noted and approved.
- (e) The role of the Corporate Landlord is noted, agree that all future Cabinet reports be amended to include a new section 3 (e) Property Implications and that all future reports with a property implication must be signed off by the Assistant Director Assets, Infrastructure and Regeneration.
- (f) Note the emerging issues summarised in section 13 of the AMP.
- (g) The proposed Disposal, Investment and Acquisition Policy, attached as Appendix B to this report, be approved, and reviewed annually in line with the review of the Asset Management Plan.

### 3 Corporate Plan

The Council acknowledges that the way it manages its assets will have a fundamental impact on the delivery of economic development outputs and outcomes, improved health, enhanced community cohesion, increased educational attainment and improved service delivery. It will make a significant contribution to the introduction of physical regeneration and transformational change, as well as shaping and influencing the quality of life for local people. In short, the effective management of assets is closely aligned to Council's Corporate Vision and the achievement of the 5 priorities articulated in the Joint Wellbeing Strategy for Slough.

#### Other Implications

##### (a) Financial

The review of Property Assets will identify revenue savings from more efficient use of assets, shared use with partners and vacation and disposal where retention can no longer be justified. This will deliver savings to the Council's Revenue budgets and Capital Receipts from disposal will assist funding of the Council's Capital programme.

##### (b) Risk Management

| <b>Risk</b>   | <b>Mitigating action</b>  | <b>Opportunities</b>   |
|---|---|--|
| <b>Property</b><br>Assets not fit for purpose.<br>Deterioration in leased property.   | Enforcing repairs covenants.<br>Introducing a pro-active approach to rent arrears and lease renewals.   |  |
| <b>Finance</b><br>Increase in bad debts   | Prioritise dealing with debt management by tackling the highest debts first and taking into account any debt recovery limitations.  |  |
| <b>Finance</b><br>Poor Management of void properties  | Proactive marketing, improve budget control and ongoing monitoring  |  |
| <b>Capital Disposals</b><br>Change in anticipated development, development period or market conditions post disposal  | Introduce robust covenants and/or overage provisions to ensure that SBC obtains best value.   | Analysis of market conditions linked to timing of disposals to ensure best value is achieved   |
| <b>Projects</b><br>Do not reflect corporate priorities  | Ensure that projects reflect the Council's corporate vision and are assessed via a robust options appraisal process.  |  |
| <b>Corporate Landlord</b><br>Lack of consistency throughout the Council with individual Property Portfolio holders directing resources to core business at the detriment of good estate management. Resulting failure to achieve best practice and KPI targets. | Ensure Asset Management staff attendance to relevant CIPFA courses to keep abreast of emerging government legislation, monitoring and guidance changes Implementation Corporate Landlord with overriding responsibility, supported by Capital Strategy Board. | Ensures the Council becomes competent in Asset Management and meets KPI with improved opportunities towards becoming a leading example Unitary Authority |



(c) Human Rights Act and Other Legal Implications

There are no Human Rights Act Implications.

(d) Equalities Impact Assessment

Section 3 of the report describes how the Council will promote equality, diversity and community cohesion through the effective use of assets. In approving the AMP 2014/17, Council is committed to undertaking Equality Impact Assessments to ensure that new projects are totally accessible to all members of the community.

**6. Supporting Information**

- 6.1 The AMP describes how Slough Borough Council should manage its assets using a Corporate Landlord approach, enabling it to target its limited resources at achieve the greatest benefits.
- 6.2 Section 9 of the AMP summarises recent performance, identifies major achievements that were realised during the period of the previous plan and highlights the contribution that effective Asset Management has made to realising corporate priorities. These include:
- The building contract has been exchanged for the Curve and enabling works are ongoing to facilitate a construction start on 13 January 2014. This will allow completion of the project in 2015.
  - The completion of Britwell Community Hub and the commencement of major regeneration programme in Britwell to create a mix of 2, 3 and 4 bedroom properties to provide 101 new homes for sale, 155 homes for rent, including 54 affordable homes for SBC, new retail provision and environmental regeneration.
  - Disposed of the Castleview access to Bellway, raising a capital receipt of circa £5.1m.
  - Disposed of the retail units and houses at Parlaunt Road for circa £1.4m, compared to an external valuation of £0.55m that reflected the cost of refurbishment and essential repairs.
  - Completed and formally opened the Britwell Community Hub.
  - Completed the conversion and refurbishment of the former Town Hall building to create a new school site and fully upgraded CCTV Control and Monitoring Centre.
  - Completed the new Foundation block at Montem Primary School (£1.3), completed the new classroom block at St Anthony's RC Primary School (£0.7m), and completed the expansion of Priory Primary School (£1.4m).
  - Agreed and implemented a new School's Modernisation programme, value £4m.
- 6.3 The AMP 2014/17 will seek to deliver on 7 Key Aims that will have a cross-cutting effect on the Council's Finance Strategy, Capital Strategy, Economic Development Strategy, emerging Regeneration Strategy and the Human Resources Strategy (e.g. flexible working), as follows:
- **Key Aim One** – Introduction of a proactive approach to Estate Management
  - **Key Aim Two** – To achieve capital receipts targets through the disposal of surplus assets
  - **Key Aim Three** – Make a significant contribution to delivering transformational change
  - **Key Aim Four** – Use the Council's assets to promote economic development and growth

- **Key Aim Five** – To hold a rationalised portfolio that is in the right location, is fit for purpose and reduces ongoing revenue costs
- **Key Aim Six** – To introduce a culture of continuous improvement:
- **Key Aim seven** – To manage and deliver the emerging Strategic School Places Plan 2013-21.

## Asset Challenge

6.4 The Council's portfolio needs to be evaluated against a common set of criteria to provide baseline information to identify the condition and suitability of assets and potential opportunities. This is known as the Asset Challenge process. The Asset Challenge process will take account of:

- The extent to which new working practices within the Council are giving rise to changes in accommodation requirements – this might include home-working, outsourcing or increased partnership working,
- Internal drivers for each department that will change the approach to service delivery in future years. These need to be identified by Service Directors and fed into the Asset Challenge process/Accommodation Strategy,
- The requirements of the capital programme, and
- The needs and expectations of staff, residents, service users and partners.

6.5 There are 5 potential recommendations that will arise from this process:

- **Fit for Purpose** - these should be retained and maintained through a programme of planned and reactive maintenance, or
- **Enhanced Utilisation** – These should be retained, however utilisation should be re-considered to improve the financial and/or service delivery performance (for example through shared services), or
- **Major Investment** – The future direction of the building needs to be determined as major works are required, or
- **Vision Property** – These assets should be retained, undertaking minimum maintenance pending investigation of the development potential of the site. The asset should be disposed when its potential can be maximised, or
- **Surplus** - Dispose of the asset immediately, in accordance with the Disposal, Acquisition and Investment Policy.

6.6 SBC has an excellent relationship with strategic partners and recognises the need to enhance this relationship to realise opportunities. This will commence in the period of the plan and will include the collection of property data from local public, statutory, voluntary and private sector organisations with the aim of establishing an Integrated Area Asset Management Plan to ensure more effective use of combined assets.

## Corporate Landlord

6.7 The Corporate Landlord Model was adopted on 4<sup>th</sup> July 2011 and included the transfer of all Community Centres and the Caretakers/Assistant Facilities Officers to Facilities Management. A second transfer for the responsibility of Youth Community Buildings and Caretaking staff took place in July 2012. In the period of the Asset Management Plan, the Council will seek to enhance the existing model. Subject to approval, Facilities Management will centrally manage all Council land and building assets, with service departments making use of them for operational purposes as tenants. All aspects of building and facilities management across service departments will be reviewed by

Facilities Management to avoid duplication and inefficient practice, allowing the Council to generate savings related to resource costs.

- 6.8 It is suggested that the Assistant Director Assets, Infrastructure and Regeneration is designated as the Corporate Landlord. It is proposed that all future reports to Cabinet and CMT will include a requirement to identify property related implications and that the Assistant Director Assets, Infrastructure and Regeneration will be required to sign-off any identified issues prior to the dissemination of reports

#### Capital Disposals

- 6.9 SBC is committed to using its corporate property assets in a manner that realises their optimum benefit to the Council and the local community and represents value for money. The Council will consequently only seek to dispose of an asset declared surplus by service departments via the Asset Challenge process where it:
- Will provide land to support corporate strategies,
  - Will secure capital earmarked to support specific planned projects or support other core priorities,
  - Can no longer accommodate the delivery of services in an economically, environmentally or culturally sustainable manner,
  - Constitutes a significant future risk to the Council, e.g. through accrued liabilities,
  - Is no longer required for delivery of a partnership programme, or
  - Offers no real potential for long-term realisable capital appreciation.
- 6.10 Subject to approval, assets identified for disposal will be brought to Cabinet for disposal in accordance with the revised Disposals, Investment and Acquisitions Policy. Moving forward, from February 2015, Cabinet will receive an annual report on assets that are considered to be surplus to requirement and recommended to be made available to the market during the following three financial years.

#### Use of Compulsory Purchase Powers

- 6.11 Historically, the Council has made little use of its compulsory purchase powers (“CPO”), having been able to secure various acquisitions through negotiation with owners. However, the Asset Management Plan and Regeneration Strategy identify a range of key priorities in relation to affordable housing, infrastructure, regeneration, education, health and economic development which it wishes to deliver to realise its corporate objectives. The use of CPO powers will assist to deliver these priorities where agreement cannot be reached.

#### Governance

- 6.12 Governance, roles and responsibilities are set out in Section 11 of the AMP. This section confirms the role of Councillor, Cabinet and officers. Within this, the role of the Council’s s151 Officer is paramount. The role of the Section 151 officer is to ensure that the Council achieves best value in relation to all its transactions for services, acquisitions and disposals. This function is carried out by the Assistant Director, Finance and Audit. If best value in financial terms conflicts with best social or community benefit/value then the Section 151 Officer will consult the Secretary of State seeking approval to accept less than best financial value for the greater community value.

## **7 Conclusion**

- 7.1 The Implementation of an updated Asset Management Plan will ensure that assets held by the Council will support it's regeneration priorities and other Priorities.
- 7.2 The increased emphasis on the Corporate Landlord role will ensure that buildings are viewed as a corporate resource. Inefficient/poorly performing buildings will be identified via the Asset Challenge process, leading to rationalisation, the generation of a capital receipts and service improvements.

## **8 Appendices**

Appendix A - Asset Management Plan 2014/17  
Appendix B - Disposals, Investment & Acquisitions Policy  
Appendix C - Compulsory Purchase Policy

## **9 Background Papers**

None

|    | <b>Section</b>                         | <b>Pages</b> |
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| 1  | Introduction & Purpose                 | 1            |
| 2  | Context                                | 3            |
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| 4  | What is Asset Management in Slough?    | 9            |
| 5  | Property Analysis                      | 10           |
| 6  | Asset Challenge                        | 12           |
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**Appendices:**

Appendix One - Disposals, Investment and Acquisition policy  
Appendix Two - Compulsory Purchase Order policy

# 1. Introduction & Purpose

- 1.1 Asset Management plays an integral part in the forward planning process for local government. It has been developed to ensure that Councils and other organisations meet their business needs and social responsibilities now and in the future. Against a background of austerity measures and reduced funding from central government, which place increased pressure on local government finances, Asset Management is viewed as a key component to maintain quality services, reduce borrowing and finance capital projects.
- 1.2 Slough Borough Council (SBC) recognises that the efficient management of its assets is closely tied to the successful delivery of its overall vision, aims and objectives. As a consequence of the Council's significant landholding, it is in a position to influence a number of key regeneration schemes, such as the redevelopment of Britwell, that offer more than property specific benefits. The Council acknowledges that the way it manages its assets will have a fundamental impact on the delivery of economic development outputs and outcomes, improved health, enhanced community cohesion, increased educational attainment and improved service delivery. It will make a significant contribution to the introduction of physical regeneration and transformational change, as well as shaping and influencing the quality of life for local people. In short, the effective management of assets is closely aligned to the achievement of the 5 priorities articulated in the Joint Wellbeing Strategy for Slough.
- 1.3 The Asset Management Plan supports the Council's Corporate Plan and Capital Strategy to ensure that its assets are used in an effective and efficient manner. It identifies the location and condition of assets, establishes who owns them and makes links to strategic initiatives. It promotes a Corporate Landlord role described in sections 11.5 and 13.2 and will continue to challenge and justify why assets are being retained, whilst looking at other alternative options for asset use and service delivery to maintain and enhance front line services within a stringent budgetary framework.
- 1.4 The Council's most recent Asset Management Strategy was set out in the Asset Management Plan dated 2008 and updated in 2010. This included an action plan which has moved forward over the last four years.
- 1.5 The purpose of this document is to set out the Council's revised approach to asset management from 2014 to 2017. It will:
  - Provide Councillors, staff and key stakeholders with a document that can support informed, transparent and consistent decisions on property assets, acquisitions and disposals.
  - Provide Strategic Directors and Service Heads with a clear and integrated approach to the management and review of operational assets from which to deliver services.
  - Create a strategic framework for the delivery of the Asset Management function, including prioritisation of Key Aims, outputs and outcomes.

- Support the Council's Financial Strategy by integrating capital planning with financial planning and achieving best value to maximise the use of assets.
- Demonstrate how the Council will deploy its assets to ensure that plans and programmes involving land and property compliment and assist in the delivery of other corporate strategies and policies, whilst supporting area-based plans for various localities within Slough.

1.6 This AMP does not include land, houses, buildings and fixed assets associated with the Housing Revenue Account, Education, Highways or Infrastructure assets, all of which are subject to separate plans. However, as a consequence of the inter-relationship between Asset Management and Regeneration, reference will be made to projects that involve highways infrastructure, HRA-led development and schools expansion.

1.7 The remainder of the AMP is structured as follows:

- **Section 2** places Asset Management within a strategic context.
- **Section 3** summarises the contribution that the management of assets will make to the promotion of equality and community cohesion.
- **Section 4** identifies the contribution that Asset Management makes to realising Directorate and Corporate objectives.
- **Section 5** provides a review of the Council's operational and investment properties.
- **Section 6** sets out the Council's approach and criteria for the Asset Challenge process.
- **Section 7** explains the Council's approach to acquisitions and disposals within the context of corporate objectives.
- **Section 8** explains the circumstances when the Council will consider the use of Compulsory Purchase powers to assemble land.
- **Section 9** details some of the achievements to date.
- **Section 10** highlights the close ties between Asset Management and regeneration and highlights the Council's approach and priorities for regeneration.
- **Section 11** explains the governance and delivery arrangements in relation to the delivery of the AMP.
- **Section 12** summarises the approach for the identification, monitoring and control of service area risks.
- **Section 13** identifies emerging strategies, plans and issues that will evolve in 2014/15 and will shape the AMP moving forward.
- **Section 14** summarises the Key Actions for the period to 31 March 2015 and the delivery priorities that will be focussed on.
- **Section 15** identifies the proposals to monitor and evaluate performance, including a range of key performance indicators.
- **Section 16** identifies the gaps between current and planned performance.

## 2. Context

### 2.1 About Slough

Slough is a thriving multicultural town that sits at the western edge of London and covers an area of 32.5 square km. Its close proximity to Heathrow Airport and transport links account for its importance and success as a commercial centre. The town has the highest concentration of corporate headquarters in the country (outside London), including O2 and Blackberry and is the home to Slough Trading Estates Group (SEGRO), which is the largest privately owned trading estate in Europe.

The town has one of the fastest growing populations in the country. In 2011, 144,988 people lived in the town, an increase of over 16% between censuses. Slough's population is diverse with one of the highest black and minority ethnic (BME) populations outside London - 34.5%. One in five of Slough's residents are born outside the UK or Europe, more than any other local district in the South East, with 48% of school children in Slough coming from BME backgrounds. The majority of Slough's BME communities are originally from India and Pakistan with a smaller but significant black Caribbean population.

SBC became a unitary authority in 1998 and inherited significant under-investment in former County Council stock. The Council is a major driver of change particularly in respect of regeneration and collaborative work with partners to deliver a shared view of how to improve the quality of life in the town. The Heart of Slough project, which includes the Curve, is a prime example of the regeneration currently being undertaken in the Town Centre.

### 2.2 National Level

It is anticipated that local government settlements and traditional sources of funding will continue to reduce in real terms for the foreseeable future. This will continue to place greater emphasis on the need to make asset based decisions to support the requirement to safeguard key services and realise the Council's strategic aims. In addition to finance, the following issues have/will have an impact on the asset management function:

- **The Transparency agenda** - This will have a significant impact on the workload for local government from April 2014. Based on recent guidance published by CIPFA, for each qualifying asset, Councils must publish in one place, on an annual basis, factual data about the location and key attributes of their property estate. It is envisaged that this data will help the public hold local authorities to account and also help to drive better performance of public buildings and share community assets.
- **Asset Pathfinder Programme (APP)** – The APP was launched in 2013 with the intention of removing barriers that might otherwise prevent different parts of the public sector sharing property assets and therefore make better use of the overall public sector estate. The APP will help to identify opportunities to sell underused assets, such as office buildings, depots,



hospitals and vacant land. The scheme follows three waves of the Government's Capital and Asset Pathfinders programme, which led to around 35 authorities taking action to share buildings.

- **Changes of Use, 'office to residential' without planning** – from spring 2013, new legislation came into force that allowed a change in use without the need for developers to obtain planning permission under certain conditions. The change was introduced to provide additional housing where there is a shortfall, encourage economic growth by providing a quick and flexible solution and promote vitality in town centres.
- **Assessment criteria for school playing fields** - School playing fields are protected under the provisions of S77 of the School Standards and Framework Act 1998, which empowers the Secretary of State. The main thrust to the assessment criteria is that the sale of a playing field should be considered as an absolute last resort with local authorities having to demonstrate that they have exhausted all other sources of funding for the providing new or improved school sports facilities.
- **The Localism Act** – This Act gained Royal Assent in November 2011 and contains provisions to empower eligible community groups to bring community assets into community ownership. This Act places a requirement on local authorities to maintain and publish a list of Assets of Community Value. The same Act abolished the Housing Revenue Account (HRA) subsidy system and introduced a self-financing regime.
- **Town Centre Regeneration (The Portas Review, 2011)** - In response to growing concerns about the challenges and sustainability of town centres, the government commissioned Portas Review. In addition to the recession, changes in shopping habits including online shopping and out of town shopping centres have contributed to the decline of town centres. The objective of the review was to halt the "*decline of the High Street*" in England and look at the problem of empty shops and how to prevent the growth of "*clone towns*" dominated by chain stores. The review suggested that town centres should run more like businesses and made a series of recommendations, including: improved management of High Streets with new "town teams", affordable town centre car parking, a "*Town centre first*" approach in planning, disincentives for landlords who leave shops empty, and greater inclusion of the High Street in neighbourhood planning.
- **Community Asset Transfer (CAT)** - In 2007 the government published the findings of the Quirk review, which highlighted the potential benefits of CAT. The Council will review CAT proposals against the assessment criteria drawn from the Quirk Report, which stipulates that proposals should deliver community benefits commensurate with any discount below market value of the property, should be viable and must be supported by a robust business case. Any CAT proposals will be weighed against the need to generate capital receipts for reinvestment and regeneration.

## 2.3 Corporate Planning

SBC reviews its Corporate Plan on an annual basis to set out the organisation's political and managerial objectives. The Corporate Plan flows from the Joint Wellbeing Strategy and sets out the strategic aims, objectives and vision of the Council. The current Plan demonstrates the Council's understanding of how the prevailing social, economic, environmental and financial factors that influence Slough will be managed for the period to 31 March 2015.

The Corporate Plan identifies the Council's key strategic priorities and explains how they will be financed. To deliver its vision, the Council has set 6 corporate objectives to shape its priorities. The Asset Management function will contribute as follows:

- **Improve customer experience** - the Council aims to be responsive to the needs of local people to improve overall satisfaction. This will include improved infrastructure to reduce traffic congestion and the provision of specialist accommodation to enhance the quality of life for adults with care and support needs.
- **Deliver high quality services to meet local needs** - Over the period of this AMP the Council will continue to implement the Strategic School Places Programme, make the best use of social housing stock and land held in the HRA account to meet housing need across tenures and introduce new multi-use games areas (MUGA) in various localities linked to the Leisure Strategy.
- **Develop new ways of working** - including the use of Slough's Local Asset Backed Vehicle (Slough Regeneration Partnership) to bring forward major regeneration projects including the Curve – which contains a multi service library, culture and youth space and the housing-led regeneration of the former town hall site at Ledgers Road. Working with colleagues in Housing Services to explore options for creating subsidiary housing companies to offer market renting and key worker housing.
- **Deliver local and national change and improvement** - To ensure that the Council responds to local and national change and meets statutory requirements, it will: invest in transport and infrastructure, use its property assets to promote economic development and seek to reduce the number of adults who receive care outside Slough by providing accommodation that will allow them to live in their own community.
- **Develop a skilled and capable workforce** - The Council acknowledges the contribution that it's staff makes to the achievement of its overall objectives. The ongoing Accommodation Strategy and Asset Challenge process will seek to ensure that the portfolio of properties are fit for

purpose, are in the right location, are energy efficient and facilitate flexible working to allow SBC to deliver high quality services and retain excellent staff.

- **Achieve value for money** - Given the current economic environment for local government; this is a key challenge for the Council. The Council will use its assets to achieve a balance between investing in regeneration and infrastructure and maintaining front line services.

It is broadly accepted that efficient and effective Asset Management will play a key role in the Council realising its overall aims and objectives.

## 2.4 Market Commentary

**Residential** - House prices across the UK have risen on average 7% in 2013 with the South East seeing even higher increases. Property prices in Slough have been recovering since mid 2012, although prices did not fall back as far as other areas across the South East. Slough remains a popular area due to its relatively low prices compared to neighbouring Boroughs, availability of work and good transport links. This popularity and the growing shortfall of properties coming onto the market has seen a significant rise in house prices in the last 6 months of 2013 (some areas of Slough have seen a 15% to 20% rise). A number of new housing developments and increased confidence in the economy may curb further increases, but the advent of Crossrail and the beginning of major town centre regeneration schemes may lead to further increases in the coming years.

**Office** - The current office market in Slough is focused on existing occupiers/businesses taking expansion space in buildings already occupied increasing investment and commitment to the town. There have been no new major office developments in Slough since 2010. This is a reflection on the stagnant economy and the current availability of approximately 1.2m sq ft of surplus office space.

**Industrial** - Take up has fallen across the South East as grade A stock availability has reduced. Slough has weathered any reduction in prime rents with rent per sq ft remaining at £10.50. The percentage of available stock is below the average South East availability rate. This desire for grade A stock is demonstrated by SEGRO's regeneration of Slough Trading Estate with major work planned around its own headquarters, the refurbishment of other major head office buildings (O2) and the clearing of older stock in readiness for a 'Build-to-Suit' programme.

**Retail** - The retail sector in Slough continues to struggle with the vacancy rate showing a 5.5% increase in 2012 to 16.4%. This is higher than both the national and regional average of 14.2% and 13% respectively, although there are indications of recovery with average retail rents in Slough having risen by 17% during the period June 2012 to June 2013.

## 2.5 The Council's Estate

The Council owns and occupies a varied asset portfolio ranging from office accommodation to a rural holding (Lavender Farm). The following statistics provide an indication of the scale of the Council's asset base excluding HRA housing but including the HRA commercial portfolio:

- The remaining portfolio totals over 300 assets.
- Interests in land plots numbers over 60.
- All representing a current value of £233,600,000, of which £83m is Educational.
- Total annual income generated from the Councils investment portfolio is in excess of £400,000.

Whilst property assets are a valuable resource and offer opportunities, they can also be a risk and liability that require ongoing maintenance and should therefore be managed as efficiently and effectively as possible through a robust asset management framework.

## 2.6 Asset Management Plan

The AMP is part of a suite of planning documents that articulates the Council's vision and objectives and ensures that the Council's priorities fit with those outlined in the Wellbeing Strategy. It ties into the Council's short, medium and long-term objectives and ensures that operational assets, investment assets and capital disposals are managed within a cohesive framework that delivers positive outcomes. The AMP is closely linked to the Council's medium to long-term financial strategy and its capital programme.

The AMP was last updated in 2010 and is now subject to review. The revised plan will take account of corporate objectives linked to key housing regeneration sites including Ledgers Road, Wexham Nursery and Trelawney Avenue, the introduction of modern community and/or health care facilities, improving the skills of local people and creating a vibrant town centre.

## 2.7 Key Aims & Objectives

The AMP will seek to deliver on 7 Key Aims that will have a cross-cutting effect on the Council's Finance Strategy, Capital Strategy, Economic Development Strategy and the Human Resources Strategy (e.g. flexible working), as follows:

**Key Aim One** - Introduction of a proactive approach to Estate Management.

**Key Aim Two** - To efficiently manage the disposal of surplus assets.

**Key Aim Three** – Make a significant contribution to delivering transformational change.

**Key Aim Four** – Use the Council's assets to promote economic development and growth.

**Key Aim Five** – To hold a rationalised portfolio that is in the right location, is fit for purpose and reduces ongoing revenue costs.

**Key Aim Six** – To introduce a culture of continuous improvement.

**Key Aim seven** – To manage and deliver the emerging Strategic School Places Plan 2013-21.

Section 14 provides a more detailed explanation of the Key Aims and summarises the actions that will be undertaken in the period to April 2017. Each Key Aim is supported by a series of specific objectives, which are measurable via the associated Operational Plan.

## 2.8 Asset Management Operational Plan

The AMP is intended to provide a high level strategic document that sets out a framework under which the use of the Council's assets and approach to future deployment is confirmed. It is supported by a detailed Operational Plan which illustrates what will be done, by when and by whom. The Operational Plan includes specific targets will be used as a means of measuring performance against the seven Key Aims described above.

The Operational Plan will be reviewed on an annual basis in conjunction with the review of the AMP and will confirm how and when staff members from the Asset Management team and other departments will make a contribution, describes the range of actions required and the timescales to realise individual, departmental and corporate objectives.

## 3. Equal Opportunities

The Council will promote Equalities and Diversity through:

- Ensuring that the design, delivery and commissioning of service is fair, equitable and accessible.
- Promote equal life chances for all by optimising the use of assets in the communities we serve.
- Ensuring that our public buildings are accessible and welcoming to all sections of the community.

The implementation of the AMP will ensure that new capital projects or major refurbishments comply with the requirements of the Equality Act 2010. The Council will undertake Equality Impact Assessments and ensure that new projects are totally accessible to all members of the community and enhance community cohesion.

## 4. What is Asset Management in Slough?

4.1 The Royal institute of Chartered Surveyors (RICS) define Asset Management as the process that aligns business and property asset strategies, ensuring optimisation of an organisation's property assets in a way which best supports its key business goals and objectives. This definition provides a broad explanation of the financial, technical and managerial tasks that fall under the remit of asset management – but how does this fit with the application of asset management in Slough?

4.2 Asset Management is recognised as a key element of the Council's overall drive to optimise best value and is an integral part of the Council's overall forward planning process. Asset Management:

- Supports the Corporate Plan and ensures that the Council's assets are used in an effective and efficient manner. It identifies the location and condition of assets, classifies their fitness for purpose and identifies future uses.
- Is an essential element of business planning and good financial management. As a consequence of its capital disposal role, it is closely aligned to the budget setting process and has a direct impact on levels of borrowing and the ability of the Council to maintain essential services against a background of reduced funding from central government.
- Underpins and supports the Council's regeneration priorities. Staff from Asset Management will work closely with internal departments, Slough Regeneration Partnership and other strategic partners to identify regeneration sites, manage acquisitions/disposals and resolve site specific constraints with a view to maximising the financial and social value of land owned by SBC.
- Has responsibility for the day-to-day management of the Council's investment assets to increase the financial rate of return to the Council. This involves efficient estate management to minimise void periods and the development of effective and proactive procedures to manage tenancies and lease renewals.
- Will help to deliver the desired outputs and outcomes of the Council's ongoing Accommodation Strategy. This focuses on the medium to longer-term and involves challenging current perceptions on whether existing offices and/or community facilities are in the right location to meet future demand, are the correct size to provide flexible space to meet future need/work practices, are energy efficient and could secure a greater return through an alternative use or disposal.
- Supports the delivery of the emerging Strategic School Places Plan 2013-21 by assessing the value of sites for competing needs, providing key data in the prioritisation of sites for expansion.

- Facilitates partnership working with other public sector bodies to make efficiency savings through an integrated asset management strategy. This rationalisation of public sector assets will improve efficiency and release land to meet future need and demand.

## 5. Property Analysis

### General

- 5.1 SBC owns a large and varied portfolio of property and land assets. It comprises a substantial investment (commercial) portfolio together with service delivery (operational) and surplus assets with a total book value of £233,600,000 (excluding the HRA commercial portfolio, which is managed externally). The range of assets is recorded in the Council's Fixed Asset Register, which is used to record the gross and net book value of assets. The assets are re-valued on a cyclical basis in accordance with the relevant current and future guidelines issued by CIPFA, the RICS and the IFRS, together with other appropriate accounting standards.

### Investment assets

- 5.2 Investment (commercial) assets are held for the purpose of generating rental income and/or capital appreciation. The Council's investment portfolio includes 62 units such as light industrial units and retail premises. In addition, 'minor' interests, for example wayleaves, easements and licenses contribute to the Council's annual revenue stream of circa £400,000.

| Type             | Number    | Market Value      |
|------------------|-----------|-------------------|
| Industrial units | 46        | £520,000          |
| Retail           | 5         | £765,000          |
| Others           | 11        | £3,300,000        |
| <b>Total</b>     | <b>62</b> | <b>£4,584,000</b> |

### Operational Assets

- 5.3 Operational (service delivery) assets are held, occupied, used or contracted to be used on behalf of the Council to provide services, whether statutory, discretionary or to meet the corporate objectives of the Council. They include offices, leisure centres, crematoriums, waste stations, car parks and public open spaces.

## Asset Categorisation

- 5.4 The Council's operational asset portfolio currently falls under 4 broad categories. These were updated as follows in July/August 2013 to take account of the views expressed by designated directorate portfolio holders. Excluding the HRA portfolio, the breakdown is as follows:

| Category     |   | Number     | Asset Value         |
|--------------|---|------------|---------------------|
| A            | Assets that are likely to stay operational  | 210        | £177,000,000        |
| B            | Assets that could stay operational with potential for co-location                                       | 16         | £11,000,000         |
| C            | Assets that are expensive to run, are not fit for purpose and/or have a potential for a capital receipt | 62         | £40,000,000         |
| D            | Assets that are vacant and surplus and considered for disposal  | 30         | £5,600,000          |
| <b>Total</b> |   | <b>318</b> | <b>£233,600,000</b> |

- 5.5 The majority of the above values are on the basis of a depreciated replacement cost (DRC). This methodology is typically used as an entry onto the balance sheet as a device for charging occupiers for the benefit of the occupation; as a consequence it should not be regarded as obtainable in the open market. CIPFA defines DRC as *“a method of valuation which provides the current cost of replacing an asset with the modern equivalent asset less deductions for all physical deterioration and all relevant forms of obsolescence”*.



## 6. Asset Challenge

6.1 The Council's operational portfolio needs to be evaluated against a common set of criteria to provide baseline information to identify the condition and suitability of assets and potential opportunities. This is known as the Asset Challenge process. The Asset Challenge process will take account of:

- The extent to which new working practices within the Council are giving rise to changes in accommodation requirements – this might include home-working, outsourcing or increased partnership working,
- Internal drivers for each department that will change the approach to service delivery in future years. These need to be identified by Service Directors and fed into the Asset Challenge process/Accommodation Strategy,
- The requirements of the capital programme, and
- The needs and expectations of staff, residents, service users and partners.

6.2 In accordance with a desire to streamline public services, the Asset Challenge process will be extended to include the assets of public sector partner organisations.

### Stage One

6.3 In July/August 2013 a more systematic approach was undertaken through the first stage of the Asset Challenge process. The aim of this exercise was to categorise assets in line with approved criteria as a first step towards identifying the disposal programme for 2014/17.

6.4 Service departments participated in the process in terms of assessing asset and accommodation requirements and confirming the category of each asset held within their portfolio. This was extended to a strategic review of category C and D assets in October 2013 in order to take the process of declaring property surplus forward where assets are identified as being potentially surplus.

### Stage Two - Rationalisation

6.5 A process will commence in 2014 which includes the provision of data and Asset Challenge information to prioritise divestment of the Council's category A and B properties that have been identified as being of poor strategic value and condition.

6.6 This longer-term approach will involve challenging all existing assets and an options appraisal judged against the value and contribution that assets can make to service delivery and corporate objectives. There are 5 potential recommendations that will arise from this process:

- **Fit for Purpose** - these should be retained and maintained through a programme of planned and reactive maintenance, or
- **Enhanced Utilisation** – These should be retained, however utilisation should be re-considered to improve the financial and/or service delivery performance (for example through shared services), or
- **Major Investment** – The future direction of the building needs to be determined as major works are required, or
- **Vision Property** – These assets should be retained, undertaking minimum maintenance pending investigation of the development potential of the site. The asset should be disposed when its potential can be maximised, or
- **Surplus** - Dispose of the asset immediately, in accordance with the Disposal, Acquisition and Investment Policy.

### **Stage Three - Collaboration**

- 6.7 SBC has an excellent relationship with strategic partners and recognises the need to enhance this relationship to realise opportunities. This will continue in the period of the plan and will include the collection of property data from local public, statutory, voluntary and private sector organisations with the aim of establishing an Integrated Area Asset Management Plan to ensure more effective use of combined assets.
- 6.8 Moving forward, this collaborative approach will become the norm to ensure that services are more accessible for customers and increase operational efficiencies.

## 7. Disposals and Acquisitions

### General

- 7.1 SBC is committed to using its corporate property assets in a manner that realises their optimum benefit to the Council and the local community and represents value for money. The Council will consequently only seek to dispose of an asset declared surplus by service departments via the Asset Challenge process where it:
- Will provide land to support corporate strategies,
  - Will secure capital earmarked to support specific planned projects or support other core priorities,
  - Can no longer accommodate the delivery of services in an economically or environmentally sustainable manner,
  - Constitutes a significant future risk to the Council, e.g. through accrued liabilities,
  - Is no longer required for delivery of a partnership programme, or
  - Offers no real potential for long-term realisable capital appreciation.
- 7.2 Properties that have/will be declared surplus will be subject to a report to the Capital Strategy Board, Corporate Management Team and Cabinet in order to recommend either an alternative use for an asset or a capital receipt to support the capital programme. The report will provide a description of the asset, the current ownership, the current and anticipated use, the link to corporate objectives and the anticipated capital receipt. Where the report recommends disposal, it will include a recommendation on:
- The approach to alternative development where this is appropriate. Whether there would be sufficient merit to warrant applying for planning permission before disposal, and
  - The method of disposal and anticipated time taken to dispose together with any significant holding costs/risk.
- 7.3 To maximise efficiency, assets deemed surplus by service departments will either be reused or disposed of in a timely manner. Pending disposal, interim use of property on a 'tenancy at will' basis such as Wentworth Road shops and Trelawney Avenue former GP Surgery will be used to avoid vacant management costs and generate a modest income stream as well as the avoidance of business rates and anti-social behaviour issues.

## Sales Achieved During Previous Plan

- 7.4 In the period from April 2010, the Council has disposed of assets to the value £12,762,250, cumulative sales are as follows:

| Year         | Total Disposal Price pa | Total Valuation pa | Total Surplus pa  |
|--------------|-------------------------|--------------------|-------------------|
| 2010/11      | £3,391,250              | £2,665,000         | £726,250          |
| 2011/12      | £ 1,029,500             | £737,300           | £292,200          |
| 2012/13      | £1,659,000              | £1,348,000         | £311,000          |
| 2013/14      | £6,682,500              | £5,805,000         | £877,500          |
| <b>Total</b> | <b>£12,762,250</b>      | <b>£10,555,300</b> | <b>£2,206,950</b> |

## Disposals previously approved

- 7.5 The properties listed below have previously been declared surplus. The properties at Windsor Road, Layburn Crescent and High Street have been marketed by Asset Management and are currently under offer:

| Asset                           | Comment   |
|---------------------------------|---|
| Land at 139 Windsor Road Slough | Secured prices in excess of valuation with anticipated completion during March 2014.                |
| 44 Layburn Crescent Colnbrook   | Secured prices in excess of valuation with anticipated completion during March 2014.                |
| 50 High Street Chalvey          | Secured prices in excess of valuation with anticipated completion during March 2014. <sup>(1)</sup> |
| Elliman Avenue                  | Decision to retain asset and revert to Category A asset.  |

(1) Net proceeds to be shared with Chalvey Working Mens Club)

Following the Asset Management Strategy Day held in October 2013, it was agreed that Elliman Avenue would be retained by the General Fund with a view to developing SBC properties for rent on this site.

## **Disposals Programme 2014-2017**

- 7.6 In the period of this plan, Cabinet will receive reports from the Head of Asset Management on assets that are considered to be surplus to requirement and recommended for disposal in accordance with 7.1 above.

### **Strategic Land Acquisition**

- 7.7 All acquisitions, whether planned, opportunistic or via the use of Compulsory Purchase, will be made in accordance with the Council's revised Disposal, Investment and Acquisition Policy (appendix One), which describes the process by which land and property are acquired by SBC, the powers used and the arrangements followed to ensure acquisitions support the Council's corporate priorities.
- 7.8 Land and property acquisition will typically occur when:
- **A need is identified** for the acquisition of a specific asset in response to an approved strategy, programme or capital project, or
  - **An opportunity arises** to purchase an asset where the Council would secure an operational, financial or strategic benefit, or
  - **A Council scheme is identified**, for example a Highways-led regeneration project that effectively 'blight' areas or land and/or properties.
- 7.9 Other than where minor land acquisitions are undertaken under delegated powers, all land and property acquisitions must be approved by the Capital Strategy Board, Corporate Management Team and Cabinet.

## 8. Use of Compulsory Purchase Powers

### Introduction

- 8.1 The Council aims to maintain the transformation of Slough through an ambitious regeneration programme that will see the introduction of new housing, infrastructure, community hubs, schools, leisure developments and modern healthcare facilities. This will require the redevelopment of large areas of land, some of which is out of the ownership of the Council.
- 8.2 Whilst the Council has and will continue to negotiate with third party owners to acquire land required for regeneration, it also requires sufficient flexibility to use alternative approaches to realise its strategic objectives. In the event that negotiations by private treaty prove unsuccessful, the Council will use Compulsory Purchase Order (CPO) powers as a fall back position to guarantee the delivery of land where it can be demonstrated that the use of such powers is in the public interest.

### Examples where powers may be used

- 8.3 Whilst it is not possible to list all circumstances under which the Council may use its compulsory purchase powers, some examples listed below are areas which are currently relevant to the Council's priorities and objectives:
- **Education** – the Council will be able to utilise powers to acquire land and property to construct or enlarge existing or new school facilities.
  - **Housing** – sites identified in the Local Plan or Local Development Framework which owners are not bringing forward for redevelopment or are in disrepair but which would make a significant contribution to the provision of affordable housing in the district. Reasons for these not being brought forward may be concerns regarding viability as the result of proportion of affordable housing, complex ownerships or simply unwilling vendors.
  - **Economic Development** - sites identified in the Local Plan or Local Development Framework which owners are not bringing forward but which would make a significant contribution to the delivery of Economic Development in the district. Reasons for these not being brought forward may be concerns regarding viability, complex ownerships or simply unwilling vendors.
  - **Regeneration** – The Council will be entitled to utilise its powers of acquisition if it thinks that acquiring land will facilitate the carrying out of development, redevelopment or improvement of land in the event that a development is likely to contribute to achieving the promotion or improvement of the economic, social or environmental well-being of the area.

- **Vacant or underused sites** - where vacant or underused, so adversely affecting the amenity of an area, and there is little evidence that a landowner is pursuing appropriate development options, or where land within, or adjacent to, development which is designed to meet a corporate priority but is inhibited by ransom strips or multi/complex ownership.

8.4 The use of CPO powers will be in accordance with the Council's CPO Policy (Appendix Two).

## 9. Recent Performance

9.1 The Asset Management Service Plan 2012/13 identified a range of strategic priorities, established a range of service outcomes and performance measures tied to each priority and provided timescales for each strategic priority. Whilst this provides a degree of performance monitoring information, none of the priorities identified were relevant to 2013/14.

9.2 The following targets were achieved in 2013:

| Planned outcome   | Performance  |
|---|--|
| Delivery of the Curve, a new community and leisure space, by Spring/Summer 2015.          | The building contract is exchanged and enabling works are ongoing to facilitate a construction start on 13 January 2014.   |
| Completion of community facilities and start of major regeneration programme in Britwell. | <p>This major regeneration programme is a partnership between SBC, Countryside and Catalyst Housing Association (CHA) that will tackle the social, physical and economic and environmental regeneration of Britwell.</p> <p>In April 2013, The Queen and Duke of Edinburgh visited Britwell and formally opened the new £2.5m Community Hub. The new community facility provides a range of services and activities and includes a library, meeting rooms/hall hire, MyCouncil, kitchen/catering facilities, a community garden and an adult learning suite. Countryside went on site in November 2013 and will include a mix of 2, 3 and 4 bedroom properties to provide 101 new homes for sale, 101 homes for CHA and 54 affordable homes for SBC. In addition to housing, the programme will include new retail provision and environmental regeneration and has an overall value of circa £55m and will be completed within 3 years.</p> |

9.3 In addition to the above, the Asset Management service area has gone through considerable change in personnel since 1 April 2013 and is still the subject of an ongoing restructure. Despite this level of transition, the section has realised a number of significant achievements, including:

- Disposed of the Castleview access to Bellway, raising a capital receipt of circa £5.1m.
- Disposed of the retail units and houses at Parlaunt Road for circa £1.4m, compared to an external valuation of £0.55m that reflected the cost of refurbishment and essential repairs.
- Completed the conversion and refurbishment of the former Town Hall building to create a new school site and fully upgraded CCTV Control and Monitoring Centre.
- Completed the new Foundation block at Montem Primary School (£1.3), completed the new classroom block at St Anthony's RC Primary School (£0.7m), and completed the expansion of Priory Primary School (£1.4m).
- Agreed and implemented a new School's Modernisation programme, value £4m.

## 10. Future Regeneration Projects

### Introduction

10.1 Regeneration is viewed as one of the key priorities for the Council. The Council's regeneration priorities reflect the main regeneration challenges that lie ahead for Slough and the ways in which the Council can take forward regeneration activity that will contribute to the overall development of Slough's economy and society. They focus on:

- The continued revitalisation of the town centre,
- Securing the sustainable development of strategic locations and infrastructure; regenerating communities,
- Providing a mix of quality owner occupied, private rented and social rented housing in appropriate locations to meet the needs of the whole community,
- Facilitating the development and improvement of educational facilities,
- Maintaining and Improving access to recreational facilities,
- Improving employability and developing skills, and
- Enhancing the environment and creating a positive image for Slough.

10.2 The regeneration priorities are clearly linked to the aims and objectives set out in the AMP and Economic Development Strategy. It will identify forthcoming projects and associated challenges and provide an update of the current economic context. It will highlight recent achievements in regeneration that the Council has delivered or contributed to. The policy will be used across the Council to develop projects and plan services.



10.3 One of the main drivers for transformational change will be the Slough Regeneration Partnership (SRP), which is a joint venture between SBC and Morgan Sindall Investments Limited, with the objective of delivering the Council's strategic regeneration objectives

### Slough Regeneration Partnership

10.5 SRP became operational in March 2013. This followed a competitive process that commenced in 2011 in which the Council sought a private sector partner to help bring forward its regeneration priorities via the Local Asset Backed vehicle (LABV) model. The concept of the LABV is to bring together local government assets and private sector entrepreneurial flair to form a mutually beneficial partnership. The Council will contribute land and the private sector partner will provide development finance (equal to the value of the land), skills and expertise.

10.6 The role of the LABV is to offer a long-term approach to regeneration. Through the joint venture, SBC will seek to exploit economies of scale, lever significant development investment into the town and maximise the value and community benefit of its assets to 'unlock' their value.

10.7 Having originally considered a list of 39 sites, the SRP Business Plan was updated following a strategy day in November 2013 and now focuses on 5 residential and 2 community *priority* projects. In the period to 2018, the partnership will concentrate on the following projects:

| Project               | Description   |
|-----------------------|---|
| The Curve             | This community project, which will provide new library, conference and performance space is currently on site and will be completed by autumn 2015.   |
| Ledgers Road          | This 69 unit development will accommodate a mix of housing for sale and affordable accommodation. It is anticipated that planning permission will be submitted in 2014.   |
| Wexham Nursery        | This former horticultural nursery site will accommodate a mix of housing for sale, shared ownership and rented accommodation. An indicative proposal from SRP shows capacity for a 114 unit development over the 2/3 phases. It is anticipated that planning permission will be submitted in 2014.                    |
| Haymill               | The new college is currently under construction and will be ready for occupancy from January 2014, allowing the former school to be shut down by 31 March 2014. The former Haymill Community Centre to be shut down by 31 March 2014. The building will be demolished in 2014, freeing up the land for redevelopment. |
| Montem Leisure Centre | This is the location of the existing leisure facilities and has potential for a 140 unit residential development. The housing-led development of this site is linked to an ongoing  |

|            |   |
|------------|---|
|            | options appraisal tied into the Leisure Strategy.   |
| The Centre | This site currently comprises office space and conference centre with an adjacent nursery site and is a potential site for a community project that will involve the relocation of the Leisure and Ice Centres. The alternative use is for a circa 80 unit mixed residential site providing low density family accommodation. |
| Castleview | 2 hectares of land has been secured as part of a section 106 agreement with Bellway Homes. The land has been earmarked as the site for a new Free School being established by the Slough Association of Secondary Heads (SASH).   |

10.8 The following *future* projects were also identified in November 2013:

| Project            | Description   |
|--------------------|---|
| Slough Basin       | Potential for a mixed use development including residential and retail.   |
| Mercian Recreation | An opportunity for a small housing development  |
| Maria Cowland Hall | An opportunity for a small residential housing development.   |
| The Orchard        | Potential residential development site for circa 10 units, possibly more subject to planning.   |
| Lavender farm      | This is an out of borough site located beside the Grand Union Canal and has potential for residential use.  |
| Weekes Drive       | This is a potential residential development site to provide up to 113 new homes for rent, sale and shared ownership.  |
| Slough Library     | This is a potential mixed use site in a prominent town centre location that could include a hotel, commercial and residential accommodation.<br>SRP is currently in dialogue with the HCA about how the asset will be brought into SRP for development after SBC moves into the Curve by Autumn 2015. |

### Housing Services - Led Regeneration

10.9 Section 13.5 of this plan refers to the potential for Housing Services -led regeneration to provide a mix of housing to meet local demand. During the lifetime of the AMP, several projects will be pursued including:

| Project          | Description  |
|------------------|--|
| Gurney House     | This site is subject to an ongoing options appraisal and has the potential for a high quality 10 unit development on the site of a former care home.   |
| Trelawney Avenue | This is linked to a Local Regeneration Strategy looking at the demolition of a former public house and options to introduce affordable housing and a community hub. The feasibility of introducing an integrated health facility within the hub is being explored. |
| Belfast Avenue   | Feasibility study ongoing to establish potential use for Adult Social Care housing and /or relocation of facilities from the   |

|                  |   |
|------------------|---|
|                  | Centre site. This site offers a potential to provide specialist accommodation for adults with learning difficulties currently receiving out of borough care.  |
| Brooke Path      | A feasibility study is ongoing to explore the potential for introducing specialist accommodation on this site   |
| Eschle Court     | This prominent corner site has planning permission and is a potential HRA-led development.  |
| Rochford Gardens | This is the former location of a hostel and community centre that have now been demolished and is the subject of an ongoing feasibility study. A scheme proposal is being developed for specialist housing. |
| Farnham Road     | A potential office to residential conversion that will provide 40 units for sale and rent, with potential for ground floor specialist housing.  |

The complete list of HRA sites includes a further 23 smaller sites each of which are capable of delivering 1 or 2 new homes.

The absence of developable land in Slough dictates that future HRA lead developments are likely to be focussed upon the eight existing supported housing complexes which may offer the potential to be remodelled to create extra-care facilities and additional general needs housing. The funding for the HRA –led programme will come from a mixture of s106 receipts, Right to Buy receipts and revenue from annual rental income; combined with an element of borrowing. The prioritisation of projects will be based on robust options appraisals to ensure a balance between general needs and specialist housing to meet corporate objectives. The finance strategy for the will be included in the HRA Business Plan.

## 11. Governance, Roles & Responsibility

### 11.1 Council

At the highest level the 41 elected Councillors of SBC have overall responsibility for asset management and they have delegated responsibility for this function to a group of 8 Councillors who make up the Council's Cabinet.

### 11.2 Role of Cabinet

Cabinet make a number of key decisions in respect of asset management including the consideration and approval of the AMP and Capital Strategy and decisions on the disposal and acquisition of properties to realise wider corporate objectives.

### 11.3 Role of the Leader

The Leader of the Council is the Cabinet member with responsibility for Asset Management. Effective management at this level is critical for the success of asset management and by providing strategic leadership and scrutiny of the property portfolio.

### 11.4 The Role of the Section 151 Officer

The role of the Section 151 officer is 'to make arrangements for the proper administration of the Council's financial affairs' this includes acquisitions and disposals. This function is carried out by the Assistant Director, Finance and Audit.

There may be times where best value in financial terms conflicts with best social or community value. If the difference between the market value and sales value is greater than £2m, the Section 151 Officer will consult the Secretary of State to seek approval to accept less than best financial value. The Council's starting point is to always ensure that the Council maximises receipts to ensure the best value to the local taxpayer. The Section 151 Officer will ensure that the Council complies with Section 123 of the Local Government Act 1972 ensuring risks related to all contracts and transactions have been assessed and that the recommendations made to members for approval are based on sound judgements and in accordance with best practice. The Section 151 Officer will ensure that the Council's financial accountability is sound, transparent and adequately audited.

### 11.5 The Role of the Corporate Landlord

This role will be undertaken by the Assistant Director Assets, Infrastructure and Regeneration. The Corporate Landlord will act as strategic leader for all property related issues to ensure that the Council's buildings and land are well managed and provide maximum returns. It is proposed that all future reports to Cabinet and CMT will include a requirement to identify property related

implications and that the Assistant Director Assets, Infrastructure and Regeneration will be required to sign-off any identified issues prior to the dissemination of reports.

## 11.6 Role of Capital Strategy Board

Proposals for property disposal, acquisition or investment are submitted to the Capital Strategy Board for consideration. The Capital Strategy Board (CSB) framework is well embedded as the body that provides oversight of the preparation and implementation of the AMP and capital programme. The Board meets on a monthly basis and has representatives from each service department. It is chaired by the Assistant Director of Finance (who is also the Section 151 officer). The CSB provides a structure for managing and administering the Council's Asset Management planning role, and

- Prioritises / re-prioritises the capital disposal programme,
- Evaluates business cases for major projects and strategic acquisitions to ensure that key decisions on investment, infrastructure and wider regeneration reflect corporate objectives prior to approval by Cabinet,
- Evaluates business cases for school expansion or modernisation projects; and
- Monitors progress, with a particular focus on financial control and management.

The CSB acts as an advisory board to the Corporate Management Team, provides support to project boards and reports to Cabinet as appropriate.

## 11.7 Asset Management Section

The day-to-day management of the Council's asset base is undertaken by the Asset Management section. The role of the section is to ensure the Council is making the best possible use of its assets to ensure delivery is maximised. It does this by conducting the following tasks:

- Maintaining a central list of assets in conjunction with the Finance section.
- Managing acquisitions and disposals.
- Managing the Council's operational and investment portfolio.
- Identifying potential opportunities.
- Providing expert valuation advice.

The Asset Management team provides advice and assistance to all service departments and is seen as an enabler.

## 11.8 Staff involvement

In order to achieve the objectives and timescales identified within the Operational Plan, it was essential for all members of staff to be involved in and make a contribution to the planning process.

The Asset Management team participated in a Strategy Day involving colleagues from Housing, Finance, Economic Development, and Policy in October 2013 and were subsequently involved in developing a detailed Action Plan. This inclusive approach has resulted in achieving a greater understanding of the range of assets, tasks and regeneration projects that are currently ongoing/planned, identified the relative priority of each project and the input required from the Asset Management service area. It has also identified projects where the principle responsibility falls outside the scope of Asset Management and instead feeds into the revised SRP business plan or emerging HRA business plan.

### Staff Responsibilities

Whilst it is acknowledged that the staffing structure for Asset Management is under review and will be subject to change in 2014, the table below summarises the roles and responsibilities of current post holders. The anticipated staff responsibilities to deliver the key aims and objectives during the period of the plan are as follows:

| <b>Post</b>                       | <b>Responsibility</b>  |
|-----------------------------------|--|
| Head of Asset Management          | Has overall responsibility for the development and implementation of the AMP, line management of all staff and ensuring the delivery of all Key Aims and objectives.   |
| Project Officer/Senior Valuer     | Contributes to the delivery of all Key Aims and objectives, with specific responsibility for the delivery of Key Aims 5 and 6 (rationalisation and continuous improvement objectives).   |
| Investment & Regeneration Manager | Is the lead officer in the project management of the Curve and contributes to other regeneration projects as required.   |
| Principal Asset Manager           | Is the lead role in the commissioning and project management of educational related projects, which are tied into Key Aim 7. This involves managing the education capital programme and delivering the Strategic Schools Places Programme 2013-21. |
| Disposals Officer                 | Is the lead officer in the delivery of Key Aim 2. In addition to the development and management of the capital disposal programme, the DO contributes to the delivery of Regeneration and Estates Management objectives.                           |
| Project Officer                   | Provides support to achieve all strategic aims and has specific responsibility for the effective delivery of Estates Management objectives outlined in Key Aim 1.  |
| Management Support Officer        | This post is split between Asset Management and SRP. For AM - provides support to staff to achieve all strategic aims, with specific input into implementing procedures linked to continuous improvement in Estates Management.                    |

Individual plans have been developed for each member of staff and integrated with their Outlook profile. The delivery priorities and personal targets will be discussed on a monthly basis at staff meetings, at individual 1-2-1 meetings with staff and will be tied into the staff appraisal process.

### 11.9 Stakeholder Involvement

The Council acknowledges that consultation is a key element of its Community Engagement Strategy. It provides an opportunity for local residents and voluntary groups to provide feedback on and influence planned initiatives and projects. On potential housing related projects such as Trelawney Avenue, the Housing Act 1985 places a statutory responsibility on the council to consult with tenants. ,

Moving forward, the Council will commence detailed discussions with its strategic partners with a view to developing an integrated asset management strategy.

## 12. Risk Management

12.1 Risk identification and mitigation are embedded in the Council's approach to operational and strategic management and is integrated into formal reports and decisions considered by Cabinet. In this context, risk arises out of uncertainties about future events and their associated consequences, and in the likelihood of an event occurring that will have an impact on the ability to deliver operational and strategic objectives incorporated within the Asset Management Plan.

12.2 It is important that risk is identified and managed as part of the asset management process. There are different risks associated with the various stages of a project and property lifecycle. Individual risks will be identified, monitored and evaluated on an ongoing basis.

## 13. Emerging Strategic Issues

### 13.1 Accommodation Strategy

The first phase of the Accommodation Strategy involved closing the Town Hall site and transferring the majority of staff into St Martins Place and Landmark Place. This rationalisation provided a location for Claycots Primary School (a 3 form of entry primary school in Slough's area of largest population growth) provided a site for the CCTV centre and freed up land to provide a 69 unit housing development. Following its successful completion, the Council's accommodation requirements have developed in the following ways:

- At the last phase there was a requirement to close the Town Hall within the limited timescales in order to generate targeted savings. Therefore all furniture was recycled and the Council did not review options for better utilising space through more efficient and modern furniture.
- It is recognised that whilst services have greatly reduced their storage requirements, there is still room for improvement. This can be enabled through a scanning project to DIP as much hard copy information as possible. This will help the Council to reduce the requirement for using valuable office space for storage.
- The authority's current operating model offers limited flexibility, with services built around officers rather than the residents/customers. Future investment will redress this by upgrading facilities in community and corporate buildings to enhance flexibility, productivity and customer service.
- There is a need to replace/upgrade the ageing and failing mechanical and electrical services throughout the St Martins Place building in line with the aims and objectives of the Council's medium to long term Accommodation Strategy. This work will reduce infrastructure and maintenance cost, achieve substantial energy efficiencies and remove the risk of an emergency closure of the head office site.
- The under utilisation of our Landmark Place is resulting in disproportionately high costs— however the Council is tied into a medium term lease until 2020. To resolve this and meet the requirement to vacate the Centre and to create decant space whilst the Council undertakes a Mechanical & Electrical upgrade at St Martin's Place, the Housing Services team will be permanently relocated. This will maximise efficiency and free up the Centre site for redevelopment.

The evolving Accommodation Strategy aims to enhance flexibility and efficiency and accessibility. Subject to bringing forward of a comprehensive IT strategy and agreeing a business case for significant levels of capital investment, St Martins Place will be remodelled to increase the number of meeting rooms, informal meeting space and hot desks, all of which will allow staff to undertake



their jobs as well as reduce revenue being spent by services through hiring external meeting space. This will be achieved through the installation of modern and efficient furniture. Community Centres will be enhanced to provide flexible space that will allow staff to hot desk between meetings. The relocation of Housing Services to Landmark Place will improve accessibility and enhance community cohesion.

Alongside this strategy, Asset Management will work with Facilities Management to launch Phase Two of the Corporate Landlord role during the Asset Challenge process, with the aim of making greater use and efficiency of corporate assets.

### 13.2 Corporate Landlord (Phase Two)

The Corporate Landlord Model was adopted on 4<sup>th</sup> July 2011 and included the transfer of all Community Centres and the Caretakers/Assistant Facilities Officers to Facilities Management. A second transfer for the responsibility of Youth Community Buildings and Caretaking staff took place in July 2012.

In the period of the Asset Management Plan, the Council will seek to enhance the existing model. Subject to approval, Facilities Management will centrally manage all Council land and building assets, with service departments making use of them for operational purposes as tenants. All aspects of building and facilities management across service departments will be reviewed by Facilities Management to avoid duplication and inefficient practice, allowing the Council to generate savings related to resource costs. In accordance with the Corporate Landlord model, Facilities Management will:

- Act as an enabler for all service delivery.
- Provide a stable, fully integrated property service, with high levels of customer care and clear roles and responsibilities around the landlord/tenant relationship.
- Enable the design of attractive, functional and sustainable buildings on time and within budget.
- Provide, manage and maintain good quality facilities for Slough residents and staff, improving customer confidence and satisfaction.
- Take the lead role on safety and statutory compliance within buildings. Effectively manage all property related risks.
- Optimise available resources, including personnel, spatial management and innovation through value for money projects.
- Provide accurate and relevant data around buildings and business performance to inform stakeholders. Improve communications with all stakeholders and partner organisations.
- Ensure best value through prioritisation of maintenance spend, backed by effective procurement arrangements.

The adoption of this approach will ensure that buildings are viewed as a corporate resource. It will contribute to the optimisation of occupancy levels, improve suitability and condition, identify future investment needs, improve efficiency, reduce CO2 emissions/ generate energy savings, ensure

compliance with leases and ensure internal and external occupational agreements are in place and service charge contributions recovered proactively.

The establishment of a corporate 5-10 year office accommodation strategy will ensure that retained buildings are maintained in accordance with an agreed strategy. Inefficient/poorly performing buildings will be identified via the Asset Challenge process, leading to rationalisation, the generation of a capital receipts and service improvements.

### 13.3 Economic Development Plan

The Council adopted the four-year Economic Development Strategic Plan (2014 - 2018) in January 2014. This document sets out the proposed interventions and commitments which will represent the first phase towards achieving the Borough's economic development vision to make Slough an economically vibrant and entrepreneurial town where businesses and residents can grow and fulfil their potential - making Slough a great place to live.

The Council is negotiating the renewal for the headlease for 31 light industrial units at Plymouth Road and actively considering the introduction of a new approach to the management of the units that would promote economic development and growth.

In accordance with the Economic Development Strategy, the Council may acquire and/or re-categorise existing assets and operate them as business incubator units. This type of facility allows SMEs and start-ups to develop and grow their businesses. They provide direct access to hands-on intensive business support to assist businesses to grow faster. They provide a nurturing and supportive environment for new businesses during the critical stages of starting up. The role of business incubators is to:

- Serve as a '*launch pad*' and sustainable growth path for young and small businesses,
- Increase the chance that a start-up will succeed, and
- Shorten the time and reduce the cost of establishing and growing a business.

Business incubators have the potential to support and nurture the next generation of growth SMEs in Slough. There is no single formula for incubators units. The model for Slough will link these units to the Business Growth Hub of City Deal which provides business support. There will be no additional cost to the Council to provide business support services as funding for Berkshire has already been secured through City Deal. The Hub would operate through a digital platform from the centre of Berkshire, targeted at innovative and creative growing businesses as well as new start ups, which will be complemented by local face to face 'touch points'. It would provide opportunities for businesses to meet and discuss needs and programme

solutions, access networking events and local incubator centres, as well as providing a local point of contact.

#### 13.4 Review of Parks and Open Space

This emerging strategy will be developed in 2014/15 and will set standards and priorities for action for the quantity, quality and accessibility of parks and open space and buildings on that land. It is anticipated that the strategy will be self-financing. Development of parks and allotments buildings and associated land will be done where it improves public facilities and has a positive financial benefit. There will be a focus on maintaining and improving the most significant parks and open spaces that benefit the wider community.

Changes that bring buildings into community use will be prioritised, but the business case for each must enable costs to be recovered within 5-6 years. Legal issues and condition surveys will be resolved to prioritise sites for development and disposal.

The objectives and outcomes of the Parks and Open Space Strategy will be closely linked to the objectives of the Leisure Strategy. Priorities will be based on an audit of the assets and learning from public consultation done in late 2013. They will include proposals to help more people make more use of parks for leisure activities, including cycleways.

#### 13.5 Housing Revenue Account (HRA) Business Plan

From 1 April 2012, the Localism Bill abolished the HRA subsidy system and introduced a self-financing regime. Under the previous system the Government determined the level of funding required by each authority to run its housing service and as a consequence more than a quarter of the rent received from Slough tenants was returned to the treasury each year. Since only limited rental income was retained, SBC had only limited control of long-term financial planning and there was little incentive to make investment decisions. Under the new system, SBC can make decisions on how and in what it wishes to invest rental income, provided that the expenditure funded by this revenue source falls within HRA 'ring fencing' and the legislative framework provided by Schedule 4 of the 1989 Local Government & Housing Act and Part 2 of the 1985 Housing Act.

The HRA needs to spend annual retained 'Right to Buy' (RTB) receipts over a 3 year programme or the funds revert to central government. There is currently £1.3m retained RTB receipts from 2012/13 and £1.1m from the first quarter of 2013/14. These retained RTB receipts need to be spent on replacement affordable housing and must only contribute 30% of the funding of the replacement affordable housing costs. To spend the £2.4m retained RTB receipts, a total of £8m needs to be spent on replacement affordable/social housing. The HRA will therefore need to find an additional £5.6m of funding to utilise the £2.4m retained RTB receipts; land does not count as part of the 70% 'match funding'.

In parallel to this AMP, a HRA Business plan is being developed that will consider the most prudent methods of investment to meet the financial and social needs of the Council. The HRA could potentially finance:

- Rented accommodation at either social or affordable rents
- Shared Ownership
- Acquisition and conversions from office to residential accommodation
- Development of Specialist Housing accommodation facilitating residents receiving support packages from elsewhere within the Council or from third part providers.

The HRA can invest in ancillary facilities such as shops, community centres or health facilities; however any such expenditure/projects must support the social infrastructure and be complimentary to local housing and link to the HRA Business plan. Where the investment is not in social housing, (for example financing a health facility) the net present value of the investment needs to be paid back within 15 years. It should be noted that the amount of HRA capital, or s106 monies, not linked to affordable/replacement housing is limited. Where facilities are rented or leased to third parties they must be at market rates and subsidised by tenants. The regeneration of Trelawney Avenue and redevelopment of Rochford Gardens are two examples of potentially broader HRA investment.

The Localism Act has also provided local authorities with greater flexibilities and freedoms such that it can now act as a landlord within the private rented sector. Through this provision, it is possible for the Council to establish a subsidiary company to let properties at market rents thereby delivering a revenue income stream to assist the council's financial position and introduce the ability to dispose of the asset at an optimum point, when the market fully recovers.

This innovative approach will be considered by SBC in 2014/15. The objectives of the company could potentially include:

- Providing high quality properties for rent or sale in locations that improve choice and meet the needs, demands and aspirations of prospective tenants,
- Exploring the potential for a programme of land acquisitions. Office to residential conversions and site developments within the local authority area to maximise the business opportunities and profitability of the company,
- Integrating the commercial activities of the company with house building, environmental and regeneration activities undertaken by SBC and its strategic partners,
- Complementing the Council's Regeneration and Asset Management Strategies to improve the physical environment of the town,

- Helping to promote Slough as a high quality area/destination, and
- Promoting an organisational culture that balances business acumen and entrepreneurial flair with the requirement to operate within the policies adopted by SBC.

Individual scheme design will take into account local demographics, construction and site limitations as well as an assessment of local housing need such that the size and type of new homes meets the identified needs of local people as evidenced by the housing waiting list.

It is not possible to be overly prescriptive in terms of housing need and external changes can very quickly influence demand. An example of this is the government's welfare reforms which introduced the spare room subsidy cap or bedroom tax. In the last ten years demand has dictated that the council delivers larger family units of 3, 4 and 5 bedrooms whereas now there is a greater demand for households wishing to downsize and release 'spare' bedrooms which they are no longer receiving benefit for. Accordingly the council is now looking to build smaller units which in turn deliver vacant family homes in due course.

### 13.6 Strategic School Places Strategy

The combination of a rapid growth in birth rate and inward migration is placing an increasing demand on schools places. Based on existing information, the latest projections indicate that up to 15 forms of entry at primary school level and 38 forms of entry for secondary school level will be required by 2022. In addition, a corresponding increase in Special Educational Needs (SEN) childcare and nursery provision is required. The provision of new school places sits alongside a number of competing priorities for land in Slough, including new family housing, modern accessible healthcare facilities and green space.

In the period of the AMP, the Schools Places Strategy will emerge to deliver a long-term programme to provide additional high quality facilities to meet demand and support improved educational attainment. The strategy will focus on delivering the Council's corporate objective and statutory responsibilities by:

- Preparing a list of projects based on agreed priorities that can be accelerated or slowed according to actual demand, to maximise the benefit to Slough residents.
- Carrying out a comprehensive review of all sites for creating new schools, school expansions or annexes.
- Utilising Free Schools as one solution for providing new places, encouraging local solutions where possible.
- Prioritising whole new schools, with expansions and annexes on hold ready to be used at short notice if required.
- Making the best use of available funding and resources.
- Ensuring equality of opportunity for Slough students.

Asset Management will play a key role in the development of the strategy and the identification of suitable sites. Where required, the Council will use CPO powers to assemble suitable sites.

### 13.7 Leisure

The recently adopted Leisure Strategy and Physical Activity and Sports Strategy clearly define and prioritise the need for Slough residents to become more active and adopt healthier lifestyles. Historically Slough has some of the lowest participation rates by adults in sport and physical activity in the country, which also impacts on the high levels of health inequalities across the town.

The indoor leisure offer in the town is provided through schools and community organisations, and private companies as well as by the borough council. This offer includes swimming pools, sports halls, exercise studios, gyms, ice and ten pin bowling. Subsequently Slough is well served for leisure provision however some of the Council's own facilities are dated and in need of serious investment.

A decision will be taken in 2014 on options for the re-provision of the town's major leisure facilities including Montem Leisure Centre and Slough Ice Arena based on the Montem Lane site. In addition to any new leisure facility is an opportunity to consider, subject to affordability and business cases, broader community and regeneration outcomes that will deliver broader social and regeneration benefits to the community. Opportunities will also be pursued to encourage schools and other community facilities outside the council's control to be opened to public use. Asset management will play a major role in taking this work forward.

### 13.8 Libraries and Community Facilities

The work highlighted within the Community Centres Strategy 2012 is well underway, including a programme to rationalise the number of community centres across the borough and developing multifunctional venues whilst addressing the centres in poor condition. The strategy was jointly prepared by the service provider and Asset Management and will closely link to this plan.

The key purpose of the strategy is to have fewer community centres, but better quality provision in key locations. A key challenge recognised early on in delivering the strategy was managing the aspirations of the local community and Members within the available resources and opportunities which are available.

Community ownership and management of assets is not new - although arguably only in recent years momentum behind community asset transfer has gathered pace. This is an area which requires further development. The Council will need to ensure any business cases for potential asset transfers provide appropriate levels of financial security for the Council and benefits the wider community.

The libraries network was reviewed in 2009 as part of the Library Services Review. The strategy provided for 3 satellite libraries, which are now in place at Chalvey, Colnbrook and Wexham Road. Libraries are being updated to operate as community hubs hosting a variety of complementary customer services, including My Council, rooms for hire, advice and guidance, learning classes.

The main library will be included as part of the Curve from 2015, a hub encompassing learning, performance, advice and guidance, meeting rooms, exhibition space and café. The Britwell Centre and Chalvey Community Centre model local community based facilities which include libraries as part of the offer.

### 13.9 Health

Slough's health and wellbeing needs are documented in the Joint Strategic Needs Assessment. These needs include; above average rates of early deaths due to coronary heart disease, a high rate of new cases of diabetes, the fifth highest birth rate in the UK, high levels of child poverty and a high rate of population churn exacerbated by the lack of suitable housing for those with large families. At the same time, access to GP practices is rated as very poor. As a result, many residents use Accident & Emergency services as the first port of call.

The Joint Wellbeing Strategy and Corporate Plan confirm that working in partnership to improve the health of local residents and accessibility of services is a strategic priority.

In 2014/15, work will commence on a Collaborative Asset Management Strategy between SBC, Slough Clinical Commissioning Group, GPs and NHS England to identify a list of potential sites in Slough to accommodate new healthcare facilities that will make a positive impact on areas/wards, ensure equality of access to primary care and narrow the inequalities gap in health and wellbeing outcomes.

### 13.10 Transparency Agenda

In a drive to reduce cost and protect front line services, central government has introduced a revised code of practice for local authorities to make data more transparent for taxpayers to analyse how their council works and where money is being spent. As a consequence, Slough Borough Council (SBC) will be required to publish data in an accessible and reusable format in keeping with the Transparency Agenda. Since effective strategic asset management is delivered by local authorities using factual data about the property estate, it is proposed that public data should include the location of public land and building assets, and any key attribute information that is normally recorded. .

The introduction of the Transparency Agenda will have a significant impact on the workload for Asset Management. From April 2014, for each qualifying asset, SBC will be required to publish the following in one place:

- A unique property reference number,
- A unique asset ID,
- The name of the building/land or both,
- Street number, name, town and postcode,
- Easting and Northing, and
- Confirmation of freehold or leasehold.



## 14. Summary of Key Actions

The Council has gained considerable momentum in its drive to undertake the physical, social and economic regeneration of Slough.

As part of an ongoing and ambitious Asset Management Strategy, the following Key Actions will be undertaken during the period of the plan and reviewed on an annual basis:

### **Key aim one– Introduction of a proactive approach to Estate Management**

This aim will involve efficiently managing the Council’s estate to maximise the commercial return in line with market conditions. It will include reducing arrears, minimising void loss, ensuring that all Council property occupied by third parties is on the basis of a formal lease and ensuring that lease renewals are identified and managed in a timely way:

- Develop revised procedures to reduce rent arrears and ensure that payment plans are in place and adhered to.
- Implement a new local management system to record key information including a diary for key property action dates.
- Ensure that all occupancy is on a suitable lease agreement and all terms maintained.

### **Key aim two– To efficiently manage the disposal of surplus assets**

This key aim will involve optimising the financial return to the Council and is closely tied to the medium to long-term financial plan. Asset Management will prioritise the disposal of non-income generating and/or revenue demanding assets that no longer contribute to service delivery and have the potential to support the requirements of the Council’s capital programme. However, the Council cannot simply maximise the value of receipts from assets. It must also consider the extent to which the value of its assets could be used to deliver other corporate objectives such as additional levels of specialist and affordable general needs housing. This will be achieved through a robust property review process:

- Manage the disposal of assets approved by Cabinet and provide a monthly update report to the Capital Strategy Board.
- Review the disposals programme annually as part of the business planning and budget process.
- Ensure that any disposals with claw-back are recorded appropriately.

### **Key aim three– Make a significant contribution to delivering transformational change**

To manage assets in a way that encourages regeneration and complements the HRA business plan, the Slough Regeneration Partnership (SRP) business plan and Heart of Slough strategy and other strategies, including closer working with NHS England and Slough Clinical Commissioning Group to redress health inequalities. This will include ensuring that all site constraints associated with SRP projects are identified and resolved in line with the development programme and will include project managing ongoing projects in Britwell, Chalvey and Kedermister to provide new housing and community facilities:

- Support Housing Services to develop a business case and 5 year strategy for the development of the housing-led regeneration sites at Upton Road (former Gurney House), Trelawney Avenue, Belfast Avenue, Eschele Court, Rochford Gardens and Farnham Road.
- Support the development of SRP sites by providing professional advice, undertaking development appraisals, identifying constraints and resolving estates' issues linked to the development of Ledgers Road, Wexham Nursery and other sites identified in the updated SRP business plan.
- Work in partnership with the Council's transport section to assemble land required at Bath Road for the Slough to Heathrow rapid corridor project.
- Provide assistance and develop options for the sites associated with the proposed Leisure Strategy, including the Centre and Montem sites.
- Project manage the development of various sites that form part of the Chalvey Regeneration Strategy and take necessary action to bring forward the regeneration of stalled development sites.
- Commence public consultation on options for the redevelopment of Trelawney Avenue and work with strategic partners to realise corporate objectives.
- Commission a feasibility study to identify the future use of the Thames Valley University site and Slough Central library.
- Work in partnership with strategic partners to develop an integrated asset management plan for the delivery of new health care facilities that will improve accessibility to primary services.
- Consider strategic acquisitions which maximise development potential in priority regeneration areas to facilitate town centre regeneration, HRA led Housing programme and SRP.
- Undertake development appraisals linked to the assessment of appropriate s106 contributions.
- Work in partnership with Bucks New University to re-introduce a university into Slough.

#### **Key aim four – Use the Council’s assets to promote economic development and growth**

By working closely with the Council’s Economic Development section and making linkages to the Economic Development Strategy, Asset Management will use the Council’s asset base and develop a new approach to service delivery. This cohesive approach will help to promote, sustain and grow business in Slough and create a place where people want to live, work, stop, shop and do business. This aim includes the proposed introduction of business incubator units.

- Work in partnership with the Council’s Transport section to assemble land at Bath Road required for the rapid corridor project.
- Review the future use of the industrial units at Plymouth Road to introduce economic development based outcomes.
- Explore the potential to acquire assets that could be remodelled to provide business incubation units, including flexible office space.
- Develop the relationship with SEGRO to retain key businesses within Slough.

#### **Key aim five– To hold a rationalised portfolio that is in the right location, is fit for purpose and reduces ongoing revenue costs**

This aim is tied in to the Corporate Landlord role and the emerging Accommodation Strategy and will include undertaking annual performance reviews. Asset Management will introduce a formal Asset Challenge process to promote sharing of premises between departments to modernise services, improve access, increase efficiency and deliver value for money. This aim will also include the development of a longer-term strategy with other public sector/ voluntary organisations to plan for the co-location of services where appropriate. This process will free up poorly performing assets and is closely linked to Key Aim two and will identify assets for future disposal:

- Work collaboratively with Facilities Management to develop and implement Stage Two of the Corporate Landlord model, with an emphasis in identifying poorly performing assets.
- Carry out asset challenges to rationalise the Council’s and other public sector partner’s administration buildings with a view to property sharing.
- Provide professional advice and undertake options appraisals linked to the ongoing review of park buildings.
- Work with NHS partners to develop GP consortiums and introduce modern health care facilities in Slough in locations that support areas in greatest need.

## **Key aim six – To introduce a culture of continuous improvement**

This aim will focus on introducing a culture of continuous improvement in strategic, operational and financial management. It will include: introducing clear designation of responsibility and accountability, enhanced reporting requirements, improved policies and procedures, an enhanced risk management process and undertaking performance reviews. To improve access to information to interested parties and comply with the Transparency Agenda, this aim will focus on providing and maintaining key property information online within the period of the plan.

At a corporate level, this aim will include encouraging service departments to maximise effectiveness and is therefore closely tied to Key Aim five:

- Develop a new suite of RICS compliant Asset Management policies and associated procedures that reflect best practice.
- Review all operational assets to assess sustainability and suitability.
- Identify new income-generating and investment opportunities and make recommendations where appropriate.
- Review progress of the current plan and its approach to asset management to reflect priorities and best practice.
- Develop and implement a revised Action Plan for 2015/16 that incorporates the emerging issues described in Section 15.
- Continue to work with neighbouring local authorities to introduce economies of scale in working processes including asset valuation, best business practices and partnership agreements.
- Investigate and seek to implement new development appraisal and asset management software to support the assessment of s106 contributions, site acquisitions, development appraisals and ongoing partnerships.
- Comply with the Transparency Agenda (related to Assets) by providing web based accessible information to all stakeholders.

## **Key aim seven – To manage and deliver the Strategic School Places Plan 2013-21**

To manage the limited availability of sites to deliver the competing priorities for the Council particularly where both new schools and new housing are required.

The continuing growth in the pupil population over the next 8 years creates an ongoing demand for sites for accommodating a significant expansion of the existing school estate. By preparing a long term strategic plan for school places, sites can be prioritised to optimise their benefit to Slough and can attract income to Slough through the Free Schools programme:

- Finalise, consult and publish the Strategic School Places Plan 2013-21.

- Complete primary expansion projects at Cippenham Primary, Ryvers Primary, Castleview Primary and Godolphin Junior.
- Complete 90% of the current School's Modernisation Programme.
- Have started on site for the next wave of primary expansion projects expected to include the Claycots Town Hall, St Mary's CE Primary and James Elliman Primary.
- Facilitate the opening of new primary and secondary Free Schools including Langley Academy, SASH and Lynch Hill. Where these do not open on schedule or where shortfalls are forecast new expansion projects will be brought forward to ensure the provision of places meets demand.

## 15. Monitoring & Evaluating Performance

15.1 In order to monitor and evaluate performance in the period to 31 March 2015, the following performance indicators have been identified:

| Ref | Indicator                                | Description  | Target 2014/15 |
|-----|--|--|----------------|
| 1   | Capital Disposals                        | % of capital receipt received against target values.   | 90%            |
| 2   | Revenue Income                           | Rent collected as a % of total rent due.<br>Service Charges collected as a % of total Service Charges due.   | 80%            |
| 3   | Void Management                          | % of income lost as a % of gross income.   | 10%            |
| 4   | Lease Renewal and Granting of New Leases | % of leases that are renewed within agreed timescales.   | 80%            |
| 5   | Rent Reviews                             | % of leases that are reviewed within agreed timescales.  | 80%            |
| 6   | Asset Challenge                          | % of Council land and property assets that are categorised following asset challenge and have an action plan in place.   | 100%           |
| 7   | Project Management                       | a) % of projects that complete within agreed budget envelope<br>b) % of projects that fall within +/- 5% of the estimated targeted timescale, expressed as a % of the total number of projects to be completed in the relevant financial year. | 90%<br>90%     |

15.2 A suite of asset specific indicators will be developed and implemented to coincide with the next phase of the Asset Challenge process. These will focus on asset performance and will consider running costs, building condition, energy efficiency and utilisation. These indicators will help to inform decisions on fitness for purpose and asset rationalisation.

15.3 Performance indicators will be monitored on a quarterly basis at Asset Management Team meetings and reported on an annual basis to the Capital Strategy Board.

## 16. Gap Analysis

16.1 Gap Analysis is the process through which the Council will compare its actual performance in relation to Asset Management practice to its expected performance to determine whether it is meeting expectations and using its resources effectively. The gap is the distance between current practice/status and desired outcomes. The analysis will allow the Council to compare itself to those Asset Management practices that are considered reasonable and relevant to SBC to establish best appropriate practice.

16.2 The Council's existing AMP was approved in 2008 and was subject to a marginal review in 2010. Whilst various outputs have been achieved, it has not effectively delivered on its aspiration to introduce a strategic approach to asset management. The introduction of the AMP 2014/17 will help to identify gaps in the way land and building assets are managed, with relevant actions implemented, as follows:

- An integrated approach is required across the Council in relation to the use, acquisition and disposal of land and buildings. The emergence of the Corporate Landlord role will ensure that future decision-making is clearer and better integrated with corporate objectives. This will be facilitated by the requirement for the Assistant Director Assets, Infrastructure and Regeneration to sign-off all reports with a land or property implication – however this needs to be kept under review.
- There is a requirement to achieve a greater understanding of the performance of existing operational assets in terms of their fitness for purpose and energy efficiency. This will be addressed through the introduction of a robust set of KPI's and the Asset Challenge process.
- There is potential for co-location of services, which will be addressed through the Asset Challenge process.
- There is requirement to develop more effective relationships with public sector partner organisations in order to develop an Integrated Asset Management Plan for Slough.
- At an estate management level, improvements need to be introduced in relation to the management of arrears, bad debt and void management. Greater emphasis has been placed on these issues, including revised KPI's, a robust Operational Plan identifying performance targets and the development of a local management system.
- The AMP was last reviewed in 2010. The Council should review the AMP and the associated Operational Plan annually to ensure that its objectives are being achieved.

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## 1. Disposal, Investment and Acquisition Policy

This policy sets out the Council's policies for the disposal, Investment in and acquisition of land and property. The scope of the policy includes sales, Leases, licences, occupation agreements, SLA linked property use and change of use. The policy is structured as follows:

- Corporate and Legal context & definitions
- Decision making and delegation
- Implementation - procedures and guidance on disposal, Investment or acquisition of assets

## 2. Corporate and Legal Context

2.1 As a creature of statute, the Council's powers to acquire, appropriate and dispose of land are governed by statute. Section 120 of the Local Government Act 1972 permits the Council to acquire by agreement any land whether situated inside or outside its area for the purpose of any of their functions under that or any other enactment or for the benefit, improvement or development of their area. Under Section 121 that Act the Council may be authorised (subject to specified restrictions), for any purposes for which they are authorised by that or any other public general act to acquire land, by the minister concerned with that purpose, to purchase land compulsorily within or outside their area. Under Section 122 of the Local Government Act 1972 the Council may (subject to certain procedural requirements relating to common land and land forming part of an open space) appropriate for any purpose for which they are authorised by that or any other enactment to acquire land by agreement to appropriate its land which is no longer required for the purpose for which it was acquired. Apart from these general provisions, Acts conferring specific functions on authorities normally confer specific powers of acquisition of land and where a specific power is given it is usual for that power to be used rather than any more general power.

2.2 Within its legal constraints, Slough Borough Council holds property in order to carry out its functions, meet its corporate objectives and to deliver services. The policy should be considered alongside the Asset Management Plan and the Capital Strategy which together set the overall framework within which the Council manages its asset portfolio. The property portfolio is held in accordance with the Asset Management Plan the aims of which are:

- being managed in an efficient, effective, economic and sustainable manner; and
- To develop a co-ordinated approach to asset management that links with the corporate objectives of the Council.

- 2.2 The Council should only hold property to support the achievement of the goals and objectives set out in the Corporate Plan. Consequently property will be held in one of the following classes:

#### **Operational Assets**

These properties are held, occupied, used or contracted to be used on behalf of the Council to provide services, whether statutory, discretionary or to meet the corporate objectives of the Council

#### **Investment Assets**

Investment (commercial) assets are held, where legally permissible, for the purpose of generating rental income and/or capital appreciation.

- 2.3 The Council will consequently seek to dispose of property, where legally permitted, which:
- Will provide land to support corporate strategies,
  - Will secure capital that is earmarked to support specific planned projects or support other core priorities,
  - Can no longer accommodate the delivery of services in an economically, environmentally or culturally sustainable manner,
  - Constitute significant future risk to the Council, e.g. through accrued liabilities,
  - Are longer required for delivery of a partnership programme, or
  - Offer no real potential for long-term realisable capital appreciation.
- 2.4 The Council will seek to invest in improvements to property where this satisfies the objectives in paragraph 2.2. above, and where:
- Investment will enable the property to accommodate or deliver services in an economically and environmentally sustainable fashion and
  - Investment in the property offers the optimum solution in terms of value for money and service delivery or
  - Expenditure will improve the assets performance through an improved income return and capital growth.
- 2.5 The Council will seek to acquire property where this satisfies the objectives outlined above, and where:
- There is no alternative property readily available within the Council or a partner agency's portfolio; or
  - Acquisition offers a more advantageous solution than conversion or refurbishment of property already held within the portfolio; or
  - The land is required to facilitate highways, education development

and expansion needs that result in a need to acquire land and property by way of negotiation or CPO ( see separate policy for CPO)

- The property is to be acquired as part of a partnership programme.

2.6 All proposals for retention, disposal, investment and acquisition of property assets should be submitted for initial consideration to The Capital Strategy Board.

### **3. Decision Making and Delegated Authority**

3.1 Proposals for property disposal, acquisition or investment will be submitted to the Capital Strategy Board, for preliminary consideration and, if the Board considers the proposal is within the terms of this policy, the Board will either make a recommendation to Cabinet or make a decision under delegated powers. In accordance with the Asset Management Plan and the adopted Corporate Landlord Model, all investments with a property implication must be signed-off by the Assistant Director Assets, Infrastructure and Regeneration.

3.2 No acquisition, disposal or investment shall be progressed unless the proposal fully accords with the Council's Financial Standing orders and, where appropriate, the Council's Contracts Code of Practice. It will also be necessary that any proposed disposal at an undervalue shall comply with the consent provisions set out in s123(2) LGA 1972 and any exceptional expenditure not otherwise justified shall be within the council's statutory powers under either s137 LGA 1972 or s2 LGA 2000 or with approval from the Secretary of State where less than best value applies.

3.3 Further details of key issues to be included in any proposal are set out below:

- Where the proposal involves expenditure or receipts over £250,000 or a disposal at less than best consideration the matter must be passed to Cabinet for decision. Once the proposal has been approved, the transaction will be managed by Asset Management reporting to the Capital strategy Board as appropriate.
- Where the proposal involves expenditure or receipts of up to £250,000 and is a disposal at best consideration the decision can be taken under delegated authority by a Strategic Director, in respect of the land and property for which they are responsible, after consultation with the Head of Legal Services and the Strategic Director of Regeneration, Housing and Resources.

3.4 Notwithstanding the above, where Heads of Terms agreed for a transaction are significantly different from the initial proposal or where the consideration falls outside budgetary parameters, the matter should

be referred back to Cabinet (or Chief Officer/ where the decision was taken under delegated authority).

#### 4. Implementation

##### Identifying Assets for Disposal

- 4.1 Assets may be identified as potentially surplus by service departments in the course of normal business and through the Asset Challenge process.
- 4.2 Where an asset is identified as potentially surplus, Asset Management will notify the Capital Strategy Board providing brief details of the accommodation, tenure and condition sufficient to enable other service departments to consider their utility..
- 4.3 Where a Service Department identifies a potentially surplus asset, this should be notified to the Head of Asset Management to enable this interest to be considered alongside other options.
- 4.4 The Head of Asset Management will report to the Capital Strategy Board setting out proposals for the disposal (or retention) of the asset in sufficient detail to enable the Board to make a decision on the proposal. The report will (as a minimum) provide a brief description of the asset, the current ownership, the reason for it becoming surplus, the current use, an assessment of value, the link to corporate objectives, anticipated capital receipt (if applicable) and a recommendation on disposal or retention. .
- 4.5 Where the report recommends disposal, it will include a recommendation on:
  - The approach to alternative development where this is appropriate.
  - Whether there would be sufficient merit to warrant applying for planning permission before disposal, and
  - The method of disposal and anticipated time taken to dispose together with any significant holding costs/risk.
- 4.6 Where the proposal recommends disposal at less than best consideration this should be supported by a detailed business case identifying:
  - The corporate objectives supported by the proposed disposal,
  - The rationale for disposal at less than best consideration,
  - The shortfall against best consideration and the consequential value foregone, and
  - The value of the benefit in kind to the Council in terms of revenue savings or added social value.

## Appendix 2

### Slough Borough Council Disposal, Investment and Acquisition Policy



4.7 Where the proposal recommends retention for long-term investment or disposal at a later date, e.g. where development potential is not yet realisable but will be available in the foreseeable future, the report should also include:

- An analysis of investment return or long term capital appreciation,
- A summary of holding costs,
- A plan for securing capital appreciation including relevant planning and land assembly considerations,
- An indicative timetable to disposal where relevant, and
- Details of payback periods in respect of the invested amount against income or revenue savings.

#### Identifying Assets for Acquisition

4.8 Potential property requirements may be identified in a number of ways including:

- By services in the course of normal business,
- By Asset Management and Service Departments during the Asset Management Planning process,
- By partnership programme managers, and
- By the Capital Strategy Board.

4.9 Once a property requirement has been identified this should be notified to the Capital Strategy Board with a valuation and basic specification to enable this requirement to be considered against surplus properties and the existing portfolio.

4.10 The Head of Asset Management will then refine the specification with the Service Department/Partner and undertake searches both within the Council's portfolio and on the open market on receipt of the relevant recharge code.

4.11 The Head of Asset Management will report to the Cabinet in sufficient detail to enable the Cabinet to make a decision on the proposal. The report will include:

- summary of the specification and the key characteristics of suitable property
- A brief explanation of the new requirement
- A report on suitable properties (including asking prices) within the portfolio, if any.

4.12 Cabinet approval should be sufficiently detailed and robust:

- To allow the Council to compete in the open market enabling those

## Appendix 2

### Slough Borough Council Disposal, Investment and Acquisition Policy



with delegated authority to make decisions at speed where required.

- To set clear parameters outside of which further reference to Cabinet is required.
- To enable democratic oversight without compromising the Council's response to commercial situations.

4.13 The Asset Management Plan is prepared annually and any investment identified will be put forward through the capital programme bidding process which takes place in autumn each year. Both the Asset Management Plan and the capital strategy are agreed together, usually in February of each year as part of the budget approval process.

#### Methods of Disposal and Acquisition

4.14 SBC will select the method of disposal best suited to maximising the corporate objectives. This may include, but not be limited to the following:

- Auction,
- Private treaty,
- Private treaty with a special purchaser, and
- Private treaty followed by either a closed formal or informal tender.

4.15 However, sale by private negotiation will only normally be appropriate where there is a special purchaser, who might be a tenant or adjoining owner and where:

- The special purchaser may outbid the market.
- The special purchaser will offer social, environmental or economic benefits that would not be attained through open competition.

4.16 Where properties are offered for sale and negotiations are with a single party, the Council should ensure that:

- Appropriate legal advice has been obtained to ensure that the proposed arrangement satisfies the Council's responsibilities for financial prudence
- A third party valuer has been instructed to:
  - a) provide an initial valuation of the property to reflect the circumstances,
  - b) conduct negotiations on the Council's behalf, if required
  - c) confirm recommendations as to the proposed disposal

If deemed appropriate, the Council will seek an independent assessment from the District Valuer for auditing purposes.

#### Heads of Terms and Final Approval

## Appendix 2

### Slough Borough Council Disposal, Investment and Acquisition Policy



4.17 Once Heads of Terms have been concluded for any transaction the Head of Asset Management should report to the relevant delegated authority:

- Confirming detailed Heads of Terms are agreed between the parties
- Reporting any departures from the indicative Heads of Terms anticipated in the initial proposal
- Confirming the recommendation to proceed and the anticipated timetable.

4.18 Where the negotiated terms are significantly different from those originally reported the matter should be referred back to the original decision making for approval with a supporting statement.



#### Transfer of Assets to Third Sector Organisations

4.19 As identified in the Quirk Review 1 in 2007, there are occasions when transfer of assets from Councils to Third Sector Organisations can draw down funding and bring benefits to local communities in terms of local management arrangements and community empowerment.

4.20 In such circumstances the Council will comply with the Voluntary and Community Sector Funding Policy approved in 2010 to ensure:

- That any disposal is made subject to long term reservations that protect the Council's interests and requirements to create or retain easements
- That where disposal is by grant of long lease rather than freehold sale that the Council do not inadvertently retain long term liabilities with the property
- That the terms of the disposal do not compromise the recipient organisation's ability to secure grant aid or other support for operating the property
- That the recipient organisation has sufficient resources to sustain the property
- That a business case supports the decision.

4.21 Any proposal for transfer of assets at less than best consideration should be supported by a detailed business case. Items to be included in a business case will generally include:

- An Options Appraisal
- A revenue budget/ viable business plan
- Details of funding mechanisms
- Confirmation of proposed management arrangements
- Confirmation of any benefits in kind that will off-set the undervalue
- Timescales and Action Plan

4.22 Where the Council continues to hold assets for use by Third Sector Organisation it may be asked to provide this accommodation at less than market rent or in some cases at uneconomic rents and less than best value rules will still apply.



## 1. Background

- 1.1 Slough Borough Council has the power to acquire land by compulsion under a range of existing legislation. The Planning and Compulsory Purchase Act 2004 makes changes to some of these statutory provisions. In particular these include:
- Town and Country Planning Act 1990 – the 2004 Act amends section 226 and provides for the power to acquire land to secure the carrying out of development, redevelopment or improvement in circumstances where this is likely to contribute to the economic, social or environmental wellbeing of the area.
  - Land Compensation Act 1961 and Land Compensation Act 1973 – the 2004 Act inserts provisions relating to the compensation to be provided to owners where their interest in land is acquired.
- 1.2 Historically, the Council has made little use of its compulsory purchase powers, having been able to secure acquisition through negotiation with owners. However, the Council has a range of key priorities which it wishes to meet, particularly in relation to affordable housing, regeneration and economic development. The 2004 Act provides an opportunity to help deliver these priorities where agreement cannot be reached but where the public interest permits compulsory acquisition for these purposes.

## 2. When will the Council seek to acquire land or buildings under the potential use of Compulsory Purchase?

- 2.1 The Council may seek to acquire land or buildings for a range of purposes. These will usually be closely linked to the delivery of its key priorities and objectives, such as the provision of affordable homes, improving infrastructure and the creation of quality jobs. The purchase of development sites, existing buildings or redevelopment properties could all meet these needs and thus fall within the boundaries of the legislation.
- 2.2 Such acquisitions should only be considered where it can be shown that there is a compelling case in the public interest. Given that the potential for compulsory purchase exists, the Council will only make a decision to follow this route where it can be shown that the public benefit of this action will outweigh the private loss of the owner. In addition, the Council will only seek to pursue this route in circumstances where the scheme will not be delivered by a third party without public intervention.

- 2.3 Before deciding to take this route, the Council will have ensured that there is a reasonable prospect of the scheme going ahead and that it is unlikely to be blocked by any impediments to implementation. Where planning consent is required for the scheme, and has not been granted, there should be no obvious reason why it might be withheld.

### 3. Examples where powers may be used

- 3.1 Whilst it is not possible to list all circumstances under which the Council may use its compulsory purchase powers, some examples listed below are some areas which are currently relevant to the Council's priorities and objectives:

- **Education** – the Council will be able to utilise powers under Section 530 Education Act 1996 to acquire land for the construction of school facilities. Section 530 states – “*The Secretary of State may authorise a local education authority to purchase compulsorily any land (whether within or outside their area) which—is required for the purposes of any school or institution which is, or is to be, maintained by them or which they have power to assist, or is otherwise required for the purposes of their functions under this Act.*”].
- **Housing** – sites identified in the Local Plan or Local Development Framework which owners are not bringing forward but which would make a significant contribution to the provision of affordable housing in the district. Reasons for these not being brought forward may be concerns regarding viability as the result of proportion of affordable housing, complex ownerships or simply unwilling vendors.
- **Economic Development** - sites identified in the Local Plan or Local Development Framework which owners are not bringing forward but which would make a significant contribution to the delivery of Economic Development in the district. Reasons for these not being brought forward may be concerns regarding viability, complex ownerships or simply unwilling vendors.
- **Regeneration** - As the local planning authority, the SBC is authorised by the Secretary of State under section 226 of the Town and Country Planning Act 1990 to acquire compulsorily any land in their area if they believe it will facilitate development or redevelopment. Under these powers the Council need to believe that the subject development is likely to contribute to the achievement of improvement of the economic, environmental or social well-being of their area.

### Slough Borough Council Compulsory Purchase Policy Statement

- **Vacant or underused sites** - where vacant or underused, so adversely affecting the amenity of an area, and there is little evidence that a landowner is pursuing appropriate development options, or where land within, or adjacent to, development which is designed to meet a corporate priority but is inhibited by ransom strips or multi/complex ownership.

#### 4. The CPO Process

4.1 Before embarking on the use of compulsory purchase, the Council will usually seek to acquire the land by negotiation wherever practicable. The use of compulsory purchase will normally be considered where reasonable attempts to acquire by agreement with the owner have failed. However, there may be circumstances where it is necessary to commence formal compulsory purchase procedures at the same time as negotiating a purchase. For example, where timescales for delivery of the scheme are short or where it is important to make clear the Council's intentions to use its powers in the absence of agreement. The Council will, therefore, consider early use of compulsory purchase prior to completing negotiations where necessary to expedite the project or reinforce its intention to use statutory powers if required.

4.2 The key stages of the process can be summarised as follows:

- The initial stage of the CPO process will be for the Council to make a Resolution to Make a Compulsory Purchase Order.
- The next stage will involve referencing to establish details of all the affected parties so that a draft schedule can be prepared. The CPO, which includes a CPO schedule and map and a statement of reasons, is then produced.
- The Council will then be required to resolve to make the Order, after which notification of affected parties will take place. Notices are also posted on the sites and the Order must be advertised in the local press. At this stage affected parties will be given an opportunity to object to the CPO. The acquiring authority and their representatives will then liaise with the any statutory objectors to reach a mutually agreeable position.
- If any of the objections are not withdrawn an Inquiry or an informal hearing will usually be held which will be subject to the laws of natural justice. This is held before a Planning Inspector. Both the acquiring authority and the remaining objectors will submit a statement of case which will then be cross-examined during the Inquiry or hearing. If all parties agree, objections can be considered by "written representations" as an alternative to the Inquiry.

### Slough Borough Council Compulsory Purchase Policy Statement

The inspector will then consider the cases put forward and report his/her conclusions back to the relevant Minister, who will then decide to confirm, modify or reject the CPO.

- If the CPO is confirmed, its validity can be challenged for a period of six weeks following the first newspaper publication of the notice of confirmation of CPO. There are only certain legal grounds on which the CPO can be challenged namely that the powers granted are ultra vires, the procedural rules have not been followed or the Minister has not acted properly in reaching the decision. If there is no challenge to the CPO the acquiring authority can then proceed with the acquisition of the land.

4.3 Should owners with concerns about proposals for compulsory purchase orders so wish, the Council will support access to alternative dispute resolution techniques throughout the process. This will not remove objectors' rights to be heard at an inquiry or claimants rights to recourse to the lands tribunal to determine compensation disputes.

## 5. Assessment of Compensation

5.1 Legislation sets out the compensation that is payable when land is acquired under compulsory purchase powers. The Council will adhere to these requirements.

## 6. Delegated Powers

6.1 The use of CPO powers requires Cabinet approval. Such reports will seek the following delegated authority:

**a)** To Make a compulsory purchase order (a 'CPO') for the acquisition of land and rights within the area shown edged red on the draft plans entitled "Area to be Referenced for Proposed (*name of project*) Compulsory Purchase Order (*year*)".

**b)** To authorise that the Director, Regeneration, Housing and Resources, in consultation with the Cabinet Member for Neighbourhoods and Renewal to finalise the CPO map, schedule and statement of reasons.

**c)** That the Director, Regeneration, Housing and Resources be authorised to take all necessary steps to secure the making, submission, confirmation and implementation of the CPO (and where appropriate amendments to the Order) including;

- Publication and service of all notices
- Advertise the Order and submit it to the Secretary of State for Transport in accordance with the Acquisition of Land Act 1981.
- Negotiation with landowners.
- Setting out the terms for the withdrawal of objections to the CPO.
- Where appropriate, seeking exclusions of land from the CPO
- Making arrangements to assist with the relocation of occupiers.

## Appendix 3

### Slough Borough Council Compulsory Purchase Policy Statement

- Making arrangements for the presentation of the Council's case for confirmation of the CPO at any Public Inquiry.
- Exercising the compulsory purchase powers authorised by the CPO by way of general vesting declaration and / or notices to treat and notices of Entry.
- Acquiring third party interests in the site by private treaty.
- Making arrangements for highway management and traffic regulation orders required to implement the highways scheme.
- Making any third party payments of compensation due pursuant to the national Compensation Code as a result of the implementation of the CPO. Compensation due to unidentified owner can be paid to the Crown .
- That the Director, Regeneration, Housing and Resources be authorised to appropriate the land in the ownership of Slough Borough Council required for the (*name of project*).

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**SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Cabinet **DATE:** 10 February 2014

**CONTACT OFFICER:** Sarah Richards, Strategic Director Regeneration, Housing and Resources  
**(For all enquiries)** (01753) 875301

**WARD(S):** Chalvey, Central and Upton Wards

**PORTFOLIO:** Cllr Anderson – Leader of the Council  
Cllr Swindlehurst – Neighbourhoods and Renewal

**PART I**  
**KEY DECISION**

**HEART OF SLOUGH MASTERPLAN – REVIEW OF PROGRESS AND IMPLEMENTATION**

1 **Purpose of Report**

This report is in respect of the Heart of Slough Regeneration Project (HoS project) and provides an update on progress. The report also seeks Cabinet agreement to opening discussions with interested parties to enable completion of the regeneration project.

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

2.1 Cabinet is requested to resolve:

- (a) That the progress made on the HoS project be noted.
- (b) That the opportunities be explored with interested parties regarding the purchase of land necessary to enable completion of the HoS regeneration project; reporting back to Cabinet with a financial options appraisal.
- (c) That the Strategic Director Regeneration, Housing and Resources, following consultation with the Leader and Cabinet Member for Neighbourhoods and Renewal, explore the use of compulsory purchase powers for the acquisition of all relevant property interests which are necessary to acquire to enable completion of the HoS regeneration project.

3. **The Slough Joint Wellbeing Strategy, the JSNA and the Corporate Plan**

3a. **Slough Joint Wellbeing Strategy Priorities –**

The regeneration of the Heart of Slough delivers the following outcomes in support of the strategic priorities:

- Economy and Skills – the development of the Heart of Slough provides jobs and opportunities for training and apprenticeships in the construction process; creates new workplaces that will provide job opportunities for Slough residents and brings

more people, residents and workers, into the town centre which will have a benefit for town centre businesses enhancing the local economy

- Regeneration and Environment – the sites in the Heart of Slough are currently vacant and hoarded. The redevelopment of these sites will bring an immediate, and very visible, improvement to the environment of the town centre.
- Housing – the completion of the Heart of Slough regeneration project has the potential to bring in excess of 1500 new homes to the town centre
- The completion of the Heart of Slough regeneration project is a critical component of the long term plan to improve the image of Slough.

#### 4 **Other Implications**

##### Financial

There would be significant financial implications, both capital and revenue, if negotiations to purchase land or a compulsory purchase order were successful. No budget provision has been made for these costs therefore if a decision is made to proceed with this then the full financial implications, and consequent wider financial impact on the Council's budget would be brought back to Cabinet for decision.

##### Risk Management

| <b>Risk</b>   | <b>Mitigating action</b>   | <b>Opportunities</b>  |
|---|--|---|
| <b>Legal</b>  | None arising from the recommendations of this report             |   |
| <b>Property</b> – the sites that form the HoS project remain undeveloped and vacant and have a long term impact on the economy and image of the town. | This report proposes actions that potentially mitigate this risk | Completion of the HoS project and delivery of the long-held ambitions for the image and economic vitality of Slough |
| <b>Human Rights</b>   | Addressed below  |   |
| <b>Health and Safety</b>  | n/a  |   |
| <b>Employment Issues</b>  | n/a  |   |
| <b>Equalities Issues</b>  | Addressed below  |   |
| <b>Community Support</b>  | n/a  |   |
| <b>Communications</b>   | n/a  |   |
| <b>Community Safety</b>   | n/a  |   |
| <b>Financial</b>  | Addressed in the report  |   |
| <b>Timetable for delivery</b>   | n/a  |   |
| <b>Project Capacity</b>   | n/a  |   |
| <b>Other</b>  |  |   |



## Human Rights Act and Other Legal Implications

If, in due course, it is decided to take compulsory purchase action, the Council has to weigh the Human Rights interests of public need against private property rights and consider that sufficient justification exists for making a CPO.

Should the Council wish to exercise CPO powers, the report seeking such authority will address both the human rights and legal implications of the action the Council is wishing to take.

## Equalities Impact Assessment

There are no equality issues arising from the recommendations of this report. Should the Council wish to exercise CPO powers, the report seeking such authority will include an EIA for the project.

## 5 **Supporting Information**

The Heart of Slough regeneration project (HoS project) is a complex and long term project covering four sites around the main transport hubs of the town forming 4 quadrants (Thames Valley University Site, Brunel Bus Station, land adjoining St Ethelbert's Church and the existing central library (Appendix A - Plan attached). The project was a partnership of landowners, both public, private and quasi public (TVU). The four key sites are in the ownership of Development Securities (NE quadrant), University of West London (UWL and formerly Thames Valley University) (NW quadrant), HCA (the current library site SW quadrant) and Slough Borough Council (SE quadrant/the Curve site, public highway, bus station and part of NW quadrant).

The objectives of the HoS project are:

- The physical regeneration of the town centre and key sites within it
- Challenge and change the perception of the image of Slough
- A demonstrated commitment to high quality design that contributes to changing the image of the town
- Development that meets high levels of sustainability and energy efficiency
- Creation of new open spaces
- Improvement in public transport and the creation of a transport hub
- Attract people back into the central area of the town with a civic building/library providing a community focus

To deliver these objectives the HoS project aimed to create:

- A new road layout replacing an existing roundabout with a crossroads, removing pedestrian underpasses and creating pedestrian access at street level.
- Up to 1,600 homes
- 49,000 m2 of new offices
- A new bus station.
- A new library/civic building. New restaurants, cafes and shops
- New open spaces and squares

From a spatial policy perspective the strategy set out in the Core Strategy is one of 'concentrating development in the town centre'. This recognises that parts of the

centre are in need of environmental enhancement and that it has the capacity to absorb major change. The prominence of the town centre also means that any improvements to its image, environment or facilities are likely to have maximum benefit for the town as a whole.

The HoS is the key site for comprehensive regeneration in the town centre which because of its size and prominent location will have most impact in terms of making changes to the urban townscape, public realm and image of the town. In accordance with the Core Strategy principle of “concentrating development” it proposes that a minimum of 3,000 houses should be built in the town centre which is almost half of the allocation for the whole town.

Because of its importance, the Heart of Slough has been included in the Council’s Site Allocations Plan. This requires that each of the sites (quadrants) must be redeveloped in a complementary, comprehensive way which, in addition to reconfiguring the road system to create a new public realm would establish new residential, commercial and community quarters. A complementary range of uses has therefore been permitted within the Heart of Slough which are intended to improve the image, attractiveness and vitality of the area. These include residential, offices, education, community facilities (The Curve), retail, cafes/restaurants and pubs/bars.

Planning permission is in place for all development proposed for the HoS. The infrastructure works listed above, funded by central government and costing a gross figure of £17.52m, have been fully implemented. The new bus station, of an innovative design, is also complete and operational. The construction of the new civic building/library, now known as the Curve, commenced in January 2014. The project is fully funded by the Council – an investment of £22m. This will ensure that the south east quadrant is developed and completed by summer 2015.

The remaining ambitions for the HoS – new homes, offices, potential hotel and additional commercial offer have yet to be delivered. Development of those quadrants that would provide sites for the housing and office development, with ancillary commercial uses, has been seriously impacted by the recession of 2008 and the succeeding years of property market slump and availability of finance.

Since Cabinet last reviewed progress with the entire HoS project in 2009 a number of things have changed or are changing: the financial climate is beginning to improve with a perceptible increase in confidence in the commercial property market; the need for housing continues unabated and government is stimulating the property market through its incentive schemes; Crossrail will be operational from Slough from 2019. Each of these factors will make the development of the remaining quadrants more attractive and viable.

Progress on the remaining undeveloped quadrants is as follows:

- The NE quadrant, a site for new offices and ancillary commercial uses is currently subject to an active marketing campaign by the owners, Development Securities. Planning permission has recently been granted for an on-site marketing suite which indicates an increasing market interest and commitment to the long term development of the site
- SW quadrant – remains occupied by the current library and will be vacated mid-2015. Discussions are underway between SBC, HCA (the owners) and

Slough Regeneration Partnership to develop plans and an implementation route to achieve an hotel and other commercial uses on the site.

- NW quadrant – this site is mostly in the ownership of University West of London with around 16% in the ownership of SBC. The site has remained dormant since 2009 when Thames Valley University (the predecessor of UWL) vacated the site. The NW quadrant site remains a critical part of Slough’s housing provision. Not only does it contain half the residential units proposed in the town centre, it also represents 27% of the dwellings sites identified in the housing supply for the whole Borough up to 2026. Whilst a limited amount of residential development could be provided on the SW quadrant there is no scope on the NE quadrant. As a result it is important that the proposed housing on the TVU site comes forward as an integral part of the Heart of Slough comprehensive regeneration scheme.

To date all the development that has taken place or is under construction has been driven by the actions of the Council. It is evident that having a strong local ‘voice’ in driving the vision for the HoS has been critical to bringing these sites forward. To continue with the implementation of the HoS vision some further action from the Council is needed. Therefore it is proposed to explore the opportunities with interested parties regarding the purchase of land necessary to enable completion of the HoS regeneration project; reporting back to Cabinet with a financial options appraisal in due course. Following these discussions it may be necessary to consider the use of the Council’s powers to compulsorily purchase land to acquire that part of the HoS, specifically including the NW Quadrant, not currently in SBC ownership to ensure delivery of the final components of the HoS project..

In order to enable a comprehensive regeneration scheme for the whole regeneration project it may be necessary for the Council to advance one or more Compulsory Purchase Orders (CPO) to ensure full site assembly and to minimise the risk of the project being ransomed. Whilst all reasonable endeavours will be made by the Council to acquire interests through negotiation, however a resolution to explore the use of CPO powers at this point will signal the Council’s intention to actively support the programme of regeneration in this area. Although the formal CPO will not be made until a later date (if required), the resolution will provide impetus to negotiations for owners and will also establish their entitlements under the formal CPO process, including possible eligibility for disturbance compensation and other additional payment.

## 6 **Comments of Other Committees**

This matter has not been considered by any other Committees

## 7 **Conclusion**

In order to continue the implementation of the Council’s vision for the Heart of Slough Cabinet is requested to agree to formal discussions taking place with landowners regarding the purchase of their interests in the to the use of the Council’s compulsory purchase powers.

## 8 **Appendices Attached**

‘A’ - Plan of Heart of Slough project area

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# Asset Management Resources

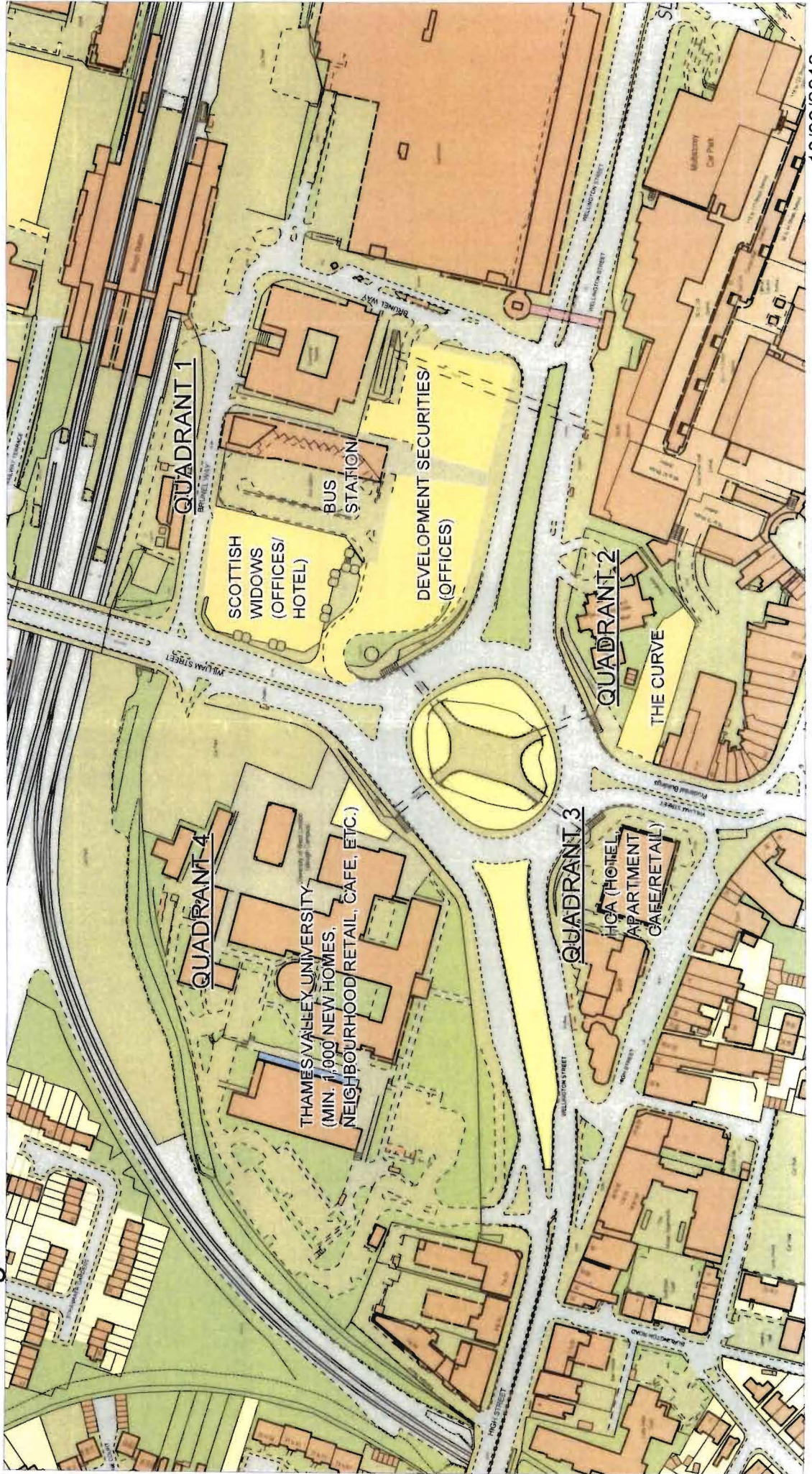
APPENDIX A



Scale 1: 2,500

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## Heart of Slough



13/09/2012

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**SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Cabinet **DATE:** 10 February 2014

**CONTACT OFFICER:** Sarah Forsyth (Scrutiny Officer)  
**(For all enquiries)** (01753) 875657

**WARD(S):** All

**PORTFOLIO:** All

**PART I**  
**NON-KEY DECISION**

**REFERENCES FROM OVERVIEW AND SCRUTINY****1. Purpose of Report**

The purpose of this report is to advise Cabinet of recommendations made by the Overview and Scrutiny Committee, following its scrutiny of the bus station project.

**2. Recommendations**

That the Cabinet endorse the following recommendations:

- (a) that for all major projects undertaken by the Council, a core group of Members (cross party) be formed to engage with the officers and project designers at each stage of design and construction; and
- (b) that the Assistant Director Adult Social Care be asked to look into the formation of an umbrella group that could represent the views of all disability groups across the Borough with whom the Council could consult.

**3. The Slough Joint Wellbeing Strategy, the JSNA and the Corporate Plan****3a. Slough Joint Wellbeing Strategy Priorities**

- **Regeneration and Environment** – the bus station project, as part of the Heart of Slough, was a major element in the Council's plans for regeneration of the town centre and improving public transport facilities.

Cross-Cutting themes:

**Civic responsibility** – this report looks at how the council and local interest groups engages with one another to best effect.

**Improving the image of the town** – the bus station project, as part of the Heart of Slough, was key regeneration project for the borough, and this report looks at how the council can ensure that future projects of this nature are developed in a manner that all residents can access and take pride in.

#### 4. **Other Implications**

(a) **Financial**

There are no financial implications to the recommendations made in this report.

(b) **Risk Management**

| <b>Risk</b>            | <b>Mitigating action</b>   | <b>Opportunities</b>  |
|------------------------|--|---|
| Legal                  | n/a  |   |
| Property               |  |   |
| Human Rights           |  |   |
| Health and Safety      |  |   |
| Employment Issues      |  |   |
| Equalities Issues      | Development of an umbrella group representing the broader disabilities interests will ensure that future projects of the nature of the bus station are accessible for all residents. |   |
| Community Support      | Improved engagement with all Members of the Council will help to create stronger community support for specific regeneration projects.   | Increased community support will ensure all residents feel an ownership for their public buildings, taking pride in how the town looks, and the facilities available. |
| Communications         |  |   |
| Community Safety       |  |   |
| Financial              |  |   |
| Timetable for delivery |  |   |
| Project Capacity       |  |   |
| Other                  |  |   |

(c) **Human Rights Act and Other Legal Implications**

There are no direct Human Rights Act implications arising from this report. There are no legal implications arising from the recommendations of this report.

(d) **Equalities Impact Assessment**

There is no identified need for the completion of an EIA in relation to this report.

#### 5. **Bus Station – Access and Management Issues**

5.1 Following a request from Councillor Strutton, the Overview and Scrutiny Committee considered information about access to facilities and management of the bus station project at its meeting on the 14 January 2014.

5.2 Key points discussed were:



- the bus station was one of the first elements of the Heart of Slough (HoS) to be completed and much of the information put into the public domain and consulted on with specific groups, at the time, was carried out through the HoS project consultation;
- that the Neighbourhoods and Community Services Scrutiny Panel considered details of the reports made to Cabinet and Committees in approving the bus station, and the consultation exercises that were carried out;
- that the design of the bus station included a toilet for disabled users and a waiting room, and that these facilities were included in the lease of the café with the condition that the café operator was responsible for keeping them open, as well as for their maintenance/cleaning;
- in addition to the toilet inside the bus station, there was a wheelchair accessible public toilet that was easily accessed from the bus station, available at all times, maintained at no cost to the council. This had been operational since autumn 2013;
- that a 'lessons learned' workshop had been held in early 2013 to look at the process of how the council manages major projects, and the specific actions undertaken before and during major construction projects;
- some basic operational/design problems at the bus station were still to be addressed, such as the overflow passenger drop-off area not being big enough for wheelchairs; such a problem may have been picked up before construction through effective consultation with disabilities groups;
- that the council's communications and consultation processes had improved significantly since the bus station project as had been seen with the Britwell Hub, and currently with The Curve. In particular, with The Curve, the council had used its own Disabilities Forum for extensive consultation and used their comments to inform and influence the design; however, there was no one umbrella organisation representing all disability groups in Slough with whom the council could consult as a matter of course on such projects which proved to be a challenge;
- there had been little direct Member involvement in these major projects, with the exception of the Planning Committee in considering the planning application (and this did not deal with detailed matters of design), but that Members also held a level of responsibility to take the options offered such as a recent presentation about The Curve which had been poorly attended. There needed to be a more effective mechanism for Members to be able to engage with projects and comment on detailed aspects of the proposals as designs evolved and construction began.

## 6. **Conclusion**

That the lessons learned from the bus station were beginning to benefit current and future projects, with improved communications and consultation as the main example. However, further improvements with Member engagement and consultation with disability groups still needed to be addressed.

## 7. **Background Documents**

- 1 - Bus Station: Access and Management Issues. Report to the Overview and Scrutiny Committee (14 January 2014)

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**SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Cabinet **DATE:** 10<sup>th</sup> February 2014

**CONTACT OFFICER:** Catherine Meek, Head of Democratic Services  
**(For all enquiries)** 01753 875011

**WARD(S):** All

**PORTFOLIO:** Leader, Finance and Strategy – Councillor Anderson

**PART I**  
**NON-KEY DECISION**

**NOTIFICATION OF DECISIONS**

**1. Purpose of Report**

To seek Cabinet endorsement of the published Notification of Decisions, which has replaced the Executive Forward Plan.

**2. Recommendation**

The Cabinet is requested to resolve that the Notification of Decisions be approved.

**3. Slough Joint Wellbeing Strategy Priorities**

The Notification of Decisions sets out when key decisions are expected to be taken and a short overview of the matters to be considered. The decisions taken will contribute to all of the following Slough Joint Wellbeing Strategy Priorities:

- Health
- Economy and Skills
- Housing
- Regeneration and Environment
- Safer Slough

**4. Other Implications**

(a) Financial

There are no financial implications.

(b) Human Rights Act and Other Legal Implications

There are no Human Rights Act implications. The Local Authorities (Executive Arrangements) (Meetings and Access to Information)(England) Regulations 2012 require the executive to publish a notice of the key decisions, and those to be taken in private under Part II of the agenda, at least 28 clear days before the decision can be taken. This notice replaced the legal requirement for a 4-month rolling Forward Plan.

## **5. Supporting Information**

5.1 The Notification of Decisions replaces the Forward Plan. The Notice is updated each month on a rolling basis, and sets out:

- A short description of matters under consideration and when key decisions are expected to be taken over the following three months;
- Who is responsible for taking the decisions and how they can be contacted;
- What relevant reports and background papers are available; and
- Whether it is likely the report will include exempt information which would need to be considered in private in Part II of the agenda.

5.2 The Notice contains matters which the Leader considers will be the subject of a key decision to be taken by the Cabinet, a Committee of the Cabinet, officers, or under joint arrangements in the course of the discharge of an executive function during the period covered by the Plan.

5.3 Key Decisions are defined in Article 14 of the Constitution, as an Executive decision which is likely either:

- to result in the Council incurring expenditure which is, or the making of savings which are, significant, having regard to the Council's budget for the service or function to which the decision relates; or
- to be significant in terms of its effects on communities living or working in an area comprising two or more wards within the Borough.

The Council has decided that any expenditure or savings of £250,000 or more shall be significant for the purposes of a key decision.

5.4 There are provisions for exceptions to the requirement for a key decision to be included in the Notice and these provisions and necessary actions are detailed in paragraphs 15 and 16 of Section 4.2 of the Constitution.

5.5 To avoid duplication of paperwork the Member Panel on the Constitution agreed that the Authority's Notification of Decisions would include both key and non key decisions – and as such the document would form a comprehensive programme of work for the Cabinet. Key decisions are highlighted in bold.

## **6. Appendices Attached**

'A' - Notification of Decisions

## **7. Background Papers**

None.

## **NOTIFICATION OF DECISIONS**

**1 FEBRUARY 2014 TO 30 APRIL 2014**

## SLOUGH BOROUGH COUNCIL

### NOTIFICATION OF DECISIONS

Slough Borough Council has a decision making process involving an Executive (Cabinet) and a Scrutiny Function.

As part of the process, the Council will publish a Notification of Decisions which sets out the decisions which the Cabinet intends to take over the following 3 months. The Notice includes both Key and non Key decisions. Key decisions are those which are financially significant or have a significant impact on 2 or more Wards in the Town. This Notice supersedes all previous editions.

Whilst the majority of the Cabinet's business at the meetings listed in this document will be open to the public and media organisations to attend, there will inevitably be some business to be considered that contains, for example, confidential, commercially sensitive or personal information.

This is formal notice under The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 that part of the Cabinet meetings listed in this Notice will/may be held in private because the agenda and reports for the meeting will contain exempt information under Part 1 of Schedule 12A to the Local Government (Access to Information) Act 1985 (as amended) and that the public interest in withholding the information outweighs the public interest in disclosing it.

<sup>10</sup> <sup>9</sup> <sup>8</sup> <sup>7</sup> <sup>6</sup> <sup>5</sup> <sup>4</sup> <sup>3</sup> <sup>2</sup> <sup>1</sup> This document provides a summary of the reason why a matter is likely to be considered in private / Part II. The full reasons are listed alongside the report on the Council's website.

If you have any queries, or wish to make any representations in relation to the meeting being held in private for the consideration of the Part II items, please email [catherine.meek@slough.gov.uk](mailto:catherine.meek@slough.gov.uk) (no later than 15 calendar days before the meeting date listed).

#### What will you find in the Notice?

For each decision, the plan will give:

- The subject of the report.
- Who will make the decision.
- The date on which or the period in which the decision will be made.
- Contact details of the officer preparing the report.
- A list of those documents considered in the preparation of the report (if not published elsewhere).
- The likelihood the report would contain confidential or exempt information.

## **What is a Key Decision?**

An executive decision which is likely either:

- To result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates; or
- To be significant in terms of its effects on communities living or working in an area comprising two or more wards within the borough.

## **Who will make the Decision?**

Decisions set out in this Notice will be taken by the Cabinet, unless otherwise specified. All decisions (unless otherwise stated) included in this Notice will be taken on the basis of a written report and will be published on the Council's website before the meeting.

The members of the Cabinet are as follows:

- |   |                         |
|---|-------------------------|
| • Leader of the Council – Finance & Strategy                  | Councillor Anderson     |
| • Commissioner for Community & Leisure                        | Councillor Pantelic     |
| • Commissioner for Education & Children                       | Councillor P K Mann     |
| • Commissioner for Environment & Open Spaces                  | Councillor Parmar       |
| • Commissioner for Neighbourhoods & Renewal (& Deputy Leader) | Councillor Swindlehurst |
| • Commissioner for Performance & Accountability               | Councillor Sharif       |
| • Commissioner for Social & Economic Inclusion                | Councillor Munawar      |

## **Where can you find a copy of the Notification of Decisions?**

The Plan will be updated and republished monthly. A copy can be obtained from Democratic Services at St Martin's Place, 51 Bath Road on weekdays between 9.00 a.m. and 4.45 p.m., from MyCouncil, Landmark Place, High Street, or Tel: (01753) 875120, email: [catherine.meek@slough.gov.uk](mailto:catherine.meek@slough.gov.uk). Copies will be available in the Borough's libraries and a copy will be published on Slough Borough Council's Website.

### **How can you have your say on Cabinet reports?**

Each Report has a contact officer. If you want to comment or make representations, notify the contact officer before the deadline given.

### **What about the Papers considered when the decision is made?**

Reports relied on to make key decisions will be available before the meeting on the Council's website or are available from Democratic Services.

### **Can you attend the meeting at which the decision will be taken?**

Where decisions are made by the Cabinet, the majority of these will be made in open meetings. Some decisions have to be taken in private, where they are exempt or confidential as detailed in the Local Government Act 1972. You will be able to attend the discussions on all other decisions.

### **When will the decision come into force?**

Implementation of decisions will be delayed for 5 working days after Members are notified of the decisions to allow Members to refer the decisions to the Overview and Scrutiny Committee, unless the decision is urgent, in which case it may be implemented immediately.

### **What about key decisions taken by officers?**

Many of the Council's decisions are taken by officers under delegated authority. Key decisions will be listed with those to be taken by the Cabinet. Key and Significant Decisions taken under delegated authority are reported monthly and published on the Council's website.

### **Are there exceptions to the above arrangements?**

There will be occasions when it will not be possible to include a decision/report in this Notice. If a key decision is not in this Notice but cannot be delayed until the next Notice is published, it can still be taken if:

- The Head of Democratic Services has informed the Chair of the Overview and Scrutiny Committee or relevant Scrutiny Panel in writing, of the proposed decision/action. (In the absence of the above, the Mayor and Deputy Mayor will be consulted);
- Copies of the Notice have been made available to the Public; and at least 5 working days have passed since public notice was given.
- If the decision is too urgent to comply with the above requirement, the agreement of the Chair of the Overview and Scrutiny Committee has been obtained that the decision cannot be reasonably deferred.
- If the decision needs to be taken in the private part of a meeting (Part II) and Notice of this has not been published, the Head of Democratic Services will seek permission from the Chair of Overview & Scrutiny, and publish a Notice setting out how representations can be made in relation to the intention to consider the matter in Part II of the agenda.

For further information, contact Democratic Services as detailed above.



## Cabinet - 10th February 2014

| Item  | Port-folio | Ward | Priority | Contact Officer  | Other Committee     | Background Documents | New Item | Likely to be Part II |
|---|------------|------|----------|--|---------------------|----------------------|----------|----------------------|
| <b><u>Quarterly Budget &amp; Performance Report to December 2013</u></b>  | F&S        | All  | All      | Joseph Holmes, Assistant Director, Finance & Audit<br>Tel: 01753 875358                      | Overview & Scrutiny | None                 |          |                      |
| <b><u>Leisure Strategy</u></b><br>To consider a report on the Council's leisure strategy and plans for future provision.                                      | C&L        | All  | All      | Andrew Stevens, Assistant Director, Community & Skills<br>Tel: 01753 875507                  | -                   | None                 |          |                      |
| <b><u>SRP Partnership Business Plan</u></b><br>To consider a report seeking agreement of the Slough Regeneration Partnership (SRP) Partnership Business Plan. | N&R        | All  | All      | Sarah Richards, Strategic Director, Regeneration, Housing and Resources<br>Tel: 01753 875301 | -                   | None                 |          |                      |
| <b><u>Medium Term Financial Strategy 2014-18</u></b><br>To agree the recommendations to be made to Council on the Medium Term Financial Strategy 2014-18.     | F&S        | All  | All      | Joseph Holmes, Assistant Director, Finance & Audit<br>Tel: 01753 875358                      | Overview & Scrutiny | None                 |          |                      |
| <b><u>Treasury Management Strategy</u></b><br>To agree the recommendations to be made to Council on the Treasury Management Strategy.                         | F&S        | All  | All      | Joseph Holmes, Assistant Director, Finance & Audit<br>Tel: 01753 875358                      | Overview & Scrutiny | None                 |          |                      |

**Portfolio Key** – F&S = Finance and Strategy, P & A = Performance and Accountability, C & L = Community and Leisure, E & C = Education and Children, S & E = Social and Economic Inclusion, E & O = Environment and Open Spaces, H & W = Health and Wellbeing, N & R = Neighbourhoods and Renewal

**Bold** – Key Decision      Non-Bold – Non-Key Decision      *Italics* – Performance/Monitoring Report

|  |          |         |                            |  |                     |      |                |  |
|--|----------|---------|----------------------------|--|---------------------|------|----------------|--|
| <b><u>Capital Strategy 2014-19</u></b><br>To agree the recommendations to be made to Council on the Capital Strategy 2014-19.  | F&S      | All     | All                        | Joseph Holmes, Assistant Director, Finance & Audit<br>Tel: 01753 875358                      | Overview & Scrutiny | None |                |  |
| <b><u>Revenue Budget 2014-15</u></b><br>To agree the recommendations to be made to Council on the 2014-15 Revenue Budget.  | F&S      | All     | All                        | Joseph Holmes, Assistant Director, Finance & Audit<br>Tel: 01753 875358                      | Overview & Scrutiny | None |                |  |
| <b><u>Heart of Slough Masterplan - review of progress and implementation</u></b><br>To update on the progress on implementation of the Heart of Slough Masterplan and set out options for future priorities and actions. | F&S, N&R | Central | Regeneration & Environment | Sarah Richards, Strategic Director, Regeneration, Housing and Resources<br>Tel: 01753 875301 | -                   | None | Yes p3<br>LGA  |  |
| <b><u>Plymouth Road Industrial Court</u></b><br>To seek instruction with regards to the Council's lease for Plymouth Road Industrial Court which is due to expire on 13 <sup>th</sup> July 2014.                         | F&S, S&E | Haymill | Economy & Skills           | Stephen Gibson, Interim Head of Asset Management<br>Tel: 01753 875852                        | -                   | None | Yes, p3<br>LGA |  |
| <b><u>References from Overview &amp; Scrutiny</u></b><br><i>To consider any recommendations from the Overview &amp; Scrutiny Committee and Scrutiny Panels.</i>  | P&A      | All     | -                          | Greg O'Brien, Democratic Services Officer<br>Tel: 01753 875013                               | -                   | None |                |  |

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**Bold** – Key Decision

Non-Bold – Non-Key Decision

*Italics* – Performance/Monitoring Report

|  |     |     |   |  |   |      |  |  |
|--|-----|-----|---|--|---|------|--|--|
| <u>Notification of Forthcoming Decisions</u><br><i>To present to Cabinet the latest published Notification of Decisions.</i> | F&S | All | - | Catherine Meek, Head of Democratic Services<br>Tel: 01753 875011 | - | None |  |  |
|--|-----|-----|---|--|---|------|--|--|

## Cabinet - 10th March 2014

| Item  | Port-<br>folio | Ward | Priority | Contact Officer  | Other Committee                    | Background Documents | New Item | Likely to be Part II |
|---|----------------|------|----------|--|------------------------------------|----------------------|----------|----------------------|
| <b><u>Hackney Carriage Fare Tariff</u></b><br>To formally approve the Hackney Carriage Fare Tariff set by the Licensing Committee on 28 <sup>th</sup> May 2013 and to also approve any future changes. To recommend that the Council's Constitution be amended to include the approval of the Hackney Carriage Fare Tariff as a Cabinet function. | S&E            | All  | All      | Michael Sims, Licensing Manager<br>Tel: 01753 47                 | Licensing Committee, 28th May 2013 | None                 |          |                      |
| <u>References from Overview &amp; Scrutiny</u><br><i>To consider any recommendations from the Overview &amp; Scrutiny Committee and Scrutiny Panels.</i>  | P&A            | All  | -        | Greg O'Brien, Democratic Services Officer<br>Tel: 01753 875013   | -                                  | None                 |          |                      |
| <u>Notification of Forthcoming Decisions</u><br><i>To present to Cabinet the latest published Notification of Decisions.</i>  | F&S            | All  | -        | Catherine Meek, Head of Democratic Services<br>Tel: 01753 875011 | -                                  | None                 |          |                      |

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**Bold** – Key Decision

Non-Bold – Non-Key Decision

*Italics* – Performance/Monitoring Report

# Cabinet - 14th April 2014

| Item  | Portfolio | Ward                              | Priority         | Contact Officer   | Other Committee                    | Background Documents  | New Item | Likely to be Part II |
|---|-----------|-----------------------------------|------------------|---|------------------------------------|---|----------|----------------------|
| <p><b><u>Simplified Planning Zone 2014-24</u></b><br/>           Approval for adoption of the Simplified Planning Zone for Slough Trading Estate. This grants planning permission in advance for a range of uses including data centres, warehouses and industrial units. This excludes offices, major retail development and the Power Station on the Trading Estate. This will run for a 10 year period from 2014-2024. This is an important tool for attracting inward investment.</p> | N&R       | Baylis & Stoke; Farnham ; Haymill | Economy & Skills | Paul Stimpson, Strategic Lead Planning Policy & Projects<br>Tel: (01753) 875820 | Planning Committee, 4th April 2013 | Simplified Planning Zone 2004-14<br>The Core Strategy DPD 2008<br>Site Allocations DPD (SSA4) | ✓        |                      |
| <p><b><u>Contracts over £250k</u></b><br/>           To report those contracts in excess of £250k likely to be awarded in 2014/15.</p>  | F&S       | All                               | All              | Catherine Meek, Head of Democratic Services<br>Tel: 01753 875011                | -                                  | None  | ✓        |                      |
| <p><b><u>References from Overview &amp; Scrutiny</u></b><br/>           To consider any recommendations from the Overview &amp; Scrutiny Committee and Scrutiny Panels.</p>   | P&A       | All                               | -                | Greg O'Brien, Democratic Services Officer<br>Tel: 01753 875013                  | -                                  | None  | ✓        |                      |
| <p><b><u>Notification of Forthcoming Decisions</u></b><br/>           To present to Cabinet the latest published Notification of Decisions.</p>   | F&S       | All                               | -                | Catherine Meek, Head of Democratic Services<br>Tel: 01753 875011                | -                                  | None  | ✓        |                      |

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**AGENDA ITEM 13**

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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